Private Capital in The USSR

Yuri Larin

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State Publishing House,1927

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Yuri Larin (a pseudonym of the famous revolutionary leader Aleksandrovich Lurie (1882–1932) — an economist, one of the organizers, by the way, the father-in-law of Nikolai Bukharin — was a constant participant in numerous commissions for managing finances, for the nationalization of trade, the creation of state farms, etc. .In the mid-20s, a whole series of trials of NEPmen took place in the country, Larin, having collected the most extensive material based on their results, analyzed it and identified twelve characteristic ways of transferring money from the state pocket to private ones (the machinations of the NEPmen described by him strikingly coincide with the mechanisms taking money from the state by today's entrepreneurs, and they also say that history does not repeat itself. In our time, the word "pyramid" has become a household word in relation to any scam related to the illegal "economic" withdrawal of money. Therefore, we allowed ourselves to put it in the title of the publication: after all, whether they steal from the state or from private individuals is not so important. In the end, we all suffer..

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(A unique book, recommended at one time by I.V. Stalin, which shows the dialectic of the NEP, how in practice the socialist way of economy destroyed the economically private-proprietary, capitalist way. In the post-Stalin USSR, it was kept in special depository, there was no free access to it. All the schemes that were then widely used by the new bourgeoisie during the period of Perestroika are described).

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I. The objective of the work

There is no disagreement that the study of one's enemies is no less necessary than the study of one's own creative activity. There is no disagreement that the role of the bourgeoisie in the national economy is one of the essential obstacles in the matter of our internal construction, in the matter of preparing for the full development of the socialist system. This role is much greater than it might seem at first glance when looking at our state factories, mills, and railways alone. If we take, for example, the totality of wage labor in our country, then, according to recently made calculations in the "Control Figures" of the State Planning Commission, of all wage workers and employees in our country, 28% are employed by private individuals, and these calculations are still underestimated. Taken there, for example, the number of agricultural workers is much smaller than according to the data of Vserabotzemles, so this is the minimum that can be discussed. Of all the hired workers and employees in our country, up to 30% still work in private households and enterprises. Already by this figure alone, one can judge the significance of the phenomenon in question.

It must be emphasized that we will be talking specifically about the role of private capital, and by no means about the private economy in general. In our country, quite often people speak completely uncritically, for example, about private industry in general. Meanwhile, there is private capitalist industry, organized by bourgeois capital, which is a form of bourgeois accumulation and based on the exploitation by bourgeois capital of the labor power it employs. And there is private labor industry, which is simple commodity production without the exploitation of other people's labor, based solely on the expenditure of the small handicraftsman's and craftsman's own labor power without hired workers. Both of these forms are

different socio-economic categories, different social and economic strata, and it is wrong to confuse them together when judging private capital. The same is true in other branches of the economy; everywhere it is necessary to single out the capitalist part of the private economy as a whole in order to judge the relative weight of the capitalist bourgeoisie in our economy.

There is an enormous amount of material on the question of private capital—there is hardly anything we write and talk about more than this—but this material is not systematized, not brought together into a single whole, not sufficiently generalized. First, to bring together the material that is available on the origin of bourgeois capital in the Soviet country, to classify the several types and types of primitive bourgeois accumulation in the period 1921-1924. (partly in a weakened form preserved to this day). Secondly, to give, without any glossing over and exaggeration (such as the substitution of private capital by private economy in general), a picture of its current role in industry, agriculture, trade, and the money market, taking into account, if possible, also the disguised forms of its activity. Thirdly, our task is to make those generalizations that can be made on the basis of an analysis of the development of private capital in recent years.

The work is based on three reports read by me at the Communist Academy on March 19 - April 16, 1927.

The materials that are used in this are mainly as follows.
Under various people's commissariats and institutions, commissions were formed to study private capital in our country, collecting information about its activities in various sectors. The relevant reports and data were then submitted to the commission on private capital, which worked under the chairmanship of Comrade Ordzhonikidze with my

participation from December 1926 to May 1927. These are the materials I use in the first place. The second, source of this kind. I asked in 1926; assistant prosecutor of the USSR comrade Kondurushkin to develop materials of larger court cases that have been brought before the courts of the republic in cases of economic crimes over the past six to seven years. These materials provide many interesting comparisons. Comrade Kondurushkin's work has now been completed and will soon be published by Gosizdat. Thirdly, and finally, information kindly communicated to me officially by various government agencies on special requests.

Initial formation of bourgeois capital in the USSR

Bourgeois capital did not completely disappear and did not stop its activity even at the height of war communism. But the absolute value of the funds at his disposal was comparatively small - the confiscation of capitalist property, carried out by us in 1917-1919, was still too fresh and sufficiently thorough. Of course, there was a certain amount of gold coins, precious stones, etc. hidden away. But since they were in the hands of the capitalists, they were largely lying at that time in anticipation of a better future, while spending on the purchase of food for their owners, etc. The entrepreneurial activity of pre-revolutionary capitalists in the era of war communism was reduced only to speculation in depreciating pieces of paper of various denominations (tsarist, Duma, Kerensky, canceled loans and shares, Soviet signs, etc.) and foreign exchange (the influx of which could not then be particularly large, which narrowed the scope of speculation) and to the partial financing of bagging. Basically, the bagging of the Civil War period was reduced to the trips of workers and peasants for food for their own families. In an entrepreneurial way, with a network of agents, etc. bagging began to be put more towards the end of this period. Judging by estimates of the present cash flow of

private capital in the country and by tentative data on the rate of its accumulation, it is difficult to think that the real entrepreneurial accumulation (on bagging, hard currency, etc.) of the pre-revolutionary and newly created bourgeoisie together amounted to the beginning of the new economic policy (1921) more than one hundred and fifty million rubles. Rather, less. Moreover, including already here all the reserves of cash gold that have survived from the bourgeoisie. A significant part of the gold coins, rings, etc., left by the population. was hidden in general by "little people" who were not engaged in any trade or other business.

The history of the accumulation of bourgeois capital in such proportions that it acquires some, albeit secondary, significance in the national economy of the country, begins with us, therefore, only with the New Economic Policy, since 1921. Then, firstly, state bodies received the right to economic connection with private entrepreneurs, and secondly, private individuals received the right of economic entrepreneurship. At the same time, under the New Economic Policy, a legal opportunity arose for those individual successful handicraftsmen, small traders or peasants who had previously been prevented by the conditions of war communism from developing into entrepreneurs of the exploiting type.

We created NEP, as you know, for both external and internal reasons. True, external ones (the possibilities of an influx of foreign capital to improve our economy) have so far not yielded much (although the results are gradually increasing). But on the other hand, the internal ones have already fully justified themselves. The economy of the country, which was resting after a long war, began to rise rapidly in the commodity-market forms familiar to the petty-bourgeois majority of the population. As the state economy strengthened by virtue of this, we were able to invest more and more socialist content in

commodity-market forms (the growth of state industry, industrialization in the hands of the proletariat). But along the way, by virtue of the very restoration of commodity-market forms, bourgeois entrepreneurship was also restored.

"We didn't learn how to trade," said Comrade Semkov at the Moscow Provincial Party Conference in 1921 to Comrade Lenin. The bourgeoisie has brought neither large fresh funds of its own nor new commodity funds to revive the economy. Commodity funds were in our hands, and the size of the bourgeois funds, as indicated, were small. But the bourgeoisie brought with them the ability to move in the conditions of commodity-market relations, and we were compelled to give them our commodity funds and our means. Production (industrial) remained in our hands (and agricultural production in the hands of the peasants), but the market connection between different parts of the economy (and often even between different state enterprises) fell into the hands of the bourgeoisie. For this, of course, she generously rewarded herself, but for us it was "payment for science. Only as this “payment” accumulates among the bourgeoisie does it begin to take some roots, firstly, in production, secondly, in organizing trade at its own expense (and not only through the legal and illegal use of state funds and state credit), in- the third - in the money market.

Since in the first period of this activity the bourgeoisie had no means of its own to advance the commodity funds of the state, or there were too few of them, the very nature of the use of its "skill" must have very often been illegal or semi-legal, and bourgeois accumulation must have been typically predatory accumulation, i.e., e. in no way proportional (even according to the bourgeois assessment) of the services it provides. The history of the Soviet bourgeoisie is thus quite simple. Her ability to rotate in market conditions was needed, especially for

the first period, while we were almost completely unable to do this; she thus obtained the opportunity to act and, having no means of her own, took advantage of the opportunity to steal them from us, from the state; and nakravshi - then created independent trade at its own expense and capitalist industrial entrepreneurship. The history of bourgeois accumulation in the USSR in its first period is, therefore, first and foremost the history of bourgeois theft in various shapes and forms. And then it starts bourgeois accumulation of the usual type.

In parallel, a narrow circle of small capitalist entrepreneurs was growing out of simple commodity production in the countryside.

In turn, the Soviet state, as it masters the art of maneuvering in the conditions of commodity forms of economy, naturally begins to change its practical line regarding private capital. Instead of the practice of "squandering" 1921-1923. the practice of "pushing aside" private capital from its positions begins, primarily in the area of turnover with products of state industry (1924-1926).

The entire period of the New Economic Policy in relation to the history of private capital must therefore be divided into three parts.

The first period is from 1921 to 1923. This is the period of the creation of modern private capital in our country, plus the involvement in life of some remnants of the pre-revolutionary past that had not been in an active state until then.

The second period is the next three years, from 1924 to 1926. This is the time of the so-called "normal" operation of private capital. Of course, in this second period there were still many remnants (there are still to this day) of the former illegal methods of making money, but those forms of his activity that

are based not on abuses, but on commercial transactions of a legal type are already beginning to prevail.

And **the third period** is the one that begins in 1927 and whose essence on the part of the state is characterized by the current planned approach to the question of private capital as a whole, and not only to individual manifestations of its activity, such as trade in state products, etc. What tendencies it is characterized by on the part of private capital - we will dwell on this below.

The first period is the period 1921-1923. - characterized mainly by the fact that at that time private capital arose by transferring state funds into private hands in a variety of ways and methods. It can be said that the bourgeoisie that acted in the first period of NEP entered this NEP almost bare-handed, very little, often with almost nothing in their souls, except their enterprise, except for connections in various Soviet institutions, except for their readiness to any crime for the sake of enrichment. The circumstance that it was able to achieve rather great success along these paths, as we shall see, is, of course, due in no small measure to the well-known defect in our state apparatus. In other words, by those bureaucratic perversions the availability of which made it possible, and sometimes still makes it possible, on the economic front, for the private businessman to turn government agencies into instruments and means of his own enrichment. The more the work of the state apparatus of our country improves, the less this opportunity becomes, the more the circle of illegal profit of private capital narrows, the more legal profit comes to the fore.

Classifying the methods of primitive bourgeois accumulation of this period, some of which have survived to this day, I list 12 main types of predatory and illegal emergence and accumulation of private capital. They gave him the opportunity by the end of this period, approximately by 1923/24, to collect in his hands already the sum of several hundred million rubles,

with which he then began to operate "normally" (having gradually added the remnants hidden and partly accumulated in period of war communism).

Hidden from pre-revolutionary times, the remnants, and accumulations of the period of war communism from currency transactions and bagging can be counted, as I have already indicated, in the hands of the bourgeoisie about 150 million. g., i.e. about 350 million - all this was accumulated by private capitalists during the first years of NEP as a result of their illegal activities.

The main 12 types of this activity are as follows:

1) agents and accomplices of private capital in the state apparatus,

2) pseudo-state form of activity of private capital,

3) malicious counterparty,

4) illiquid funds,

5) predatory rent,

6) illegal repurchase,

7) smuggling,

8) state money credit,

9) state loans,

10) foreign exchange transactions,

11) tax evasion and

12) pseudo-cooperatives.

Agents and accomplices of private capital in the state apparatus

The first and simplest method of illegal activities to create private capital was the presence of its accomplices and agents in the state apparatus. In the composition of the state apparatus there was not a very wide, not very numerous circle of people, measured perhaps only a few tens of thousands of people, who used the beginning of the NEP in this sense. While serving in economic agencies themselves, they at the same time organized various enterprises either in the name of their relatives, partners, or even directly in their own name. And then they pumped into these private enterprises the state funds at their disposal from the state bodies where they served. Having made such a transfer, they usually left state agencies altogether and "stand on their own feet." This phenomenon was extremely widespread. One could cite hundreds of examples of how various responsible and not very responsible figures, commercial directors and other figures of factories, various economic associations, railways, trade organizations - state and cooperative - organized parallel shops, parallel stores, parallel societies, parallel firms. , who allegedly began to deal with deliveries and contracts for state bodies and all sorts of transactions with them. But all this was carried out by direct transfer, in the form of abuse, to the private institutions they created of those funds that were at their disposal for service in Soviet institutions. trade organizations - state and cooperative - organized parallel shops, parallel shops, parallel societies, parallel firms, which allegedly began to deal with deliveries and contracts for state bodies and all sorts of transactions with them. But all this was carried out by direct transfer, in the form of abuse, to the private institutions they created of those funds that were at their disposal for service in Soviet institutions. trade organizations - state and cooperative - organized parallel

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To illustrate how this was done, I will cite a few examples from the rich treasury of materials collected by Comrade Kondurushkin, established, verified, and confirmed by court verdicts. For example, employees of the Leningrad military port entered into an agreement with the private office "Zavodopomoshch" organized for this purpose and stole 200 thousand pounds of fuel oil from the Leningrad military port, which they took out by a number of trains and tanks and handed over to the office. And Zavodopomoshch sold 50,000 poods of them to the Izhora plant and the rest to other government agencies in need of fuel oil. This private office did not have any money or any other means at the time of its foundation, but only a room in the passage room, one typewriter and a typist.

The director of the former Franco-Russian plant in Leningrad, Lopatin, entered into an agreement with the private office of the engineer Evzerov, the Inzhbyuro, to which he transferred 35,000 poods of roofing iron.

Employees of the "Triangle" plant organized a private office called "Martynov's Office", from which they bought the cable. This was done in the following way: on the one hand, the stolen cable was taken out of the factory to the warehouses of "Martynov's Office" through one gate, and no payment was made for this, since all this was done in the manner of abuse, and through the other gate the cable was imported from "Offices of Martynov", well paid by the "Triangle".

The head of the supply department of the October Railway instructs his father-in-law Medovy to supply burners, lamp glasses and wicks for the railway. Medovoy has neither burners nor money - the whole point is the availability of a responsible relative on the railway. Then Medovy receives samples of burners from the Leningrad Unified Consumer Society (LEPO), presents them to the supply department, where they draw up an inspection report and pay Medovy for the entire supply.

Engineer Zak, head of the restoration subdivision of the NKPS, organized a private technical office, Mosmet, which was supposed to supply exactly the materials that the restoration subdivision needed.

The head of the commercial department of the Leningrad branch of Transmostorg (government agency) organizes a private office "Lakokraska" and writes to himself as its owner, making various transactions with it (he pumped ultramarine out of Transmostorg especially a lot, which he then supplied through his brother to state agencies in Moscow).

The head of the department of the North-Western Railway, engineer Lukyanov, himself makes deliveries to this department (through a figurehead, the former lawyer Zukkau) and himself makes the acceptance.

In 1922, Lvov, a consultant for the October Railway, was an almost monopoly supplier of various materials for this railway, submitting applications, etc., on behalf of the fictitious, non-existent person Shura. He supplied, for example, zinc cans, "mining" them at the Fundkombalt, etc.

Khrapovitsky, the head of the North-Western Railway, is personally negotiating with a petty TPO agent for the purchase of 100 pounds of Swedish nails (which are allegedly the property of this agent), issuing a note on payment of all the

money to him immediately. The nails are actually taken from a state abandoned barn.

The agent of the Leningrad Gubotkomkhoz, the son of a merchant, Belokrinitsky, who had already been sentenced to five years for association with bandits, is another supplier, an accomplice of Khrapovitsky.

Leningrad laboratory assistants in 1922 and 1923 for bribes, they received denatured alcohol from Rauspirt, which was then used by private merchants for perfumery. Having, thus, the material cheaper than TEZHE (Trust Zhirkost), they beat it on the market, selling their perfumes at 15-20% cheaper.

Employees of the Baltic Fleet Konstantinov, Kurylenko, Zverev opened two stores, which were filled entirely from the warehouses of the fleet ("including up to brushes and wicks").

Such examples, established by later trials (mainly 1923-1925), but which took place in life in 1921-1923, one could collect not hundreds, but thousands. In general, in the first period of the NEP, for the bourgeoisie, which had agents of private enterprises in the state bodies, it was precisely the existence of not the usual type of commercial economic transactions, even if profitable, but the presence of direct abuses, and these abuses were clothed only in the form of transactions. By "normal" commercial operation, I mean one in which a private entrepreneur, although he profits, sells something that really belongs to him or buys something really at his own expense, and so on. In the cases cited, we are talking about the actual movement of state funds, only fraudulently passed off as private thanks to officials sitting in state apparatuses, who in fact are private entrepreneurs or agents of private entrepreneurs. When later this first period of "squandering" passed and they began to find out and take into account where what was stolen, hundreds of trials were organized for various

enterprises and large economic organizations, which found out in court the amount of losses of public funds in favor of private capital. Of course, this account is incomplete, but it is very indicative. found out in court the amount of losses of public funds in favor of private capital. Of course, this account is incomplete, but it is very indicative. found out in court the amount of losses of public funds in favor of private capital. Of course, this account is incomplete, but it is very indicative.

The results of only 56 such trials (according to the materials cited in Comrade Kondurushkin's work) show that in these 56 trials alone, state property worth about 54 million rubles in gold was transferred in this way into the hands of private individuals. But trials in cases of 1921-1923. there were much more than 56. As a result of all these abuses, much more property was transferred into the hands of private individuals than 54 million rubles. "Competent persons (comrade Lezhava, bodies of the Supreme Council of National Economy, etc. - Yu.L.) determined the losses of industry for 1921/22 within the very large amount of 150-200 million rubles in gold" (Zhirmunsky. Private capital in trade turnover, p. 18). This is for the first year of NEP alone.

It is especially interesting that these processes make it possible to identify the circle of those persons who were in 1921-1923. agents of private capital and its accomplices in the ranks of our state bodies. Comrade Kondurushkin made a statistical calculation covering a number of major processes. For example, the process of the Leningrad military port, where there were 125 people. defendants; the trial of the North-Western Railways, where there were 118 defendants; Rausspirt process, where there were 79 people. defendants;

trial of the Main Marine Technical Economic Administration with 64 defendants, etc.

And now it turns out that of all the persons found guilty of these abuses by the court and who were our civil servants in 1921-1923, 25% had a higher education, more than 50% had a secondary education and had only a lower education, or were self-taught, or did not have none - less than 25%. Thus, about three-quarters of those civil servants who were active organizers of private enterprises and the transfer of state funds into them were technical, legal, and other intellectuals. The vast majority of them were not people who had already been private entrepreneurs before the revolution; we have before us the process of the formation of a new, post-revolutionary bourgeoisie. These were people who turned into a real entrepreneurial bourgeoisie in the early years of the NEP, using their administrative position in state bodies to enrich themselves through the people they created in the name of nominees, relatives, etc. private enterprises, in order to then openly and themselves turn into independent entrepreneurs.

And indeed, according to a number of these trials, uniting several hundred defendants, there is an estimate of who the people who were convicted in the trials for the abuses they committed in the period 1921-1923 when they were employees of state bodies became. Trials usually took place two or three years after the discovery of abuses (due to the large size of the trials, the large number of people involved, the complexity of the investigation, etc.). It turns out that of the persons who were civil servants, who organized all these parallel offices in 1921-1923, etc., by the time of the trial, 53% turned out to be independent private entrepreneurs.

In addition, 8% were economic agents, and these agents were formally, as it were, civil servants, but in fact they worked on percentages, i.e. in fact, they were also private entrepreneurs. Further, clerical employees turned out to be 12%, accountants, etc. employees - 10% and technical engineering personnel -17%.

Thus, of those persons who, as civil servants, committed major abuses in the early years of the NEP, more than 60% have already formally and openly turned into independent private entrepreneurs. Of course, they were convicted for the crimes they had committed. But we very often have amnesties, or even without amnesties, there is simply "unloading prisons." Our country has an insufficient number of prisons in comparison with the scale of economic abuses that have taken place, and therefore, in addition to any amnesties, prisons are periodically unloaded, during which only the most important criminals, such as murderers, are left in prisons, and less important - thieves - release. The convicts soon begin to operate again using stolen funds.

Comrade Kondurushkin establishes that there is almost no one among today's large private entrepreneurs who has not previously been on trial or has not been expelled administratively on economic matters. Among private wholesalers, semi-wholesalers and larger private manufacturers, there is almost no element that did not pass through the criminal stigma in the first years of NEP. They exactly followed Marx's position that private capital does not stop at any criminal offense if it finds material gain in it.

By the way, from the tables cited by Comrade Kondurushkin, it is clear that of the private entrepreneurs whose cases were heard by the court in 1924-1926, until 1921, no less than 90% were in the public service. It should be added to this characteristic that only about 60% of the civil servants of 1921-1923 who then committed crimes in favor of private capital, but who did not turn into formal private entrepreneurs in subsequent years, formally turned into private entrepreneurs-so, that part that did not turn, it again and again in 1924-1926 often came across again in similar economic crimes.

Comrade Kondurushkin's conclusion from the economic data of 1925-1926 is interesting. about the judicial past of those civil servants who were convicted for bribes and other economic crimes committed in 1924-1926. And every economic crime in our conditions is a crime in favor of a private trader, connected in one way or another with the interests of the private trader.

It turns out that of all the employees who in the second period of the NEP, i.e. in 1924-1926, committed economic crimes, about 80% had already been convicted earlier for economic crimes. In other words, we have a stable circle of economic criminals in our government agencies. Of those criminals who have been convicted over the past two or three years, four-fifths have already been convicted several times (and some have even been convicted several times) in various economic trials, but then they were again recruited into the service - other than a clever "irreplaceable" person, like a clever agent, or moved from one government agency to serve in another government agency, where they did not pay attention to the past, or there were friends in the apparatus who pulled them in again, or in general the authorities looked through their fingers at the past - perhaps it will not happen again. One way or another, but the fact is that the thieves of the first period of the NEP, who were convicted by law because they did not turn into private entrepreneurs, quite often returned again to the state service. Of the newly convicted for economic crimes, employees of state bodies, as it was said, 80% are already convicted earlier, before that.

From this, by the way, it is clear that a special law should be issued that would prohibit all state bodies, and at the same time all cooperatives, from accepting into the state and cooperative service those persons who, at any time during the Soviet regime, were convicted of economic crimes, although if they were then amnestied, at least they served their sentence, at least

they were released in order to unload prisons. It is time, in the tenth year of the revolution, to do without patented thieves in the public service. You can allow them to move on to physical labor on the ground or in the trades, but do not trust them again with positions that enable economic crimes. Under tsarism, revolutionaries were forbidden to live in medium and large cities. We will act quite correctly if we prohibit living in cities from 50 thousand inhabitants of the entire "Nep scum", to all who have ever been convicted or administratively deported on economic matters. There are only 85 such cities in the USSR, and these are the key economic points of the country, where the "criminal bourgeoisie" has the most opportunities and does the most harm. This question has already been raised and is close to a positive resolution.

Pseudo-state form of activity of private capital

The second method of bourgeois accumulation in the first period of NEP was the pseudo-state form of activity of private capital. By the pseudo-state form of the existence of private capital, I mean when a private entrepreneur develops his activities, formally acting as a public servant, being in the service and receiving official powers. He performs his actions ostensibly as a public servant, but in reality he carries out these operations as a private entrepreneur.

In fact, there is an agreement between a private supplier, a private contractor, a private supplier, and a government agency. But formally, this supplier, contractor, procurer, etc., being considered a public servant, does not act on his own behalf, but on behalf of a state institution. Thus, he enjoys appropriate benefits, for example, freedom from tax, or, in the case of firewood, a low foam fee, or, in the case of buildings, the low social security payment that is due to public institutions, etc. In a word, he enjoys all the advantages that belong to a state

body, but in reality he is a private entrepreneur, who is only in contractual relations with state bodies. This is the second stage of pumping state funds into private pockets.

The first stage, the first period of development, consisted in the fact that people in the composition of our state apparatus committed abuses as secret agents and representatives of the emerging private capital. The second form, the second stage, is expressed in the fact that they are no longer secret agents of private capital in our state bodies, but are private entrepreneurs acting legally as public servants. This form was distributed in the form of so-called "authorized with special contracts", in the form of agents who were part of the staff, working on interest, and in the form of all sorts of "representatives", etc. Here are a few examples of this kind of activity.

In the past 1926, it was necessary to procure horses within the boundaries of the former Kyiv province for the military department. Various purveyors were found for this business, including one purely administrative state institution of a small town in this district acted as a purveyor of horses for the military department on such a basis. One private contractor received a mandate from this government agency that he is a representative of such and such a government agency, which authorizes him to purchase and prepare horses for delivery to the military department. The profit remained to him, but on the other hand, from each harvested horse, he was obliged, according to the contract, to pay this state institution 10 rubles. from the head for the use, so to speak, of the firm (from the materials of the Narkomfin, reported to the commission of the NC RCT).

Here we do not have direct abuse, as was the case with the first method - here it is simply foolishness on our part, called the establishment of a so-called auxiliary enterprise operating on the basis of self-financing. We have a fairly large number of

such enterprises under state budgetary institutions, and many develop their activities in an extremely original way. But the common feature, the similarity of almost all these "auxiliary enterprises" lies in the fact that they are usually a cover for the activities of private capital, a loophole that private capital exploits. The procurer is ready to pay something to the institution to replenish the budget of this state body in order to receive its sign. Under the brand name of a government agency, for example, it is easier for him to both procure horses and sell them, since people who deal with him think that they are dealing with a government agency.

Another example, of an earlier time and also very typical, is Loshinsky. He was our civil servant, authorized by our nationalized technical office, which before the revolution belonged to the once famous engineer Bari. Loshinsky was hired by the Tashkent Railway, which instructed him to procure timber materials (and then the Western Railway did the same). He had a power of attorney, from which it is clear that he is a completely independent person, existing on interest from the work received, and the railway pays this "agent for the procurement of forest materials" the cost of harvesting forest materials plus 25% of this cost.

Loshinsky had the right, by proxy, to independently dismiss and hire employees, etc. - in a word, he was a fully private contractor, and formally he was listed as an agent of the railway for the preparation of various sleepers, etc., a civil servant. As such, he "worked" without collateral, without a penalty, without paying taxes and fees, which relied on private individuals, on road advances.

This practice was so common at that time that the road agreement with Loshinsky passed five instances without hindrance. First, it was approved by the road administration, then by the financial and technical commission, then by the

financial and control committee, then by the Collegium of the NKPS, then by the interdepartmental commission.

Logging in general was a favorite area for the appearance of private capital in a pseudo-state form. There is not a single railway in our country where major abuses have not been discovered in the logging departments (they used to be called iron committees). The business of economic logging for the railroads was actually carried out on a large scale by private suppliers. They were accepted into the civil service, received mandates and loans as authorized procurement officers, but acted independently, with profits legalized in various forms in their favor (interest on cost, etc.).

I call this method the work of private capital in pseudo-state form. Here it is no longer theft through direct abuse, but the legalization of theft (and work on our funds) on the basis of the use of our unreason. Since such cases still occur today, it is necessary to prohibit all state and co-operative bodies from entering into contracts with any state or co-operative employees, it is absolutely forbidden to have such employees who work on interest, under special contracts, are "representatives" or "authorized" of the specified type, etc. Of course, an exemption can be made for manual peddlers, like the Mossel-promiscants, and for clerks in shops who receive a small bonus from turnover, but the general rule must be put into practice quite firmly.

Malicious competitor-counter part

The third way of accumulating private capital in the first period of the new economic policy is the so-called counterparties of state agencies, but malicious counterparties. They are no longer secret agents of private capital within the state apparatus and are no longer civil servants at all. They have already hatched out of this shell; they are already openly acting as independent

private contractors. But they are not counterparties performing actual commercial transactions, but counterparties acting solely on the basis of abuse. This is the band of counteragents that was especially widely developed from about 1921 to 1923 and was only partly preserved thereafter. These are such counterparties who, as their main capital, had only contacts and acquaintances in Soviet institutions and with the help of them arranged their affairs, and not by spending their funds in any equivalent accordance with the results achieved.

Their methods of action can be reduced to four main types. For example, they made orders to our state-owned factories, providing themselves with a bribe, firstly, especially cheap order fulfillment, secondly, special speed of order fulfillment, and, thirdly, especially good quality of order fulfillment. Thanks to this, they received from our factories products that were better than those products that our government agencies and cooperatives got, and secondly, they had the opportunity to sell these products cheaper on the market and beat our own trade. In part, such methods are still successful, but less often.

The second type is this. They gave us an order for a large penalty in case our plant did not fulfill it by the deadline. Moreover, it was agreed in advance between this kind of private customer and the relevant commercial figures of our plant that the order, of course, would not be completed on time. Therefore, this private trader will receive a large penalty, which he will then share with whomever he should.

The third type of counterparty of this kind was such that they took various contracts for us, deliveries, procurement, without giving any collateral. Previously, before the revolution, under tsarism, when a contractor undertook to deliver something for the treasury, build a barracks or something else, they always took a pledge from him that he was really able to do it. They took a certain amount, he had to deposit a certain percentage of

the contract amount as a guarantee that he would do his job. With us, due to our inexperience, ignorance, due to the dishonesty of those commercial employees whom we received from the bourgeois apparatus and who did not tell us this, the bail system was not applied. We handed over contracts, orders, deliveries to a private entrepreneur and did not require any collateral. On the contrary - and this is the fourth type of such counterparty, - quite often we still advanced them, i.e. we gave this private trader funds: we give him a certain amount in advance, and he undertakes to produce such and such things for us. There were, and not infrequently, such cases when he took the money and did nothing or did not invest any of his funds in the business at all, everything was spent on our advances and made a profit directly at our expense.

These are the **four methods** that were especially widely used by the so-called contractors of government agencies in the first period of the NEP (and to some extent have survived to this day). There is a list of private so-called technical and transport offices, which were established in large numbers in Moscow and Leningrad in 1921 and 1922. Their main and only occupation was contracting with government agencies. Of these offices, there was not one that did not end up in a lawsuit. Therefore, the affairs of these technical and transport private offices can be well studied. Among the counterparties of the second period of the NEP, i.e. 1924-1926, there are already real ones, but the contractors of the first period, 1921-1923, were entirely individuals who, under the guise of commercial agreements with government agencies, organized the actual embezzlement of public funds. A characteristic feature was the duration of these thefts. For example, in the Leningrad port, this lasted six years, in the Leningrad customs - five years, in Rausspirt - three years, in the Main Military Warehouse - three years, and so on. Each time, some private offices and a large

circle of employees were involved in the case, there were 50 and 100 people, with the help of which everything was done.

I will give just one example - from Leningrad. There is a speculator in Leningrad named Semyon Plyatsky. He passes, as Comrade says. Kondurushkin, through a number of lawsuits of various government agencies. He is a millionaire, he was a millionaire, and before the revolution he was a metal dealer. Throughout the period of war communism, he was our civil servant.

In 1921, when the new economic policy began, he became a private entrepreneur, and since then he has been through eighteen business lawsuits. He was convicted in all eighteen trials. These trials took place in Leningrad in recent years in court, and the most abuses took place over the course of a number of previous years.

These include: the trial of the Franco-Russian Plant, the case of the State Machine-Building Trust, the case of the Krasny Putilovets, the case of the Mass Production Trust, the case of the Moscow Trust of the Medium Metal Industry, the case of the Leningrad Gubernia Inspectorate of Places of Confinement, the case of the Bolshevik plant, etc. Tov Kondurushkin writes about him: "Convicted in all cases, but alive and well in all cases. Twice he was in the Cheka and both times he was reborn like a phoenix." He paid us income tax. Its annual turnover was about 3 million rubles. He was associated with more than thirty government agencies. At the moment (April 1927) again in prison. So this businessman, for example, ordered the Bolshevik plant to roll 25 thousand pounds of steel from the materials of the plant. Plyatsky's price was set below cost. The order (shafts) was made of high-grade steel, suitable in composition to tool steel.The order to Plyatsky was completed a month ahead of schedule, meanwhile, a similar order to the Sestroretsk Arms Plant was executed a month later, and orders

to Volkhovstroy were delayed. Orders to Plyatsky were carried out from the materials of the plant, but nevertheless Plyatsky received a wide loan for them in our State Bank. He used this bank loan for his other turnovers. Further, this order was branded with the letter "G", which is a special responsible brand of the Bolshevik plant, indicating a particularly high quality of the goods, i.e. all of our government agencies in need of metal goods were especially willing to tear this product with their hands.

Finally, the manager of the plant, Serov, gave Plyatsky a mandate that Plyatsky was a "representative of the plant." It goes without saying that the administration of the plant was largely at the mercy of Plyatsky, as the court later showed. When, in 1924, abuses began to be suspected and the Sevzapvoenprom of the Supreme Economic Council wrote to the Bolshevik plant a proposal to stop the execution of Plyatsky's further orders, Kapterev, head of the technical orders department, authored the following official report to this proposal: “Contracts have been concluded with Plyatsky in accordance with all the rules of jurisprudence. The irresponsible persons of Sevzapvoenprom believe that in Soviet Russia there are no rules and laws protecting the rights of private industrial enterprises. Plyatsky is a large and profitable customer for the plant, since he gives orders not microscopic and not homeopathic, which the Sevzapvoenprom plant stuffs. I am writing in defense of the moral principles that are obligatory for the plant in relation to the customer." Kapterev, who so defended "moral principles", also our civil servant, as it turned out at the trial (this case was heard in the Leningrad Gubernia Court in 1925), received bribes from Plyatsky systematically for three years, from 1922 to 1924, and his moral principles cost the state 100 thousand rubles.

This example clearly shows the nature of counterparty agreements between government agencies and private individuals during the first years of the new economic policy. Contractual contracts of that time are contracts with private capitalists where they already openly figure as private capitalists, but when the contracts are based not on actual commercial transactions, but on transactions of a unilateral character, i.e. on pumping from the state pocket to the pocket of a private counterparty, without any equivalent.

The practice of all sorts of indulgences to a private trader so entered the minds of commercial specialists who worked in state bodies at that time that sometimes they directly spoke out in court. Here, for example, is the representative of the Central Asian Railway Ignatenko. He was asked at the trial why he never included conditions in contracts with private individuals that they make a deposit. Ignatenko replied that this would still mean only transferring money from one pocket of the state to another. When his court asked what kind of transfer is possible here, he answered: after all, if somewhere we charge a deposit from the contractor, then no more than 5 to 10%, while an advance payment is always issued when ordering not less than 25%.

With such a practice, of course, Ignatenko could consider himself not having made a particularly unforgivable mistake, if he was sincere at all, and did not play a simpleton.

In order to at least to some extent protect ourselves from that circle of contractors who have made such swindling of the treasury their specialty, absolutely without any equivalent, we must pay attention to the fact that in a long series of cases we are always dealing, in essence, with the same persons (as in the case of economic crimes of employees of state bodies). There are several thousand such "criminal entrepreneurs" who are persistently engaged in economic work with state bodies, and

there are a large number of state bodies that continue to work with them, continue to work with people like Plyatsky. Eighteen times he was tried, thirty state bodies suffered from him - and yet he got the opportunity again and again to enter into economic relations with the same or other state bodies.

It is necessary that a private entrepreneur, when concluding contracts with state bodies, submit a certificate of non-conviction. It is also possible to establish the obligation of a certificate of non-conviction so that a private entrepreneur can receive loans from mutual credit societies or other lending institutions. The prohibition of residence for convicts in large cities has already been indicated above. This does not mean that we exclude any possibility of existence for them. Let them move to the Far East and organize farms there, but without hired workers and at their own expense, because they have the means for this. Now a similar experiment is being made, though not with big Nepmen, but with small merchants - I mean the resettlement of small Jewish merchants from the western cities of the USSR to southern Ukraine and the Crimea, where they are given land and where they organize labor agricultural farms.

This has been going on for four years, about 100,000 people have already resettled, and the results are good. People have turned into real peasants, so that this year many of them have already been given the right to vote.

They are under the control of local authorities, and it has been established that they actually work physically, live in dugouts, lead a hard life, but organize their household. And since the old bourgeoisie, which we will deprive of the opportunity to indulge in abuses, has young people, has children (and perhaps one of the bourgeoisie themselves will want to turn to working life), we do not close the way for them. You can give them

access to the empty lands of the Far East and allow them to engage in labor agriculture there, etc.

In addition to prohibiting government agencies from dealing with patented criminal elements, it is necessary, of course, to also prohibit the advance payment system, as a rule, the system of no collateral, the system of private orders to our factories with penalties, etc. As recent examples of the carefree linking of state funds in advances to private enterprises, one can cite a series of bankruptcies of private firms in Moscow in 1926. A private capitalist sells the products of his factory in advance to state agencies and cooperatives, receives large advances and then goes bankrupt. You won't get anything from him, the money has gone irrevocably into the channels of private capitalist circulation. A report to the Commission of the People's Commissariat of the RKI on "Linking State and Cooperative Funds in Private Affairs" (February 1927) cites, among other things, such examples.

The private firm "Moscow Textile Partnership" took half a million rubles in advance from government agencies and cooperation for its future products and went bankrupt. The private company "Universnab", which has a cloth factory in Glushkovo, also collected advance payments for future sales, etc. and went bankrupt, causing the state a loss of 600 thousand rubles.

The private company of cloth factories "Russtekstil", having its own capital of 200 thousand rubles, brought its turnover to 2630 thousand rubles by the system of advance payments from government agencies and cooperation.

The private company "Rosstorg" (knitting factory), the private factory of combs and celluloid products "Triumph", etc., etc. - all this flourishes by working on state and cooperative funds in the form of advances. It would seem that there is nothing easier

than for government agencies and cooperatives to take over these factories and run them themselves with the funds that they are now giving out to private entrepreneurs in the form of advances. There would be savings on all the profit of a private trader. Moreover, among these factories there are a number of leased from government agencies. A private factory makes sense to us when private funds are invested in it. And in cases where the work is carried out with state funds, it makes no sense to organize this business as the property of the capitalist who profits from it. Such a system of advances would mean the creation of an accumulation of bourgeois capital at the expense of the state, and therefore must be abolished.

Illiquid Funds. Automobile and water transport

The fourth method of accumulating bourgeois capital is the use of what we call illiquid funds. The first form is secret agents of private traders in the ranks of the state apparatus. The second is a private trader working legally in state form. The third is the counterparty of private capital in relation to state bodies, based on abuse. The fourth is the use of illiquid funds (reserves of the state) in a commercial way, i.e., by acquiring them by private capital on favorable terms, resulting not from bribes, but from our own bungling. There are a lot of illiquid funds in our state. Everything that was confiscated in 1917 and in subsequent years from the bourgeoisie, since it was not processed later in production, since it was not distributed during war communism among the population, left to lie in a pile of very poorly accounted for illiquid funds in state-owned enterprises. On the other hand, the illiquid fund was replenished with things of new origin, new production, or import (import from abroad), depending on certain orders of economic authorities. For example, in 1925 the Supreme Council of National Economy ordered that the illiquid funds of plants and factories be intensively sold; sell them to the side, in order to increase the

working capital of enterprises in this way. Then a directive was given in order to accelerate the turnover of capital and to invest it as little as possible in idle things - to reduce the amount of stocks in our production and commercial enterprises. As a result, even in recent years we have had a whole wave of alienation of state property to private individuals at reduced prices, not to mention the first years of NEP.

Here are some examples. GUM in 1926 (data from a special survey of the RCT) from all imported haberdashery, i.e. from the haberdashery that was brought from abroad, which was paid for by us in gold currency for special saturation of the domestic market, GUM, in an effort to reduce the dead stock, sold 80% of imported haberdashery to private individuals. Of the wholesale sales of GUM in 1926, in general, 56% of all goods were sold to private individuals.

Leningradodezhda, when it liquidated its illiquid property, sold fully serviceable cars at prices ranging from 400 to 600 rubles a piece, and the price of a serviceable car is now considered to be at least 10 thousand rubles. Then Leningradodezhda sold suitable typewriters at prices ranging from 5 to 35 rubles apiece. She also sold 5 thousand barrels of cement she did not need at the price of 1 r. 25 k. per barrel, and in a barrel 10 pounds of cement. By the way, she later bought some of the cement back at a much higher price (from Comrade Kondurushkin's reports).

The sale of cars to private individuals has taken on noticeable proportions under the influence of the austerity regime. I received a certificate from the Central Administration of Local Transport of the NKPS dated January 14, 1927, No. 39, stating that up to now, 1,661 cars have been sold to private individuals by various government agencies, of which 1,218 are passenger cars, 422 trucks and 21 special-purpose vehicles (and in addition, 4 thousands of motorcycles). These cars are sold at an

average price of 400 to 500 rubles for the car. The regime of economy called in all trusts, government agencies, etc. the desire to get rid of his car as soon as possible, so as not to be scolded at a meeting of the cell, in the newspaper, so as not to get caught on the tongue of some toothy speaker, and therefore did not chase the price, just to get away with it.

According to the same information from the Department of Local Transportation, repairing and bringing these cars into full order cost the buyer an average of 500 to 700 rubles. Consequently, the entire cost of a private buyer for a car up to bringing it to full readiness averaged about one thousand rubles. Since the car costs about 10 thousand rubles, it is easy to calculate that 9 thousand rubles. we donated state property on each car. And if you multiply these 9 thousand by 1,600 cars, it turns out that more than 10 million rubles. donated to a private owner only on one car. The net income of a private owner from a car, according to TSUMT, is about 2 thousand rubles. in year. As a result of the "realization of illiquid funds", about 8% of the entire automobile transport of the USSR is now in private hands.

The sale of illiquid funds thus created in this case a new branch of the private economy—road transport. In the same way, private water transport was created as part of the sale of "low-year" and "surplus" illiquid assets.

It was done in this way. For example, a former merchant of the first guild Legach bought from Fonkombalt in Leningrad for 5 thousand rubles. the following things (I borrow this example from the reports of Comrade Kondurushkin):

1) one towing steamer in 44 indicator forces;

2) one pontoons with a carrying capacity of 7 thousand pounds;

3) one boat 10 fathoms long;

4) one iron barge with a carrying capacity of 6 thousand pounds;

5) one iron barge with a carrying capacity of 10 thousand pounds; 6) one iron barge with a carrying capacity of 9 thousand pounds;

7) scow No. 71;

8) an iron barge with a carrying capacity of 7 thousand pounds; 9) a towing steamer, which alone costs much more than these 5,000 rubles.

It should be noted that this Fonkombalt was headed by specialist engineers. Having bought this small water fleet, this same Legach then began to compete with the State Shipping Company, receiving orders for transportation from the Oil Trade and other government agencies.

The legach continued to buy up illiquid property for next to nothing, which included steel and hemp cable, sheet iron, etc. He bought 40 thousand pounds of steel from the sides of old ships and eventually concluded an agreement with the former owner of the agricultural implements plant with the Leningrad Forestry Institute for six years for the exploitation of 18 thousand acres of forests of the institute in the Pargolovsky forestry for forcing turpentine, tar, and coal.

The same kind of sale of "illiquid" water transport took place in other places. As a result, we created a private river and sea water transport that did not exist in 1920, which then began to play a certain role in transportation in places. According to the Central Statistical Bureau, private water transport in 1923 was estimated at less than 3 million rubles, and in 1925 it was over 10 million rubles. According to the certificate of the TSUMORA NKPS dated February 4, 1927, No. ER / 3-15, as of January 1,

1926, the price of a private fleet on the Black Sea alone was about 2 million rubles. (including 307 vessels over 20 tons, i.e. each over 1,200 pounds of carrying capacity) and in the Caspian Sea - 600 thousand rubles. The main part is on the rivers. Transportation of the private fleet (sea and river) in 1925, according to the Central Statistical Bureau, amounted to about 3.6% of our total water freight turnover.

In the following year, 1926, the private river and sea fleet, according to preliminary data from the NKPS, transported even 7% of our entire river and sea cargo turnover.

Because of this, some of our vessels are laid up or work with a weak load. According to the Central Statistical Bureau (p. 419 of the "Spravochnik" for 1927), of all steam and non-steam vessels of the river fleet of the USSR, in 1924, 15.2% belonged to private individuals, and in 1926 - already 33% of their total number (13,469 ships in 1926). Of course, smaller vessels, mostly non-steam ones, are owned by private individuals, so this is only about 5% in terms of cargo capacity. River and sea steamships and vessels owned by private capital bring a profit of about 2 million rubles a year. Of course, boats owned by non-capitalist labor carriers, etc., are not taken into account. Private water transport plays a significant role, in particular, in alleviating the difficulties for the private owner that are created for certain private goods (like bread) by special regulation of state transport. Narkomtorg writes, for example, in his note on this subject:

"During the navigation period, a private trader bought the best grain and transported whole grain in processed form by water on private ships along the Volga, Don and the Caspian Sea. Caravans along the Volga at one time transported 10-15 thousand poods of grain cargo, making several dozen trips per season "(p. 24 notes). On the Dnieper, in the Crimea, etc. the role of the private owner in water transport was no less. According

to a telegram to "Pravda" from Odessa dated May 26, 1927, the Sovtorgflot established that at present the private sea tonnage in the Black and Azov Seas is already 19% in relation to the tonnage of the Sovtorgflot.

I dwelled in more detail on the creation of private automobile and water transport by selling "illiquid funds" on the cheap in view of the special significance of this type of sale. Here a link was created that was completely absent in private capitalist and private economy in general until then. But the practice of selling so-called "illiquid funds" cheaply into private hands is much broader and very diverse.

Rudmetalltorg, an organization that is currently being examined by the NK RKI, should be engaged, among other things, in the clarification and sale of scrap, i.e. metal parts of old, unusable locomotives, warships, etc. and huge stocks of metal in the case and not in the case ("shell cups", etc.), lying around at some factories. From this metal scrap and junk, our state factories, by melting it down, must prepare new metal. It turns out, however, that the analysis and fate of this scrap was sometimes determined by Rudmetalltorg in a very strange way. He sold as scrap suitable copper locomotive fittings - sold to the private company "Universnab". Bar iron and thousands of poods of tool steel were sold from the railways at 4 rubles per pound, especially valuable since tools are made from it.

Sudotrest also "profitably" sold 70,000 poods of scrap iron and 9,000 poods of shavings. The Northern Railway sells for 40 kopecks per pood as scrap, good grade iron, and "through one gate imported grade iron obtained from the Supreme Council of National Economy, and from others this iron leaves as scrap" (Kondurushkin) and is sold as scrap at 40 kopecks per pood , etc.

Predatory rent

The fifth method of the initial accumulation of bourgeois capital in the first period of NEP was the development of the so-called "predatory lease" of state industrial establishments by private entrepreneurs. In 1921 it was allowed to lease inactive state-owned enterprises; the so-called lease fund was formed. Throughout the USSR, its price, according to the CSB, is approximately 250 million rubles. This is the price of those factories, enterprises and plants that were intended to be leased.

We found it possible to pass off because we had them. What were the conditions for this pass off in the first period of NEP? Now we can draw some conclusions, it is possible to judge what came of it.

Those lease agreements concluded recently, say, in 1925/26, are comparatively decent, they ensure that the enterprises that we lease will not be destroyed and that, together with these enterprises, we do not yet transfer to a private tenant. large additional property in the form of stocks lying on leased plants and transferred free of charge to the lessee.

But just in 1925/26, very few enterprises were leased out, because the overwhelming majority of them were leased out in the first years of the New Economic Policy. And in the first years of the New Economic Policy, in most cases, enterprises surrendered with large reserves lying on them.

Nothing was taken for these stocks. These stocks were taken out of enterprises, sold by tenants who made a lot of money on them. Secondly, enterprises were rented out at that time on unfavorable conditions for the state, which did not even ensure that at least a normal percentage of the capital invested in them would be received, not to mention depreciation.

Recently, for example, there was a report on the rental fund of the MCHX, issued by the Rent Department of the MCHX. It can be seen from it that in the rental fund of the Ministry of Economic and Social Economy (Moscow and Moscow Province), which amounts to about 85 million rubles - this is one third of the entire rental fund of the entire Union - for 1924/25 only 1,992,000 rubles were received in rent. i.e. two and a half percent.

This is less than even the most minimal normal interest on capital, it does not give depreciation at all. There is a consumption of the fixed capital of leased state enterprises in favor of private tenants. Finally, repairs at leased enterprises are negligibly small. Even what was stipulated in the lease agreements is not being fulfilled.

Thus, the result of the lease of the first period of the NEP is such that there is an almost free plunder of state resources, a transfer from the state pocket to the private capitalist one.

I will give a couple of examples of what happened under the guise of renting an enterprise based on the materials of the trials, compiled by Comrade Kondurushkin.

In Leningrad, the Public Utilities Department leased an entire street to two entrepreneurs, Shustrov and Epifanov. In Leningrad there is Gorstkina Street, and this street with all the shops, with all the warehouses, with everything that is there, was entirely rented out to two owners.

Before the revolution, Gorstkina Street was the center of the wholesale trade in meat and vegetables - it was the center for supplying Leningrad with them. These two enterprising people, Shustrov and Epifanov, received 800 thousand rubles in two years of net income.

In the same Leningrad, one of the best houses, the former Eliseev, a well-known restaurateur, house number 56 on October 25 Avenue, was almost free of charge for six years, because the actor Ksend-zovsky "greased" the head of Komotkhoz for good rental conditions. One lawsuit against tenants was then brought for two million rubles, which should have been received from them. Now it won't be bothered.

We have two factories, one is called "Lightning", the other - "Betta". These are the best factories for the development of galvanic cells in the whole state. Even before the revolution they had no competitor in this respect.

Before the revolution, they were managed by a certain Geserich, who was a co-owner of the factories, and since 1921 he rented them. Moreover, he rented them on the condition that the property be valued according to the lists of Geserich himself, which he amounted to less than one tenth of the actual value, as was later established in court. This made it possible for Geserich to sell the products of factories at 30% below the price list of state factories with the same products. By the way, it was a fairly common phenomenon that the products of rented factories, due to their cheapness, beat the products of our state factories on the market, because our state factories fully paid for the costs of production, and rented factories were often leased on such terms that materials and supplies were provided to them for a long time almost free of charge. .

The Okhtensky workshop of Petrozavod was leased with reserves that were not taken into account. The engineers who rented it sold in their favor the unrecorded, as if donated property: 89 thousand pounds of shell machines, hacksaws, drills, files, copper shavings, two-tee beams, etc. All this was sold to various government agencies and state factories. At the trial, the lawyer of these tenants said: "The state did not suffer

here, since everything returned to it." But only the state paid its tenants for what it itself gave them for free.

With regard to all this rental practice, the following should be said. We do not prohibit and do not seek to prohibit private industry in those branches where we believe that its work can be useful to us. Below I will dwell on the sectors in which we consider it currently acceptable. But at the same time, we want private industrialists to invest their own funds in the business, and not just pump state funds into their pockets through predatory rent. Therefore, the terms of the lease agreements must be checked - those lease agreements that were concluded in the first period of the New Economic Policy. They must be modified to be commercially viable. At the same time, more widely than hitherto, transfer of these leased enterprises to cooperation unions (not lower than provincial or district unions) should be carried out instead of leaving them in the hands of the predatory part of the tenants. Our laws make it possible to revise and cancel any contract **as soon as it becomes clear that it is socially inappropriate.**

Repurchase System

The sixth way of accumulating private capital is repurchasing. By repurchase is meant the purchase by private trade enterprises of products of the state industry through nominees in retail state and cooperative stores - in addition to what state agencies themselves legally sell wholesale to private traders. This system is now thriving.

According to the data of the People's Commissariat of Trade for the past 1925/26, of all the products of the state industry entering the consumer market, the population bought 35% from private sellers. But state bodies (trusts, syndicates, local auctions, etc.) sold only about 15% of these products of state industry to private traders. The remaining 20% were bought by

private sellers from the retail shops of our state and cooperative network through nominees (the data of the People's Commissariat of Trade were published by Comrade Dvolaitsky in the collection On the Ways of Socialist Construction, p. 135).

These nominees make up to a large extent the queues that can now be so often found on the streets. These 20% account for a corresponding part of the profit that private capital derives from its trading activity. In 1925/26, this profit from illegal repurchases, judging by the data on the entire trading profit of private capital, on the structure of private trade and on the role of trade in this part of state products in it, should have amounted to at least 25 million rubles. In its review for October-December 1926, the section of the private market of the GEM of the NKTorg of the USSR cites a long series of examples pointing to a peculiar feature in these repurchases. Precisely very often repurchases are organized by large private wholesalers. Through a whole network of agents, they buy so many goods in state stores and cooperatives that they then send it for sale to other cities.

If a small retailer buys, then he sells to the consumer here, and does not yet contact the private trade network of other cities. Here, for example, on p. 3 and 4 of the mentioned review provide such information about the trade in illegally repurchased manufactory. In Leningrad, through a network of agents, private capital buys up so much manufactory in retail state stores and cooperatives that then, firstly, it supplies the population with 40% of the entire manufactory bought in general by residents of Leningrad, and secondly, it sells the manufactory illegally bought in our retail even in Moscow, not to mention sending to other cities.

The resale of purchased goods to tailors and other handicraftsmen in need of manufactory is also especially common. Incidentally, such a supply of handicraftsmen with

raw materials is sometimes also accompanied by the handing over of handicrafts made by them to the same entrepreneur who supplied them with raw materials illegally bought through their agents. The scope of these operations, the dispatch of large consignments to other cities, the organization of supplies for handicraftsmen, even the magnitude of individual purchases in state stores—everything indicates that for the most part we are dealing here with the organized action of big capital, and not with a petty "labor" dealer. These resellers operate primarily not at their own expense, but as hired agents of commercial capitalist entrepreneurs.

In Kyiv, private traders received batches of state-owned manufactory mainly from illegally bought up in Moscow state retail and Moscow cooperatives. "Obzor" NKTorg writes:

Kyiv private traders bought up factory manufactory through dealers in the Moscow cooperative of the GPU, in the Moscow cooperative "Oktyabr" and others (p. 3); some were bought through agents in Kyiv cooperative and state stores. Obzor reports on the receipt of manufactory from the central cities in such illegal ways in relation to Sverdlovsk, Samara (by 90%), Minsk, Saratov, Tiflis, Dnepropetrovsk, and other cities. All this clearly indicates that the illegal buying up in the Soviet retail of manufactory is organized precisely by the capitalist merchant, and not by any manual peddler, for the latter would then be unable to organize the resale of the purchased goods throughout the country, and not even directly to the consumer, but to the provincial merchants.

In Rostov-on-Don, two private wholesale firms (Tekstilsbyt and Chernenko) were engaged only in buying manufactory from a number of retailers, received by the latter under an agreement with the All-Russian Textile Syndicate, and then selling it with a premium of up to 50% against the prices of the syndicate (with .4 "Overview"). Here we have some of the tricks that private

capital practices to weaken the system of direct contracts between government agencies and private retailers.

This system was introduced just to exclude capitalist wholesalers from the trade chain and to limit the prices that the retailer will charge when selling the manufactory received by him under the contract. Apparently, this is what happened. The retailer received manufactory from the state agency under an agreement, bypassing a private wholesaler, then sold this manufactory at negotiated prices - but he sold it not to the consumer, but to a private wholesaler, who then organized the sale "on his own terms."

In Tashkent, two-thirds of private traders are not attached to government agencies. They receive the goods through "a whole series of illegal dispersers of the manufacture, such as, for example, all the cooperatives of the disabled" (p. 4 of the Obzor). And some private traders of this group also buy manufactory in other cities of Central Asia.

In Odessa, "almost all private manufacturers" receive goods in small batches from Moscow, Leningrad, and even from Turkestan and Siberia, buying them there on the private market (from private "purchasers" who organize illegal purchases on the spot through their agents in the Soviet state retail) [1] . Even such distances do not stop. Since it is known that a lot of manufactory for the procurement of bread was brought to Siberia and Turkestan, now a parallel “procurement campaign” begins there: private capital, through dealers, buys up part of this manufactory for reshipment to those cities of the country where it can be obtained a particularly high price for it, although if only they were as far away as Odessa.

It is difficult to establish with any degree of certainty how much of all the illegal repurchase from Soviet retail is organized by the capitalist part of private trade, and how much is practiced

at their own expense by small local kiosks and the like to replenish their modest stocks. One gets the impression that almost all illegal buying from Soviet retail is **organized by a capitalist merchant, and not by a petty trader**. From caution, in order to avoid exaggeration - but quite arbitrarily - I accept for further that the share of private capital in illegal repurchases accounts for no more than two-thirds, and the share of local small traders - one-third. According to the results of surveys and materials of the NKTorg, as Comrade Dvolaitsky published, in total, in this way, 20% of all marketable state production for the wide market (means of consumption) passes into private hands. This means that out of all marketable output (not only means of consumption), not only state industry, but all industry, private trade receives 8% in this way, and of this, according to our assumption, about **5% passes through capitalist private trade** and about 3% is bought directly by a small private retailer (for direct resale to the consumer, albeit at a premium price).

Products of the state industry, not sold by the latter to a private wholesaler, get to him, however, not only by buying through nominees in retail stores, there is often a kind of mediation of government agencies. Such a government agency buys goods from state industry - the goods are considered to have safely escaped private hands, and then the government agency that bought it calmly (or with a restless conscience, as it used to be) resells it to a private wholesaler.

For example, in 1925, during the paper “famine”, the publishing house of the All-Union Central Council of Trade Unions "Problems of Labor" sold paper to the publishing house "Land and Factory", also a Soviet one. The publishing house "Land and Factory" resold this paper to private traders both in Leningrad and Moscow for cash.

The Gostorg representative in Kaluga receives 2,000 poods of rice from Moscow (and there is a big shortage of rice), and this rice is immediately returned to Moscow, where the Kaluga Gostorg resold it to a private wholesaler. The same thing happens with yarn, galoshes, paints, and other goods.

How to deal with the illegal buying of goods from our retail shops, organized by private capital through nominees? Apparently, the most effective way would now be the creation of a kind of closed distributors at large institutions and large factories. Of these, products should be sold only to workers and employees of the given enterprise and institution on the basis of trade union and cooperative books. But such an order, of course, does not give a complete guarantee. The solution of this question lies along the line of the general question of the ousting of private trade, which is only possible for a number of years.

1 . The other day, Pravda printed that a "queue" of 50 people was suddenly surrounded and checked at one of the Soviet manufactory stores in Moscow. Of these, there turned out to be one real customer (a tram conductor) and as many as 49 "extras", i.e. dummy repurchasing agents hired by private capital.

Smuggling

The seventh method of illegal formation and accumulation of private capital is its activity in the field of foreign trade. The foreign trade of private capital primarily includes smuggling, and secondly, the possession of imported goods in various other ways.

As for smuggling, then, according to the information of the Main Customs Administration, for the last, 1926, smuggling was imported for about 60 million rubles. gold, counting at those wholesale prices that exist at the border. Of course,

getting to Moscow and other centers where these goods are sold in retail, they no longer cost 60 million rubles, but approximately 120 million. This is the turnover of smuggling on import.

What exactly is being imported?

The significance of smuggling for private merchant capital lies chiefly in replenishing the assortment of private trade with such kinds and kinds of goods as are necessary for the fuller satisfaction of that well-to-do circle of buyers with which private trade largely deals. The General Customs Department considers (I take the data on smuggling from the certificate submitted to me) that it detains approximately evenly one tenth of all smuggled goods.

In this assessment, it is based on its observations over a number of years and no other information. Therefore, if we judge the composition of all imported contraband by the tenth part that is confiscated, it can be considered that they are imported along the European border, through which the bulk of the smuggling passes, mainly the following items: leather goods and footwear - 12%, haberdashery - 11%, knitted paper products - 13%, yarn and other paper products - 12%, woolen fabrics - 20%, other manufactory - 5%, and everything else accounts for 27%. This means, for example, that only knitted paper products are imported for retail price of 15 million rubles—knitted blouses, stockings, and knitwear. If we assume that these knitwear are only jackets, and if we consider 50 rubles for the average price of these jackets in Moscow, then this would mean that 300 thousand such jackets were imported. If we assume that only stockings are imported, and count them at 5 rubles per pair, then 3 million pairs of stockings have been imported.

By these figures we can judge the scale of imported paper knitted products. This is only 13% of all smuggling; the rest is for other things.

Smuggling is smuggling only for us, for the USSR. And those foreign firms that organize smuggling into the Soviet state, they operate legally on the other side of the border, openly carry out their operations, and all this is subject to the supervision of all our bodies and anyone who wishes. Along our entire western border with Estonia, with Latvia, with Poland there is (on the other side) a number of so-called "transits". These transits stand almost at the very border line. They are a base, a warehouse for goods smuggled into our state, and at the same time they serve as a resting place for smugglers and a kind of labor exchange for them, where one or another company hires them to carry out an operation. These transit lines run at a distance of 20-25 versts from one another along the entire western border.

Sometimes these otherworldly border points serve for very peculiar operations of enterprising people from our side of the border. Comrade Zalessky, authorized by the MSPO, who was sent to Batum at the end of November 1926 to purchase confiscated contraband goods, reports the following:

a pack of photosensitive paper (for photography) costs about a ruble (from 95 to 97 kopecks) with our money in Turkey, and is sold at auction for an amount of 10 to 14 rubles. Powder "Koti" on the Turkish side - from 9 to 10 rubles, and at our customs Batumi auction - from 54 to 60 rubles. dozen. Coverkot (woolen fabric on a coat) in Turkey - about 6 rubles per meter, and at our auction - from 33 to 34 rubles per meter. The GTU inspector, Comrade Stal, took an inventory of the confiscated items at the Batumi customs for keeping and calculated the cost at Turkish prices and the amount of the premium paid. It turned out that for goods that cost 2,400 rubles in Turkey, we had 3,000 rubles per premium. Thus, it is profitable to import contraband even

in order to declare its discovery yourself - thanks to the difference in prices, the premium not only covers the costs, but also leaves a profit.

Abroad, there are special firms for smuggling trade with the USSR. For example, at one time there was a very widespread organization of the smuggling of tea to us by Vysotsky's firm from Warsaw. Before the revolution, it was a large tea company inside Russia, supporting, among other things, the Socialist-Revolutionary party materially. After the revolution, Vysotsky moved to Warsaw and from there organized the smuggling of tea into the USSR. In the southern zone, especially in Ukraine, at one time Vysotsky's smuggled tea dominated our domestic market. Vysotsky published his reports in Poland, as every large firm should. Now we have ousted it to a large extent, thanks to the fact that our state and co-operative bodies have expanded the trade in tea and have lowered its price somewhat.

Open smuggling operations were accompanied by semi-smuggling in the form of so-called "parcels". **There was such a law**, according to which it was possible to receive parcels of goods from abroad in the name of individuals. These parcels for 1925/26 were delivered for 10 million rubles. at foreign wholesale prices (according to the same certificate from the Main Customs Administration). These parcels arrived legally mainly at the Leningrad and Moscow customs. According to our domestic retail prices, their price was at least 30 million rubles. **Five-sixths of them** were for resale and not for personal consumption. Thus, the total turnover of smuggled and semi-smuggled (parcel) private trade imported into the USSR from abroad amounted to about 150 million rubles over the past year at retail prices.

The amount of private capital circulating in all this trade is approximately 20-25 million rubles, and the annual net accumulation is about 10 million rubles.

But not only nine-tenths of the smuggled goods that they safely transport across the border fall into the hands of private capital, but almost all of that one-tenth that, according to the GTU, was confiscated by us. All customs offices sell what they confiscate at auction, and auctions are usually only private traders who buy almost everything. The Main Customs Department delivered me a certificate for the period from October 1, 1926 to January 1, 1927, about who sold all the confiscated contraband by the customs. It turns out that out of all the confiscated customs, they were **sold to private individuals:** Batumi customs - 66.5%, Baku - 86.5%, Tiflis - 50%, Shepetovskaya (on the Polish border) - 85%, Kamyanets-Podilsky - 99.8%, Minsk - 56%, Moscow - 50.6%, Blagoveshchensk (on the Amur) - 78%, Khabarovsk - 75%, Vladivostok - 77%, Tashkent - 91%, Poltoratskaya - 100%, etc. In a word, on average, up to 75% of all goods confiscated by us then end up in the order of auction sale again to representatives of smuggling firms who come to the auction and buy there what was confiscated from their agents. And then they send this part of the smuggled goods to various cities of the USSR already quite legally.

The participation of private capital in foreign trade, smuggled and semi-smuggled, is accompanied by a special organization of the purchase by private firms of those imported goods that are imported by state bodies. For example, there are three private firms in Moscow, one of which is called Tekhinstrument, the other is Electrometal, and the third is simply named after the owner. They specialized in the purchase of instrumental goods throughout the USSR (from the corresponding targeted imports), for which they have a whole staff of agents traveling around different cities and buying up these imported goods in government agencies. And then these firms supply the purchased tools to both private traders and state bodies in need of them (details are published in Pravda of August 1, 1926).

A remarkable example of targeted imports for the Kara expedition.

Every year we send a special expedition across the Arctic Ocean from Arkhangelsk across the Kara Sea to supply goods to Siberia. For this Kara expedition without customs duties, some imported goods are brought from England (target imports). So, the priests of the Orthodox Church established an artel called Maslovosk. This artel aims, firstly, to supply the pilgrimage population with church candles, and secondly, in general, commercial operations of a profitable nature. At the present time there is a great hunger for quebrach tanning extract, which is brought from Canada and is necessary for leather dressing. It is expensive, little is imported, meaning, of course, state-owned tanneries. And here is the artel of priests "Maslovosk" I bought 900 pounds of quebrach extract from the armored duty-free fund (targeted import) from the Arkhangelsk Gubernia Torg. This is a very large amount for a quebrach extract (details are published in Pravda of June 29, 1926).

Bitumslanets (we have such a trust) sold three hundred thousand rubles worth of ceresinol (from imported rosin and wax) to a private trader, sold 10,000 pounds of imported harpius to a private trader, and so on. It is clear that such huge transactions do not occur with manual peddlers, but with large wholesalers.

Thus, in addition to smuggling and semi-smuggling, private capital also buys up a part of those imported goods from our state bodies that were not intended for it at all. It has already been mentioned above that 80% of the imported haberdashery from GUM was bought in 1926 by private traders, who then sold it further.

In connection with the trade in contraband goods, an interesting phenomenon is observed: in border ports and other

cities that are the focus of smuggling, the role of private trade sometimes grows not only absolutely, but also due to the decrease in other types of trade (state and cooperative).

For example, Novorossiysk. In general, it must be said that the Caucasian coast, especially Transcaucasia, is a place with a highly developed smuggling. Especially Batum is one of its first-class centers, but Novorossiysk is also not bad. In Novorossiysk, during the last half of 1925, the total turnover of trade increased by more than 60%. But at the same time, the turnover of private trade increased by 80%, while the turnover of state trade increased only by 53%, and cooperative trade - by only 33%. In connection with this, the share of the private trader rose to 47% of the total trade turnover (details are published in Pravda of May 23, 1926). Since smuggled goods go through private trade, the role of private trade also increases at the favorite points of smuggling.

The last link in the chain of export-import transactions of private capital is the import and export transactions of mixed joint-stock companies, which are already completely legal, unlike all the ways described above. According to the calculations of our Berlin Trade Representation, for the first six months of 1926, of all our imports from Germany, approximately half went on special orders under the control of the Trade Representation of various organizations, mainly state bodies (Oil Syndicate, etc.). And in the composition of this half, about a fifth were purchases for import into the USSR of mixed joint-stock companies, i.e. in relation to all imports from Germany, about 10%. At the moment it is difficult to establish how stable this ratio is and how typical it is also for imports from England and other countries. But if not 10%, then, nevertheless, a few percent of our imports must be allocated to the share of private capital (in the form of mixed and concession companies) already quite legally. In addition, within the USSR,

there are still deals of concession enterprises that bring various goods from abroad with the aim of reselling them further to the market (for example, the Aniltrest case in the Moscow Gubernia Court in 1926 over a deal with the Moscow branch of the German company Vostvag for the purchase of paints , 10 thousand pounds of dinitrochlorobenzene, etc.).

If we take the percentage of the import foreign trade of private capital in the USSR in relation to the turnover of all private trade in the USSR, on the one hand, and if we take, on the other hand, all imports into the USSR - state, cooperative and private together - in relation to to the entire internal trade turnover of the USSR (in state, cooperative and private trade together), it turns out that these two quantities differ little. If state and cooperative imports account for approximately 3% of the state and cooperative internal trade turnover, then private imports in their illegal and legal forms together also account for approximately 2.5-3% of the private internal trade turnover of the USSR. Just as state and co-operative internal trade has external trade relations as its supplement, similarly private trade has its external trade complement in approximately the same percentage.

The participation of private capital in import trade implies the participation of private capital in export trade as well, since it must somehow pay for what it brings. In part, payment is made by smuggling Soviet flax and other raw materials abroad, which are procured near the European or Asian frontier in the border areas, in part, by clandestine export of precious stones and other items, and, finally, by direct export of currency and gold. In this regard, it is characteristic that of all the smuggled exports that were confiscated by our customs in 1925/26 along the European border, 87% accounted for currency, and only 13% for goods (the same certificate from the Main Customs Administration). It is considered the subject bodies that for the

year not less than 15 to 20 million rubles. gold in its natural form, private capital sent abroad for smuggled goods, and paid for the rest with precious stones, platinum, the export of flax, the export of various artistic products, etc. At the same time, private capital uses both its old reserves of gold, and the part of consumer transfers of foreign currency from abroad that are not bought up by state credit institutions, and, finally, a new influx of gold in kind, both from private small-scale prospectors in Siberia, and by ways, about which will be discussed in the section on foreign exchange transactions.

State monetary credit

The next way to form private capital is to supply it unilaterally with state money credits. If we were to lend to private capital an amount equal to what private capital itself invests in our lending institutions, there would be no one-sided supply of private capitalists with state funds for the development of their operations. But in our country, as shown by a special survey undertaken by the NC RKI, there were other conditions in the field of bank money lending.

Such forms of lending to private capital exist at the present time in the USSR in general. Firstly, advance payment for orders, deliveries, and contracts - this has already been mentioned above. Secondly, commodity lending by trusts and syndicates. There are branches of industry whose goods in some areas are difficult to sell without the participation of private traders, even wholesalers. It is difficult to sell because there is not yet a cooperative network, or it is still very weak, or this product is very difficult to move, it is difficult to promote it, for example, salt, kerosene. For goods of this kind, and sometimes, unfortunately, not only for such goods, private traders receive commodity credits from our industry. In 1925/26 such credit was given all the time for approximately 190 million rubles. For

the future, it will be necessary to limit the scope of commodity credit only to cases

Then there is public lending to private capital against loans. The state arranges state loans, issues securities, private individuals buy them and then pledge them in the State Bank or in other state institutions. This type of credit will be discussed in the next section, but now we will only talk about the supply of money to the private capitalist by the state in the form of issuance of money by the State Bank or other state banks, either directly against the bills of private capitalists, or against those bills of state and cooperative bodies that the capitalists represent for accounting, etc.

As of October 1, 1926, money lending to private capital by our banks, in excess of the sums that private capital itself invests in our banks, amounted to about 100 million rubles, as can be seen from the following certificates from official bodies. For the four main Soviet banks (Gosbank, Prombank, Mosgorbank, Vsekobank) with their provincial branches, direct commercial credit to private capital as of October 1, 1926, amounted to 4.4 million rubles. In addition, 31 million rubles were provided. state and cooperative money to private mutual credit societies for lending to private capital. Then 28 million rubles. bills of private merchants and entrepreneurs submitted by government agencies have been taken into account by our banks. Finally, up to 5 million rubles. amounts to direct and indirect monetary lending by all provincial city banks and other state credit institutions (Vneshtorgbank, Tsekombank, etc.). Total 108 million rubles (without loans against loans).

This is opposed by the deposits of individuals and enterprises in state credit institutions in the amount of 31J/2 million rubles. (also on October 1, 1926).

However, it turns out that when private capitalists later receive loans from there, it is not those who invest that receive loans. Very many persons from state employees, from persons of liberal professions, from handicraftsmen, from other "little people" invest in our credit institutions. They look at putting money in public lending institutions simply as a way to keep it safe, with a decent rate of interest.

And borrow money from there relatively few large private capitalist firms, which themselves invest very little in our banks. For example, according to a special survey carried out in Moscow by the NK RKI, it turned out that 1/3 of the entire loan in the Moscow branches of the State Bank, Prombank and Mosgorbank, granted on October 1, 1926 to all private individuals, belongs to only 69 firms. Moreover, these 69 firms themselves invested their funds in Gosbank, Prombank and Mosgorbank only five per cent of the amounts we lent them.

It turns out that we supply these wholesalers, these large industrial and private entrepreneurs with the means for their turnover without an equal equivalent on their part (in the sense that they also invest their free funds in us). The same ratio turned out for them in these banks as of December 1, 1926 (even less than 5%).

Here are a few comparisons for some individual private firms, how much they invested in our banks and how much they received from them on December 1, 1926 credit:

Invested	Received	Invested	Received
65 p.	26988 p.	100 p.	13 586 p.
772	36409	184	15318
10	8328 "	171	56141

2257	44238	105	36124
122	13 023	201	146847
186	17 087	68	11 000
0	25912	0	26000
16	3617	93	10000
0	7396	0	5000

This is opposed by the deposits of individuals and enterprises in state credit institutions in the amount of 311/2 million rubles. (also on October 1, 1926). However, it turns out that when the capitalists then receive loans from there, it is not those who invest that receive loans. Very many persons from state employees, from persons of liberal professions, from handicraftsmen, from other "little people" invest in our credit institutions. They look at putting money in public lending institutions simply as a way to keep it safe and earn a decent rate of interest. And borrow money from there relatively few large private capitalist firms, which themselves invest very little in our bank. Here, for example, according to a special examination carried out in Moscow by the NC RCT, it turned out that that the bulk of the entire loan in the Moscow branches of the State Bank, Prombank Mosgorbank, granted on October 1, 1926 to all private individuals, belongs to only 69 firms. Moreover, these 69 firms themselves invested their funds in the State Bank, Prombank and Mosgorbank only five percent of the amounts that we lent them. It turns out, therefore, that we are supplying these wholesalers, these large industrial and private entrepreneurs with funds for their turnover without an equal equivalent on their part (in the sense that they also invest their free funds in us). The same ratio turned out for them in these banks as of December 1, 1926 (even less than 5%). Prombank

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Here are a few comparisons for some individual private firms, how much they invested in our banks and how much they received from them on December 1, 1926 credit:

This list could be greatly extended. In general, out of 31 1/2 million rubles in deposits of individuals, there are no more than 8 million rubles in deposits of those capitalists whom we lend. Consequently, those private firms to which our banks lend money have received from us about 100 million rubles. over and above what was given to us.

This is the value of the net monetary credit that the state provides to private capital (in excess of the loan for government loans). This amount enables private capitalists to organize such activities that they could not develop without this credit. There are sometimes in this respect examples of a completely stunning quality.

For example, our Georgian comrades wondered for a long time how Borjomi - Borjomi water is distributed throughout the USSR by the private entrepreneur Kebadze. This Kebadze is a

counterparty of the Georgian Kurupra (a body of the People's Commissariat for Health in charge of Borjomi), and, according to their information, was a man without money, and meanwhile he distributes Borjomi in Siberia, Moscow, Leningrad, and other places. How does he do it? And it's very simple. He takes Borzhom from Kurupr, then pawns it in the State Bank, or even Kurupr takes into account the bills of this private owner in the State Bank, it turns out 200 thousand rubles. Kebadze takes Borjomi to Moscow, gets another loan in Moscow, and so on. (In general, a survey of the NC RCT found that often the same private firm receives a cash loan simultaneously in our different banks.) This turns out to be so profitable that the enterprising Kebadze was already counting on opening the export of Borjomi to large American cities and even sent a wagonload of Borjomi to Ford. In June 1926, a poster hangs at the Maly Theater in Moscow: "Representative of the NKZdrava - Kebadze" ("Red Evening Newspaper" of June 4, 1926).

The chemical plant "Kalorifer" (private), allegedly producing overheated lard, wants to get credit from the State Bank. The State Bank instructs its agent to look at the plant. The plant turns out to be "working at full speed" and receives a loan from the State Bank. It turns out later that this issue of fat was the only one in the practice of this plant for the whole year, it was released exclusively for an agent of the State Bank. This case was heard in the Moscow Provincial Court in 1926 (from the materials of Comrade Kondurushkin).

And another factory, a soap factory, worked "continuously", but, as it turned out later, it always boiled the same mass. Whenever an agent of the State Bank comes to the plant, the plant always has a supply of mass for overcooking and a person on duty to cook it. But all this machination begins only when an agent of the State Bank comes for an inspection.

And here is an eighteen-year-old boy named Bravy; he organizes the partnership "Drevprom" with a capital of 100 rubles. This partnership receives a loan from the State Bank and, after two or three months, manages its affairs, delivers 75,000 shovels to railways, etc. Due to the practical difficulty of controlling how private capital is used by the loan received and to what extent there is a basis for lending, loans from the State Bank private traders sometimes turned into a means of additional feeding of private capital without benefit to the country.

Meanwhile, it must be said that the stamp of the State Bank means the same honorary brand in the commercial market, which was used on old gold and silver items as "sample". If a private entrepreneur delivers a certificate that he is credited with the State Bank, then this is already a guarantee of his solidity, he has a loan in a number of state and cooperative bodies, they deal with him as a reliable person, and his affairs are developing very well - because it is supposed that the State Bank already knows what it is doing, and there is nothing to check further.

Comrade Kondurushkin tells how the private entrepreneur Petritsa and his partner Inglink, a former millionaire who did earthworks at the recent Agricultural Exhibition in Moscow, managed to get even a loan, but a letter of guarantee from the State Bank, and what came of it. He removed certified copies from this letter of guarantee and sent it to foreign firms and Soviet institutions. The effect is complete. They successfully started negotiations with foreign firms "Alyameriko" and others, with a European timber concern, even with Nobel, received an order from abroad for 50 thousand sleepers, received a lease on the Nizhny Novgorod sawmill in Maykop, which was estimated at a million rubles before the revolution, almost managed to get a parquet plant in Batum, the former de

Guy, a bent furniture factory in Maikop "Maybuk", etc. - when they suddenly got caught on an inaccurately given bribe of 100 thousand rubles and were arrested.

Petritsa is now already shot. By the way, at the trial it turned out that they started working with only a room in one room and a stamp with the name of their company, and under it there is a very long list of goods that they allegedly procure and produce at their own enterprises and factories. The State Bank, obviously, could not resist such a respectable appearance.

The conclusion to be drawn from all these examples is that credit to private enterprises, inasmuch as it is necessary (and in some cases it is still necessary, although much less practiced), must be concentrated in Mutual Credit Societies, i.e. in private credit institutions, which do not affix a stamp of the state (Gosbank) to a private firm by the fact of lending, do not inspire special confidence in these capitalist entrepreneurs. At the same time, the mutual credit societies themselves must be firmly subordinated to our instructions in order to make them an instrument for the credit regulation of private capital by the state. To do this, it is also necessary to concentrate all lending to private capital only in UWC, prohibiting simultaneous lending to one company in different banks.

Meanwhile, in 1926, mutual credit societies were their own credit network of private capital, which grew quite rapidly and whose activities were almost not regulated by the state, although they received a fair amount of their funds from the state. On September 1, 1926, compared with October 1, 1924, the number of mutual credit societies increased from 86 to 280—more than three times. Their membership increased from 20,000 to 87,200 members—more than quadrupling.

And the consolidated balance increased from 14 million rubles. up to 99 million rubles, i.e. seven times in two years (all data

according to the report of the commission of the NC RCT). It is indicated above that, among other things, there is 31 million rubles. state and cooperative funds for commercial lending to private capital.

It is quite possible that a representative of the State Bank be introduced to their boards, who would control that the money goes not to the procurement of leather or oilseeds by private traders, which we consider harmful, and not to such types of private trade and industry, which are recognized by the state as undesirable, and finally, not to further strengthen the big wholesalers*), but, on the contrary, to use them only in those branches of private enterprise that we now consider permissible, for example, in such a private industry that produces products from raw materials that we have in abundance , but such products that we do not have enough, etc.

Thus, the sums that we now invest in the work of private capital in the form of money credit will not be in our hands just a spontaneous anarchic financing of private capital, to a large extent for whatever it pleases, but will be a means by which we can to some extent to hold in his hands and direct his activity in the direction in which it is expedient. The very size of the credit should be reduced to the limits of the sums that private individuals themselves invest in credit institutions (except in cases of special state assignments by special decrees if such would be necessary).

Government loans

The next way of accumulating private capital during the NEP period is accumulation by participating in our state loans. Here we have an extremely interesting picture. As of October 1, 1926, the entire amount of our state loans amounted to 417 million rubles. (without a loan for economic restoration - all data according to the certificate of the State Bank dated February 23,

1927 and the senior inspector of the NK RKI of the USSR, comrade Zangvil, dated February 25, 1927). Of these, 234 million rubles. constitute loans in which individuals participate. The rest of the loans are entirely placed exclusively among state bodies, for example, reserve funds of state industry are placed in them, etc. Of those 234 million rubles that private individuals can also acquire, on October 1, 1926, they had 126 million rubles. nominally, and at the graduation rate it was 115 million rubles. (the rest of these loans are placed among government agencies). But this does not mean that we actually received 115 million rubles from private individuals in the form of state loans. Part of the loan notes were pledged in the State Bank, and the State Bank issued about 70% to those who pledged. Let's say a loan bond (ticket) costs 5 rubles, the State Bank issues 3 rubles with collateral. 50 kopecks, which means that the owner himself spent only one and a half rubles on this matter. More than 35 million rubles of such loans were issued to individuals, and they invested about 77 million rubles of their own funds. But out of these 77 million rubles. part was invested by small holders, namely 45 million rubles, and they received loans of only about 7 million rubles. These are mainly employees, workers, freelancers, artisans, etc., who purchase loan tickets not for speculation, but as a way to deposit their savings. In the absence of loans, they put their savings in savings banks, where they receive 8% per year with tax exemption. (As of October 1, 1926, "non-labour elements" and "others" together accounted for only 14.5% of the amount of deposits.) As of March 1, 1927, deposits in savings banks already amounted to 134 million rubles. ("Finance and national economy" of April 21, 1927, p. 3), and since then about 5-10 million rubles have been added monthly. preponderance of deposits over return receipt. Thus, savings banks give the state a more significant inflow of real funds than government loans. Moreover, deposits in savings banks do not cause such large

expenses on the part of the state as loans. The accumulated unclaimed balance of cash in savings banks is usually replaced by government bonds, and the funds of the savings banks are transferred to the State Bank. The State Bank puts them into circulation to finance industry and other branches of the state economy. From the profit he makes, he pays the savings banks their 8% per annum for depositors. Consequently, the development of deposits in savings banks has the same significance for the state as the issuance of state loans, only under more favorable conditions, without any "pledges", etc.

But government loans were issued not for the petty labor holder, but in the hope of attracting private capital in this way and thus being able to use it for useful state purposes, therefore the profitability of government loans was set so high that they could attract private capitalists. In 1925/26, the average actual yield on a ticket of government loans was 36% per year for their holders (Comrade Zangwill's report of February 25, 1927, according to official data). With the involvement of real private capital in state loans (and not small labor holders), the situation, according to official estimates, is as follows.

The share of private capital accounts for only 32 million rubles. their investment in government loans. But of these, 14 million rubles. were invested in compulsory loans that existed before 1925. This was not a voluntary investment of private capital in our loans, and it did not give the capitalists any special benefits. It's just that people from non-working elements, who were found out that they have a large income, were obliged to buy the number of loan tickets assigned to them. Failure to comply was punishable. The capitalists who received the compulsory loan ticket did not have the right to sell it.

From the beginning of 1925, according to the idea of the then People's Commissar of Finance Comrade Sokolnikov, it was decided to switch to a system of voluntary involvement of

private capital in state loans. To do this, the coercion of loans was abolished, it was allowed to sell to anyone already received loan tickets. The profitability of loans for those who want to buy them has been greatly increased. At the time of issuing new loans, their profitability was made even greater by various additional measures taken by the state financial authorities, and with some loans it reached up to ten percent per month (for example, when subscribing to the 2nd peasant loan). A practice was introduced in which the capitalist was given a state loan for 70% of the ticket price against the loan ticket he bought, so that the capitalist had to spend only 30% of his funds (and was considered the owner of the whole ticket and received income for the whole ticket). Finally, in order to prove to the capitalists what a profitable business it is to have state loan tickets, the Narkomfin organs began to intensively buy tickets for the former, before 1925, compulsory loans, spending state funds to raise their price. Thus, their owners were given the opportunity to sell them off their hands and make some money compared to the price they had before this Narkomfin operation.

This operation on both previous loans (the first winning and the second) unfolded during the first three months of 1925 and gave very favorable results for private capital. The price in cash at the exchange rate for one (five-ruble by name) loan bond was:

January 1, 1925	April 1, 1925	
1st loan	1 p. 94 k	3 p. 27 k
2nd loan	92k	3 p. 24k

On average, the price of each ticket (bond) rose by almost 1 r. 70 kopecks. This then made it possible for the capitalists, in the gradual sale of their old notes to the state (and to some extent to petty labor holders), to put into their pockets an additional

tens of millions of rubles or so and repay this part of their former expenditures on loans.

Thus, the profitability of placing its funds in government loans was clearly demonstrated to private capital, and then the issue of voluntary loans was started. Until October 1, 1926, private capital invested in them from 16 to 18 million rubles. (according to the estimates of various financial agencies) of their funds, while receiving about 30 million rubles more. state loans and all owning about 50 million rubles. It is easy to see that with an actual average yield of 36% and with a profit from the sale of old compulsory tickets at an increasing rate, private capital should have more than fully recovered all its expenses for the purchase of voluntary loans (from 16 to 18 million . rub.). And in the end, he also has tickets for state loans for "you live great" for several tens of millions of rubles, according to which the state, within the terms precisely established by law, will have to pay the loan holders the full amount indicated on the tickets. It should be noted, by the way, that state loan tickets and income from them are exempt from all state taxes.

Thus, in this practice of borrowing, private capital has found a very suitable means for profiting, without spending anything on it in the end and without paying taxes on the profit (in contrast even with the predatory types of private rent or trade). In a word, a goldmine. In relation to private capital, the voluntary loans made by Comrade Sokolnikov would be more correctly called not state loans from private capital, but state gifts to private capital. Our loss in this business is the price we paid for too high hopes for the role of private capital and for too ill-conceived approach to business. Comrade Yurovsky, head of the currency department of the USSR NKF, on the results of this period of state loans, in his report "On the policy of state credit and the tasks of the State Fund Office" says the following:

"1925/26 from outside the public sector did not give new funds, but some of the funds were returned."

In other words, in the form of interest and repayment, we paid more than we actually received ourselves. In reality, this means if we subtract our loans (up to 70%) from the nominal (by name) purchased amount of loans, which we issued to private capital to facilitate its purchases. Comrade Yurovsky reasonably adds:

“A reduction in interest is an absolutely necessary thing, because it was temporarily possible to issue state loans and pay for them much more than the state itself could receive for them, but this could only be temporary” (ibid.).

In other words, until sad experience has shown too clearly the enrichment of private capital established by this practice without real compensation for the state.

The first serious step was taken in the current 1926/27, when the People's Commissariat of Finance changed the terms of the oncol *(new loans)* and others so that the real yield on the oncol on the previous loans was only 24% per annum instead of 46% (on the 1st winning, 2nd peasant) , and new loans in 1927 (10 percent) cost the state, according to No. 17 of Finance and National Economy, even only 14% (p. 7). It is necessary to reduce the yield on loans to no more than 12%, i.e., to the percentage that is normal in our conditions at the present time, and to stop the system of 70% loans to capitalists against the loans they buy; in a word, from the object of speculation and the one-sided pumping of state funds into capitalist pockets, to make our loans a place for a stable and more intensive investment of funds by the same and somewhat wider circles than those used by the savings banks. Then we will receive less in name (the part blown up by our own loans, etc., disappears), but more realistically.

It should be noted in conclusion that the experience of placing part of our loans among the capitalists, even if the yield on these loans is very high (20-30% per year), 3 has shown that private capital enters into our loans only on tour. In other words, he participates in the subscription to the loan, because the subscription is furnished with especially favorable conditions. And then, having removed the foam, he throws loan tickets back to the state, starting to sell them on the stock exchange and forcing the state to buy them in order to avoid a depreciation 4. And a depreciation of the exchange rate may have a harmful effect on the mood and confidence in the monetary credit of the state on the part of small holders, i.e., on the part of that basic non-capitalist mass that really firmly invests its funds in our savings banks (mainly) and in our loans (partly) . In addition to all other disadvantages, by the practice of "enticing" private capitalists, we thus gave them a means of putting pressure on our monetary and credit maneuvering. The decline in the real yield of government loans, which has already begun, should make the participation of private capital in our loans even less stable. And therefore in the future we will have to orient ourselves in this respect firmly not to the speculating private capitalist, but to the saving private Trudovik. In the issue of his organ published for the IV Congress of Soviets of the USSR " Finance and the National Economy" The People's Commissariat of Finance sums up the experience as follows: "We do not have to build our loans on any significant scale based on private commercial and industrial capital. For this group of capital holders, securities are an object of trade, interesting only from the point of view of the size of the profit derived from this, while we cannot, of course, give such a high rate of return on our loans as trading operations give "(article by Comrade Epstein " For two years", p. 7).

3 . According to calculations in the body of the NCF "Fin. and Nar. Khoz.", Voluntary loans cost the state a year: peasant - 45%, 5% in 1925 - 30%, 2nd peasant in 1925 - 17% (p. 7 April 21, 1927).

4 . This was also repeated with the winning loan in October-November 1926, where private capital, according to Comrade Bryukhanov (p. 1, No. 17 of Fin. and Nar. Khoz.), first paid in real terms up to 10 million rubles. Having removed the foam, by now he had already managed to get rid of most of the tickets he had bought. The same thing happened later with the "10% loan of 1927".

Foreign exchange transactions

Profiting from foreign exchange transactions is the tenth way of accumulating private capital by illegal and semi-legal methods. I mean here first of all:

1) speculation on the rate of paper money during a period of large fluctuations in this rate,

2) trading in foreign currency and various operations with it,

3) buying up gold.

Playing on the rate of paper money refers mainly to the period before 1924. The well-known "give - take" filled in those years the so-called "black exchanges" of large cities in different parts of the country. Currency speculators carefully took into account the difference in the actual exchange rates of the Soviet ruble in different parts of the country and made transfers of large lots of it from Moscow to Turkestan, etc., using for such orders, in particular, our State Bank. And then they put the proceeds in their pocket. All these transactions with the Soviet ruble have been hit hard in recent years by the comparative stability of the gold coin. In four years (from 1923 to 1927) the purchasing power of the chervonets changed by only one eighth; according to the all-Union retail index of private trade, according to the

market index of NKFin, it was 50 in 1923/24, 9% of the purchasing power of an equal amount of gold in the pre-war period (report by Prof. Kondratiev at the Institute of Economics on March 11, 1927), and on May 1, 1927 it was 44.2% (and if we take the general trade index, which includes both cooperative and state retail, then even 49.7% - see the next publication of CI in "Ek. Life"). Meanwhile, before that, in just one year - from 1922 to 1923 - it had fallen by almost a third, and even earlier, the exchange rate of Soviet money changed by the same amounts, sometimes almost monthly.

This extraordinary reduction in the rate of fluctuations undermined the ground under the speculation on fluctuations in the exchange rate of our ruble in the domestic market as a special profession of a certain group of representatives of private capital. The focus of their activities has shifted to other operations - foreign exchange trading and gold trading.

Suitable conditions have been created for foreign exchange trading by the revival of economic relations with foreign countries in recent years.

Part of the currency fell into private hands through consumer transfers and sendings from abroad (for example, emigrants who left for America under the tsarist system - we are talking about millions of people - sent dollars to their relatives living in the USSR, etc.); part of the currency flowed in from abroad in the form of payment for smuggling; part, as we shall see, came from public funds.

In addition to direct speculation in foreign currency on the spot, there are also various methods of speculative transfers abroad.

What is the volume of speculation with foreign currency in the private capitalist market at the present time - it is, of course, impossible to accurately estimate. For example, I will cite excerpts from a report made to me on March 24, 1927 by a very

knowledgeable person about the speculative foreign exchange market in Transcaucasia for the 1925/26 financial year. This message is based on a thorough study of the issues and all available materials; therefore it can be considered quite typical for characterizing the activities of private capital in this area. Here is what my informant says, by the way:

"The main points of the currency activity of Transcaucasia are several of the largest cities, namely: Baku, Tiflis, Batum, Erivan, Ganja, Leninakan, Kutais, Julfa, Nakhichevan, Poti. These cities, in turn, serve less significant points in the province.

Thus, in order to determine the approximate volume of illegal foreign exchange transactions on a Transcaucasian scale, it is sufficient to identify the general nature of the activity of the foreign exchange markets in the cities indicated above.

The main objects of exchange turnover are: British pounds, American dollars, Turkish paper 1 lira and a golden ten. In some areas, Persian silver cranes also participate in the currency turnover, transactions with which became quite intensive in the middle of 1925/26 on the Baku free currency market.

According to the available data, it can be estimated that 30% of all currency transactions go through one turn and settle in solid hands, 50% have two circulations and 20% - mostly small transactions - turn around three or four times.

The daily currency turnover for individual cities is presented in the following figures: Baku - 40-45 thousand rubles, Tiflis - 20-25 thousand rubles, Batum - 10-13 thousand rubles, Erivan - 3-4 thousand rubles, Ganja - 2 thousand rubles, Leninakan - 10-13 thousand rubles, Kutais - 1-1 1/2 thousand rubles, Poti - 1 1/2 thousand rubles, Julfa - 1-2 thousand rubles ., Nakhichevan - 1 1/2-2 thousand rubles. and other small points - 5 thousand rubles, and in total within the limits of Transcaucasia the daily

currency turnover was expressed on average at approximately 100 thousand rubles. Although the average profit on foreign exchange transactions is very diverse, but even if we take into account the most minimal percentage (2-2.5) and translate it into an annual calculation, we get a monstrously large profit on speculative private capital.

The latter circumstance was the reason why free private capital, in an extremely small amount compared to the possibilities available to it, participated in the Transcaucasian market in transactions with state loans.

A significant role in speculative currency transactions is played by the illegal export of foreign currency and gold. The methods of exportation are very diverse, and the main ones are the following: the exchange of gold for smuggled goods imported, re-shipment through diplomatic couriers of foreign missions, through teams of foreign ships, etc. The export of precious stones over the past year was expressed in relatively insignificant figures, which is partly explained by a strong rise in prices diamonds (40% on average).

Along with the buying and selling of currency, a special place in speculative activity on the black exchanges of Transcaucasia is occupied by the so-called "barats" - illegal transfer operations of Persian merchants, which contribute to the transfer of significant amounts of foreign currency and gold to Persia.

Barat operations are developed mainly in Azerbaijan. The original clientele - Persian workers in the oil and fisheries - over time was replenished with Persian merchants. By means of barat offices, merchants transferred to their homeland the surplus currency, which was obtained as a result of the difference in the import and export of goods. In view of the obvious profitability of such transactions, most Persian merchants began to reduce the size of their commercial

commodity transactions and switch to intermediary, commission work. The center of gravity was shifted by them to fair trade, and by their activity they created sharp jumps in the relationship between the exchange rates of the chervonets and the Persian kran by artificially bringing the barats to 38 kran per chervonets.

The daily amount of barat transfers in the period following the end of the fairs reached 100 thousand rubles. If Persian merchants, using barats, received large benefits, then Persian workers, who transferred money to their families in Persia, lost from 25 to 30% of their salaries on the exchange rate difference.

In addition to transfers, Persian citizens gave money to the barat offices for safekeeping. The latter fact further strengthened the ability of offices to conduct large-scale currency speculation. The successful fight against barat offices leads to a significant reduction in the excitement in the foreign exchange market of Transcaucasia.

Quite apart in the foreign exchange market are grouped internal operations of the usurious type - pawnshop and discount. The profit received by private capital from the latter fluctuated per month from 10 to 15% for the first and from 8 to 10% for the second types of these operations. In view of the fact that the total amount of funds invested in them did not exceed approximately 500,000 rubles in the Transcaucasus, they could not exert much influence on the foreign exchange market.

The same kind of indicative estimates are available for other regions. It can be seen from them, among other things, that private capital, along with the already mentioned "transit" (institutions for illegal foreign trade), also has in some places special institutions for illegal operations in the money market. In the chapter on "Private Capital in the Money Market" we shall see that, given the present extent of credit given by private

capitalists to private industry and private trade, the appearance of such institutions can easily be explained.

Summing up various tentative materials and estimates, one can think that in general, up to about 20 million rubles are now circulating on the private capitalist foreign exchange market in the USSR.

Sometimes from here something casts on tours in state loans (for example, in those moments when the actual profitability of some of them reached 10% per month, and before the increase in capital by two and a half times per year). Sometimes, on the contrary, there is a temporary revival. But in general, these operations have become one of the permanent branches of activity of private capital in the USSR, where certain of its means are linked (with a certain accumulation). They perform those functions of servicing the general private capitalist turnover with foreign countries, etc., which it needs in this turnover, but which the state refuses to satisfy due to its sufficiently justified attitude towards such a violation by private capital of the state monopoly in the field of foreign trade and foreign currency. If it weren't for this generally successful counteraction by the state, private capitalist transactions in foreign exchange and foreign trade would have been many times greater.

Another branch of the foreign exchange activity of private capital is operations with gold. It should be noted that, as in transactions with foreign capital, here we are talking about the field of capitalist economy, and not private economy in general. Of course, even a low-income person who is not a capitalist entrepreneur in the money market can sell a gold ten he has preserved from tsarist times or a dollar received from a relative from abroad. But to buy up all these gold tens and dollars, to buy them systematically and for large sums, which then make it possible to organize illegal transfers abroad, foreign currency

loans to pay for smuggling and other operations - all this is the business of the capitalist. For such operations, the hands of a small person are short.

There are basically three sources of obtaining gold by private capital (for speculation):

1) the mobilization of reserves of gold coins left in the hands of the population at the beginning of the imperialist war of 1914, after which the legal circulation of gold coins in kind ceased in our country;

2) illegal buying of unminted gold mined in Siberia by the so-called "prospectors" (small proprietors and handicraftsmen exploited by private capital during this buying);

3) an influx from the reserves of the state, which took place due to the erroneous line in this respect of the Narkomfin during the last year of Comrade Sokolnikov's leadership of it, which ceased with a change in the line, which was incorrectly taken by Comrade Sokolnikov.

Of these three paths, the first is not now predominantly of great importance. For a number of years, old gold coins have been gradually exported abroad to pay for smuggling and travel expenses and simply for the emigrants to transfer their wealth abroad. And besides, a peasant, an intellectual, or a petty employee who has a gold ten is not so willing to part with it for sale to a money changer. The role of the second method - buying from miners - is perhaps somewhat greater, but also cannot be taken into account at least approximately. One can more definitely judge the results of the so-called "currency intervention" undertaken during the period from October 1925 to April 1926.

A fundamental discussion of the meaning and nature of "currency intervention" can be found in the organs of the

Narkomfin. By "currency intervention" in this case we mean the sale of gold (and foreign currency equal to gold) carried out by state organs to private capitalists. Its purpose was to increase the supply of gold and foreign currency on the "free market" to lower their price there and thereby significantly change the ratio of rates in favor of our chervonets.

It turned out, however, as one would expect, that the purchasing power of the chervonets is determined by deeper causes than artificial manipulations in the private capitalist market with sums that are large in themselves, but do not matter in comparison with the volume of the main national economic processes. And before this "currency intervention", and after it, and during it, the purchasing power of the chervonets generally remained at the same level, with slight fluctuations.

According to the indexes of the Market Institute of the Narkomfin, as Prof. Kondratyev cited in a report on March 11, 1927, the purchasing power of the red ruble in the "free market" in relation to the purchasing power of the pre-war ruble was: in the 1924/25 financial year - 44% and in 1925/26 business year - 43.1% (and on May 1, 1927 - 44.2%). Thus, there are no results, and the state's loss of gold and hard foreign currency in favor of private capital is undeniable.

It is clear that Comrade Sokolnikov's line, which was incorrect in this respect, was cancelled. It cost us in the sale in private hands for seven months, from October 1925 to April 1926, gold for 29 million rubles. and hard foreign currency (dollars, etc.) for 21 million rubles, but only 50 million rubles. True, in the following period, in eight months - from May to December 1926 - they managed to buy back 5 million rubles, but the bulk remained in private capitalist hands to finance smuggling and illegal transfers abroad and as an object of internal currency speculation.

In order to strengthen the Soviet red ruble, we are following a different path—the path of lowering retail prices. A vigorous reduction in retail prices, a vigorous reduction in the profits of cooperation and state trade, a struggle to limit price inflation by private sellers - all this is tantamount to an appreciation of the ruble. This is the only real way to increase its purchasing power.[5]

5 . We will talk about pseudo-cooperatives in connection with the activities of private capital in industry and agriculture; on tax evasion - in the section "Private capital and taxation".

Private capital in agriculture.

Bilateral development

Under the commodity-market form of economic relations, the capitalist, capitalism, grows out of simple labor commodity production. Therefore, from the beginning of the New Economic Policy in the Soviet countryside, individual phenomena of property inequality begin to turn into class differences. In other words, the inequality in the level of well-being of the two labor producers begins to turn into capitalist exploitation by the richer of his poor neighbor.

Of course, to some extent, although in a disguised form, commodity relations persisted in the Soviet countryside even during the period of war communism. This can be seen, for example, from the data that in 1918-1919. of all the bread, flour and cereals consumed by the urban population, more than half was delivered not by the People's Commissariat of Food, but by bagmen. And even in 1920, bagmen and other "unscheduled" purveyors delivered up to two-fifths more. These data from the works of the Central Statistical Bureau of that time (in particular, Comrade Lositsky) I cite from the book by M. Zhirmunsky - "Private Capital in Commodity Turnover"

(published by the Supreme Council of National Economy of the USSR in Moscow in 1924).

But the very size of the food supply of the cities in those days was so small that the cash, including the procurement of half or a third by the way of commodities, did not yet impose the stamp of commodity-market relations on the countryside as a whole. Moreover, direct administrative measures prevented any broad transformation of natural accumulation into an instrument of exploitation (compulsory redistribution of inventory, etc.). The establishment of the New Economic Policy in 1921 served as the starting point for a new development of the capitalist elements of agriculture, the limits and scope of which we must now determine.

In the respect that interests us now, the Soviet state differs from the bourgeois state in that it does not regard the development of capitalist elements in the countryside either benevolently or even passively. On the contrary, the Soviet state has a negative attitude towards such a development and is taking a number of measures to strengthen the socialist elements in agriculture and for their ultimate victory over the capitalist ones, despite the presence of commodity-market relations so far. The totality of these measures, the successes achieved and the outlined line are widely known (I will refer, for example, to my book The Soviet Village). The revolution achieved undoubted success in improving the condition of the poor. We now, as before the revolution, have peasants (without farm laborers and without workers living outside the cities, employees, craftsmen, and merchants with their families) make up about 75% of the total population. According to the calculation made by Comrade Lenin in 1916, before our revolution the division of the peasants into strata was such that, if it had remained unchanged, it would have accounted for 50% of the poor, 15% of the middle peasants, and 10% of the total population of kulaks. (See

Vladimir Ilyich's article recently published in a separate edition, previously unpublished, "Comrades, workers, we are going to the last, decisive battle!")

And now these about 75%, which are peasants in the entire population, are divided as follows:

Peasant poor	21.7%
Middle peasants	49%
Fists	1,6%

The poor peasants have been moved by our revolution halfway to the middle peasants.

But we are now interested not in our successes, but in the results of capitalist accumulation in agriculture by 1927.

All net agricultural production for 1925/26, without its circulating part (as livestock feed, etc.), according to the report at the planning meeting of the State Planning Committee, published in Planned Economy No. 3 for 1927 on page 46, in pre-war rubles amounted to about 7600 million rubles. at pre-war prices. Moreover, about 4 billion pre-war rubles of it were the natural part (54%) - that which remains in the economy, and about 3,600 million rubles. (46%) - the commodity part, that is, that which is alienated by the rural owners to the side, is sold. So we have to determine, in particular, what proportion of this commodity part must be attributed to capitalist entrepreneurship, and what proportion must be attributed to simple commodity labor economy.

The process of growth of capitalist elements in private labor agriculture is naturally accompanied by ruin, by the withdrawal from the ranks of independent economic units of another part of the countryside—the smallest farms. The two-sided nature of the fate of private labor agriculture under the

dominance of commodity-market conditions has not yet been adequately overcome by the organized intervention of the state. With a greater accumulation of state funds, the state will be able to a much greater extent than at present to help the poorest sections of the peasants to stay in agricultural production. This requires a much larger agricultural credit, which would enable the broad masses to pass over to collective farming, as well as to the development of its labor-intensive branches.

This two-sidedness is masked on superficial observation by the general rise of the country's agriculture. Whoever looks at the statistical tables for a number of recent years will at first think that a one-way upward movement is taking place. The percentage of non-sowing farms is becoming smaller every year, the sowing farms are growing in all groups, etc. In fact, it is not taken into account here that some of the poorest farms abandon farming altogether, completely liquidate it and move out, and therefore are no longer included in the statistical tables. One layer at the top is growing from a private labor economy into capitalist agricultural enterprises, while another layer, at the bottom, is leaving the ranks of the rural owners altogether—severing ties with the countryside, moving to the cities, taking their families there. It is known that so-called "individual workers' housing construction" is now widely developed in a number of factory districts. It consists in the fact that a worker (yesterday's peasant) who has entered the factory sells his village hut and, with the proceeds, builds himself a hut “on chicken legs” near the factory or on the outskirts of the city, so as not to be forced to an expensive life “for two houses”, so as not to be separated from the family and provide themselves with at least some housing at the factory.

According to Gosplan's Control Figures, over the past three years the composition of the employed proletariat (except for the unemployed) has increased by three million people across

the USSR. To them must be added the family members who are dependent on them. Two-thirds of this mass came from the countryside, liquidating their miserable "private economy" there. This is one of the manifestations of the second side of the evolution of private labor economy in our agriculture. Other similar manifestations are the increase in the number of peasants who turn into hired workers in agricultural production itself, and the increase in the annual departure for seasonal non-agricultural earnings (construction work, logging, etc.).

Until now, there have been no official mass data that would make it possible to statistically illustrate this undoubted process of the disintegration and liquidation of part of the laboring farms by direct data on the village itself. This absence probably served as the basis for individual misconceptions that were sometimes encountered about the allegedly already achieved such a peculiarity in the evolution of private labor agriculture in the USSR, in which only its continuous growth occurs without any disintegration of the lower groups. The recently published CSO "Statistical Handbook of the USSR for 1927" should put an end to such notions because it publishes the results of mass surveys of the same farms, covering about 600 thousand peasant households and showing everywhere the two-sided nature of evolution (pp. 67-71). These nearly 600,000 yards were examined in detail in 1924, and a year later, in 1925, it was re-examined what happened to them. Those who liquidated the economy or reduced it fall into the category of those who have passed into the lower groups. The results by region are as follows:

AREA Number of farms surveyed in (thousand) Moved to lower groups (in %) No change (in %) Moved to the highest groups (in %)

Consuming	189	5	81.8		13.2
Producing	236	11.3	68.9	19.8	
North Caucasian	53	15.2	55.8	29	
Siberian	53	15.2	11.7	24.3	
Ukraine	62	12.7	67.6	19.7	
Belarus	10	6.1	75.3	18.6	

The picture is perfectly clear. As one would expect, the two-sided nature of the process is all the more pronounced, the greater the role played in the peasant economy by agriculture— the North Caucasus, Siberia, the Ukraine, the "producing region" of the RSFSR 6 .

6) The well-known work of Comrade Sukhanov - "The Evolution of Russian Agriculture" established the great two-sided nature of this process in proportion to the nature of agriculture in the peasant economy and for pre-revolutionary Russia. (See in detail my book - "The Economy of the Pre-Soviet Village", M. 1926)

In full agreement with this are direct data on the liquidation of farms, published in the same "Spravochnik" for 1922-1925. (p. 65). These data cover about 350,000 peasant households surveyed annually in the gubernias of the consuming region, in 9 gubernias of the producing region, and in 5 gubernias of Ukraine. They indicate each year the percentage of households that moved out and liquidated, and the percentage of households that returned and relocated. The preponderance of the former over the latter, i.e., net eviction and liquidation as a percentage of the total number of peasant households, turns out to be the following by districts:

Districts	1922-1923	1924-1925
Consuming	o.8%	1.0%
Producing	o.8%	1.1%
Ukraine	1.0%	0.6%

The decrease in the percentage in Ukraine was, of course, also influenced by the resettlement of Jews to the land, which developed from 1924 to switch to agriculture. If we take one eviction and liquidation (not subtracting the newly settled and returned), then on average for the period 1922-1925. about 2.4% of households will be liquidated and evicted annually in the consuming area, about 3.2% in the producing area, and about 2.8% of all households in Ukraine.

In passing to growth from the simple labor commodity production of capitalist agricultural enterprises, we must therefore keep in mind the other side of the process that has just been discussed.

Farming with hired workers..

There are now four forms of capitalist entrepreneurship in agriculture. First, an open, open entrepreneurial economy with hired workers, what we sometimes call a kulak economy. Secondly, the disguised capitalist exploitation of poor neighbors by allegedly renting out their implements and working livestock to them, but in reality by transferring, in this way, often on absolutely enslaving conditions, part of their production to their own disposal, and in reality they are laborers in disguise. Thirdly, agricultural pseudo-cooperatives. Fourth, the entrepreneurial organization of a certain part of the annual departure of workers from the countryside to work, in particular for non-agricultural work (forestry and construction).

In one of his speeches, Comrade Molotov recently said that the number of kulaks at the present time can be estimated at approximately 3% to 4% of peasant families.

I consider this figure to be exaggerated. Insofar as we are talking about a truly entrepreneurial economy in agriculture and animal husbandry, about an economy that is carried on with the help of hired workers, not only as auxiliary persons during the illness of the head of the family or during his absence, conscription, - since we are talking about a real capitalist economy However small, we must establish a much smaller share of such a purely entrepreneurial stratum in the total mass of peasant families. Sufficient material has already accumulated that makes it possible to clarify the previous ideas about the kulak stratum in general and to single out from it elements of a definitely capitalist, entrepreneurial type.

The figure indicated by Comrade Molotov includes not only "kulaks," but also those "close to them," i.e., those elements of the countryside from which, according to their level of prosperity, capitalist entrepreneurs can develop, but have not yet developed.

According to the book "Agriculture of the USSR in 1924/25 according to the data of tax reports on agricultural tax" published by the Narkomfin, this book, for example, can be used to clarify more precisely that narrower group of peasant farms, which must be considered an economy of a definitely capitalist type. Such attempts are made, by the way, in the introductory articles of this book. They provide a number of useful materials on capitalist farms.

Such farms, as can be established from these data, include, on average, in the RSFSR, in Ukraine and Belarus, about 2% of all farms. On page 23 of the "Introduction" one can find a comparison of some data on all peasant farms on the average

and on these 2%, one might say, on the most selective top of the peasant farm. If we take the average number of workers from family members of the farm itself per farm, then in peasant farms in general it is 2.1 people, while in this highest two percent group it is only 1.8 people. In terms of the number of labor force in their own family, these 2% (entrepreneurial farms) are significantly inferior to the ordinary peasant farm. This, by the way, refutes the once fashionable rumors that the power of the highest peasant group, probably, due to its multi-family and the presence of a more significant stock of living labor in its own family. In fact, it turns out that there are fewer family workers in an entrepreneurial family than in an average peasant family. But more property. And this property is used as capital—for the exploitation of someone else's dependent labor force for the purpose of making a profit. Of course, most of these entrepreneurial enterprises are among the small-capitalist ones, but this does not change their social character.

The data (ibid., same page) on the size of the farm clearly confirm this. Thus, in terms of the amount of sowing per consumer, for every hundred consumers in all peasant farms in general, there is an average of 59 desyatina *(1.09 hektare equals 1desyatina)* sowing, and for every hundred eaters of these 2% of higher farms, there are 236 desyatina crops - exactly four times more. If we take working cattle, then for everyone hundred eaters of all peasant farms there are 15 heads of working cattle, and for every hundred eaters of this top 2 per cent group there are 36 head of draft livestock, i.e., almost two and a half times more. If we take the number of cattle, then for every hundred eaters of all peasant farms, on average, there are 22 heads, and for every hundred eaters of this 2 percent, highest group, 37 heads. The publication of the People's Commissariat of Finance of the USSR, published in June 1927, "Agriculture of the USSR in 1925/26 according to

tax reports on the unified agricultural tax," shows that approximately the same relations took place in 1925/26.

Conventionally, we can judge the capitalist (exploiting) group by the highest (ninth) group of agricultural tax (having more than three acres of arable land or crops per consumer, depending on the region, while the average area under crops per consumer for all peasants in the USSR is four times less). The amount of sowing per consumer in the ninth group by districts almost coincides with the boundary adopted by the collegium of the National Committee of the RCT for determining exploitative farms when discussing errors in the grain-forage balance. If some part disappears, then it is completely covered by those kulaks (who sell their livestock on indentured conditions, who have an auxiliary trading establishment, etc.) who have a smaller area (or, for example, are tobacco planters, gardeners, etc.). , which requires little land).

In any case, to characterize the difference between the capitalist stratum and the ordinary peasantry, a comparison of the ninth agricultural tax group with agricultural tax data on average for all peasants is quite suitable. According to the mentioned edition of the NKFin in 1925/26, the ninth group accounted for 2.18% of all households in the USSR (in the previous 1924/25 it was 2.1%), and for every hundred consumers in this group there were 240 acres of sowing, then like all peasants, the average is only 65 acres. In total, the ninth group has 78 heads of cattle (working and food together) per hundred eaters, while all peasants have an average of only 39 heads (in the previous year 1924/25 these figures were 73 heads and 37 heads). Like this; Thus, the ratio has been preserved: the highest capitalist group (about 2% of all farms) is four times stronger than the average peasantry per consumer (this is in the USSR without Transcaucasia and Uzbekistan; eight times in Transcaucasia, six

times in Uzbekistan) and twice as much for large working and food livestock. It goes without saying that all these data allow us to expect a significant development in this top 2 percent group and wage labor. And so it turns out, of course.

The number of hired workers (farm laborers) in the peasant economy is not exactly known. There is an estimate by the CSO (pp. 307-311 of the called "Reference Book"), the incompleteness of which is stipulated by the CSO itself, and there is an estimate by Vserabotzemles based on the data of its local branches and representatives. The Total working Forest count is much more complete—a difference of more than a million—and has the advantage of reality. These are the living laborers whose existence is known to the local branches of Vserabozemles and their representatives. Meanwhile, the CSO data (for August 1926) includes only those laborers whose presence the village councils informed the CSO in response to its questionnaire. In other words, only those laborers whose existence is officially known to the responding village councils, i.e., obviously, those farm laborers with whom contracts are registered with the village councils. Since the registration of labor contracts with us is just beginning to take root, it is not surprising that Vserabozemles sometimes registers laborers in such numbers and in such places in which and where the existence of their CSB is unknown. For example, Samara provincial statistics for 1926 found that in the Samara province of all farm laborers, only a third, no more than 34%, were covered by labor contracts (article by Comrade Baskin in No. 3 of the magazine "On the Agrarian Front" for 1927, p. 90) .

The entire difference falls on farm laborers on individual peasant farms because farm laborers of state farms and shepherds of rural communities are all employed under registered contracts. However, if we take into account the five reservations of the CSO itself about the incompleteness of its

data (p. 311 of the Handbook) and make an appropriate estimate, then the difference between the testimony of the CSO and the testimony of Vserabozemles almost disappears.

The CSO shows the number of hired workers in individual peasant farms in the USSR as of August 1926 at a total of 989 thousand people. and stipulates that "shepherds and shepherds" are not included here. The number of these shepherds and herdsmen is shown there separately at 681,000 people—together for rural communities and for individual peasant farms. Since there are at least 350 thousand rural societies in the USSR, and in the table of the CSB there is a direct reservation that these 681 thousand people. included shepherds and shepherds of individual owners, then at least 100 thousand people should be attributed to the share of the latter. We get about 1,100,000 laborers on individual farms.

The second reservation of the CSO is that the number of laborers "in the field and other agricultural work" does not include 220 thousand people hired by individual farms as watchmen in vegetable gardens, melons, orchards, domestic workers, etc., "part of who, in view of the absence of a strict division of work in the peasant economy, could also be classified as agricultural workers" (p. 311). I believe that at least nine-tenths should be attributed. The workers in the kitchen gardens and orchards are just as laborers as those employed in the fields. And the main occupation of the "domestic worker" in the peasant economy is to go after cows, pigs, and poultry, to churn butter, when necessary, to help mow, reap, etc. We already get about 1,300 thousand people.

Further, the Central Statistical Board indicates that "accounting covers from 60% to 90% of village councils in individual provinces included in the report" (p. 311). This means that, on average, only three-quarters of the village councils responded to the questionnaire sent by the CSO to the village councils.

Making an appropriate estimate, we already get over 1,700 thousand people.

The CSO's fourth reservation is that "for the USSR, the calculation was made for a territory covering about 22 million farms, which is 99% of the total number of farms in the USSR" (p. 312). Making an appropriate estimate, we get up to 1,900 thousand people.

Finally, the CSO lists only "fixed-term" agricultural workers in its table (p. 307). Together with the “permanent” ones, it means that there will be no less than 2 million, i.e., it will come relatively close to the figure of the All-Works Land. It is possible that the Vserabozemles data is also underestimated (although, since it already has over a million members, it may already have quite complete information). It should be noted that the all-Union census of December 1926 will not give a complete picture of wage labor in agriculture, for it was taken in the winter when the overwhelming majority of fixed-term workers are absent. In the Handbook No. 4 of the Statistical Review, which was published later, the CSO, on the basis of more complete calculations, already considers that in August 1926 there were 1,600,000 laborers on individual peasant farms. This is already a significant approximation to the truth, the difference remains only 650 thousand people, and one can hope that with such progress, the CSB will soon catch up with it.

Thus, from now on, we must dwell on the fact that in 1926 at least two and a quarter million laborers were employed in individual peasant farms. The total number of "employees in agriculture" reached 3,600,000 people in 1926, according to Vserabozemles; of these, about 1,300,000 work in state farms, among rural communities (shepherds), in forestry, in cooperatives and handicraft processing (Pravda, April 13, 1927, article by Comrade Gindin—"Wage labor in agriculture") .

As regards the size of the annual increase (from 1926 to 1927), for the increase in 1926 (against 1925) both the CSB and Vserabozemles show very large figures. So large that they must clearly be attributed not to actual growth, but to more complete accounting. According to Vserabozemles, this number increased by two thirds in one year.

And according to the CSB, the growth over the same year turns out to be even more dizzying: the number of peasant farms using hired labor in general has increased over the year; and in the producing region of the RSFSR even four and a quarter times. Obviously, in 1925, Vserabozemles had more complete records than those of the CSO, and therefore the increase in Vserabozemles is less fantastic than that of the CSO. In fact, however, the rate of growth of the All Rabozemles (two-thirds) far exceeds the actual one and is also explained by incomplete accounting for 1925. For a number of reasons and individual data, which there is no need to cite here, it must be assumed that the actual increase is not from 150% to 325% per year, as for the CSB, and not 65%, as for Vserabozemles, but only about 10%. Then the number of all farm laborers in peasant farms in 1927 can be taken up to 2500 thousand people. (including permanent, fixed-term, day laborers, shepherds, gardeners, horticulturalists, "domestic", etc.) Most of them are, of course, fixed-term workers (during summer or autumn work).

It is possible that by the end of the 1927 season, the actual accounting by Vserabotzemles will give a somewhat larger value, because the figure I have given corresponds to the total number of about 4 million people included in the Vserabotzemles jurisdiction. in 1927 (foresters, state farmers, shepherds of village councils, etc. are added), and the chairman of Vserabozemles, Comrade Antselovich, believes that in 1927, thanks to the achievement of completeness of accounting and growth, it will turn out, perhaps, even up to 5 million.

The entrepreneurial group of peasant farms accounts for about 1.5 million farm laborers [7] , i.e., less than 40% of all wage laborers who should be in 1927 in the terms of reference of the Vserabotzemles, with the moderate growth we have adopted in comparison with the CSB and Vserabozemles.

7) This value is obtained by comparing the available data on the percentage of hiring households by groups, on the size of the average hiring by groups, on the average completeness of registration and on local more detailed surveys characterizing questionnaires, etc. center data. The main part of these 1,500 thousand people. are seasonal laborers (partly paid by the day).

In the entire entrepreneurial group, about 2% of all peasant farms (or about 450,000 households by 1927). As we have seen, there should be about 800 thousand people in this group of their own, family workers, i.e., those working on their own farm from among family members. (an average of 1.8 people per farm). Thus, this highest group (2% of all farms) has an average of about 2 hired workers for each of its workers, while in the rest of the peasant farms, on average, there is only an insignificant fraction, something about 0.02 people. for one family worker. Approximately 90 times less than this higher group.

How has the number of these entrepreneurial households been growing lately? Their percentage is not the same in different parts of the country. In the North European and Central European parts of the RSFSR it is less, in Ukraine it is more, in the North Caucasus it is even more, and so on.

The direct data from the CSO show such a large increase that they are, as stated, clearly not representative, and this "statistical" increase must be attributed to a greater undercounting of past years than is taking place now. More revealing are the tax statistics of the People's Commissariat of

Finance on the so-called "ninth group" in terms of agricultural tax, that is, on the highest taxed land. It does not completely coincide with the capitalist-entrepreneurial group, but is close to it (part of its farms are not managed capitalist, but part of the farms from neighboring groups adjacent to it are managed capitalist).

In any case, this gives a picture closer to reality than the dizzying growth according to the "selective" and "questionnaire" tables of the CSO, because from year to year, when establishing the agricultural tax, a complete accounting of all farms is carried out on the spot, moreover, according to the same criteria.

In order not to clutter up the presentation, I will give a certificate from the same "Collection" of the NKF only for Ukraine (p. 77 of the "Introduction"). The number of farms of the "ninth group" in Ukraine in 1922/23 was 3.2%, in 1923/24 it was already 3.6%, in 1924/25 it was even slightly higher—3.7%. Here you can see a slow but rather persistent growth. This growth began and intensified from the time of the New Economic Policy, i.e., from the time when the top groups of the peasant economy were able to turn their great wealth into an instrument of commodity capitalist growth.

There are about 45,000,000 annual workers in the peasant economy of the USSR, counting only those needed for production, and not taking into account the share of the annual labor of a peasant family that is spent on household chores, cooking, childcare, etc. etc., as well as not taking into account the share that falls on the departure to the side. This calculation was made by Gosplan's Control Figures (p. 34). So, the top 2% of households have 1.9% of all annual workers on all peasant farms, except for hired workers. Of all wage workers employed in individual peasant farms, these top 2% households have about 60%. Of all the workers, family and hired together,

generally employed in the peasant economy, the top 2% of households have slightly more than 5%.

On page 74 of the "Introduction" to the mentioned edition of the NKF ("Agriculture of the USSR in 1924/25") there is a final calculation of the percentage of taxable land, crops, workers, and cattle belonging to the most prosperous households in the amount of 4% of all peasant households. yards. This group embraces both kulaks and those who are close to kulaks. For each region of the country, families were ranked among this most prosperous group on the basis of special features for each region, developed by the statistician N. Oganovsky. In total, these 4% of households, according to the continuous tax data of the NKF, account for 16.3% of all taxable land, 16.2% of crops, 11.2% of draft animals and 8.2% of cattle. From this group, by appropriate recalculations, I single out the 2% of the most powerful capitalist-entrepreneurial households and obtain the following results.

Of all the taxable land at the disposal of the peasantry, these 2% of households account for between 10% and 11%. The taxable land includes not only crops, but also arable land and meadows; therefore, I give separately data on all taxable lands and separately on crops.

Of all the crops, the capitalist 2% of households also account for 10 to 11% of all peasant crops in the USSR. Of all working livestock, these 2% of households account for about 7.5%. Of all cattle, the same 2% of households account for up to 5.5%.

Considering that these households have a slightly higher sowing yield than the average yield in a peasant farm in general, we can assume that if they have from 10% to 11% of the sowing, then they have up to about 12% of the total crop. “Cultivation of peasant arable land on farms of different capacities” (No. 3 for 1927, “On the Agrarian Front”, p. 121), the

following data are given on the average yield in pounds per tithe for different groups (according to the area of sowing):

	Rye	Wheat	Barley	Millet
On average, all	38	38	48	47
Sowing< 10 desyatina	33	34	46	41
Sowing > 10 desyatina	44	46	53	63

Then it must be taken into account that the top 2 per cent group often has a somewhat higher type of farming than the average peasant mass (more intensive farming, better implements, more valuable crops, etc.), so a real assessment of their harvest is still needed. more boost. But they have a smaller percentage of cattle than crops. If we take into account the monetary expression, on the one hand of their agricultural production, and on the other hand, their livestock production, then on average this gives up to 9% of gross output in monetary terms. In other words, out of all those 7,600,000 pre-war rubles by which Gosplan estimates the gross output of agriculture, almost 700 million rubles. is concentrated in the economy of these 2% of households, who have, on average, almost two wage workers for each one of their family workers.

This capitalist group, of course, has a somewhat higher percentage of marketable output, because a larger part of its production can be alienated to the market than that of the peasant of the middle peasant type, who by his production satisfies his own needs primarily in kind. We have seen that, according to the State Planning Commission, on average for the entire village, out of all agricultural production, out of all gross agricultural output, 54% is in kind (consumed on one's farm) and 46% in the marketable (sold) part.

If we divide the whole countryside into two groups: 1) into all the peasantry, except for the capitalist 2% of households, 2)

these 2% of capitalist households, it turns out that in the entire peasantry, apart from these 2%, there is 58% natural and 42% marketable products. And the capitalist 2% have only 30% natural, but 70% marketable products. Therefore, it turns out that although the share of the top 2% of households in the gross output is about 9%, in the marketable output, in what goes to the market, their share is up to 14%, i.e., about one seventh. This means that of all that is alienated from the peasant economy, both in the field of agricultural products and in the field of livestock products, agricultural raw materials, etc., only one-seventh is supplied directly from their own production by the capitalist entrepreneurial economy (covering 2% of households). An illustration can be provided by the calculations of the Central Statistical Bureau of the number of commodity grain stocks and grain stocks in general, falling on April 1, 1926 for a group of households, each sowing more than 16 acres ("Statistical Review" No. 2 for 1927, article by Comrade Lositsky - "Peasant grain reserves).

It should be noted that this group is somewhat narrower than the one we have, according to the decision of the Board of the People's Commissariat of the RCI, referred to as "exploiting". This resolution is given in Comrade Yakovlev's book "On errors in the grain-forage balance" (p. 82), and according to it, the exploiting group begins with the following sowing area: in the Ukrainian forest-steppe - from 10 desyatina, in the steppe Ukraine - from 14 desyatina, in the Central Black Earth region of the RSFSR - from 12 desyatina, in Siberia - from 14 desyatina, in the northeast - from 14 desyatina etc. In stocks for April 1, the CSB includes the consumer fund of the peasants themselves for the remainder of the economic year, and livestock feed for the same period, and all seed stocks, and surpluses for sale on the market, and the internal reserve of the economy. Of all this, more than 16 desyatina accounted for 10.6%, and from commodity stocks alone, even 21% (p. 34 of the Statistical

Review, No. 2). It follows from our examination, among other things, that in some districts, Comrade Yakovlev's commission, if one singles out only truly capitalist farms, has taken the limit at which those who are not actually such will fall into the "exploiting" ones. This underestimates the relative weight of a narrower, but really capitalist group, because the indicators relating to it blur, decrease when extended to a wider (in fact, non-capitalist, non-exploiting) circle of farms.

At first glance, it may seem surprising that we have such a stratum, albeit a thin one—only 2% of the households, which runs its economy mainly by hired workers and is capitalist-entrepreneurial in the exact sense of the word. Of course, in most cases these are small capitalist enterprises. But in a number of cases, recent observations show, however, that a number of large-scale peasant farms have already been created, employing hired workers in comparatively fairly large numbers. First of all, these are plantation farms, such as tobacco plantations, which require up to 5 workers per tithe in the summer, orchards, vineyards, etc. Then gardening. Pravda had a telegram from Saratov stating that 27 workers had gone on strike near a gardener near Sara .Comrade In the same Pravda, in the judicial department, the process of one gardener near Moscow, who employed 15 workers, was printed. Finally, there are areas of large-scale grain farming and animal husbandry, where hired labor is also widely used. Here are a few examples from the Don and Terek districts of the North Caucasus region.

Recently, at the end of 1926, the Terek District Committee of our Party published a pamphlet, Our Experience. It provides information showing the extent to which the hiring of agricultural workers by large peasants in such areas as the North Caucasus reaches. Here are excerpts from a description of the hiring of farm laborers by peasants in the village of Praskoveya, Terek District in 1926 (p. 28):

“The village of Praskoveya is rich in vineyards. Next to the rich garden owners, who have 3,000 to 12,000 buckets of wine, there are also perfect farm laborers, whose occupation is to work for the kulaks. One can observe in the bazaar how kulaks come to crowds of farm laborers, count out 200-300 people, give them the price they want, and lead them to their gardens for day labor. And how are they hired! We have witnessed such a picture. A well-fed and drunk gardener approaches the crowd and shouts: “Come on, barefoot, come out fifty people at eight hryvnias!” Immediately he begins to choose and count, to choose according to the complexion, according to height, he probes with his eyes both in front and behind.

At the very height of the season, the laborers made an attempt to go on strike. The employers were organized, they agreed among themselves and did not even want to add an extra nickel. All the laborers who went on strike were more than 500 people. They didn't go to work for two days in a row! On the third day, the owners began to add only a dime, two, but the new laborers could no longer hold on, they had no grubs, they began to be hired.

Some of the local laborers said: “Well, it was our brethren who fought, but our strike turned out to be in the English style. Our praskoveyskys would have held out to the end, but outsiders would have torn off. Yes, and you can’t blame them, people without grubs ”(pp. 28-29).

In this village of Praskoveya, according to the Tersky Financial Department, there are 65 large peasant farms, which is about 3% of all farms in the village. Of these, 26 owners have more than 20 seasonal laborers each during seasonal work in the gardens, and, in addition, 2-3 permanent laborers.

Here, for example, is the farm of the peasant Sergey Korneev:

"His family consists of eight people. Sowing farm has 48 desyatina In addition, 5 dec. vineyard. There are 3 horses on the farm, 15 cows, and 91 sheep. From the agricultural inventory there are: 2 bookers, 5 harrows, 1 seeder, 1 winnower, 4 wine presses. In the summer, the farm uses the labor of 18 hired laborers who work for 2-3 months. In winter, up to 6 hired workers work on the farm, 3 of them all year round, including 2 shepherds. In 1926, the farm paid 442 rubles of agricultural tax. The annual profitability of the farm is approximately 19 thousand rubles, of which about 10 thousand rubles remain to the owner of the net income.

Therefore, the tax is less than 4.5% of net income. The head of the household is 26 years old, literate. He complies with labor legislation, concludes contracts for all farm laborers in a timely manner and fulfills them accurately. He feeds the workers satisfactorily and even often at the common table with the whole family. He subscribes to several newspapers and makes literate farm laborers read. He is not a member of the cooperative. In the field of field cultivation, he does not introduce any innovations and cultural undertakings into the economy.

This is partly explained by the fact that field cultivation has an auxiliary character for the economy and sowing is carried out in order to have grain to feed the workers and to pay their wages in grain. In the field of winemaking, which is the basis of the economy, there are cultural innovations: tools for winemaking, pressing. The owner himself leads a secluded life and eschews social work. (From materials reported by the Terek Committee.)

Another large farm, with a more significant bias towards field cultivation and cattle breeding, belongs to the peasant Ivan Yena. "His farm has 52 desyatina crops, 1 1/2 vineyards, 3 horses, 10 oxen, 26 cows, 350 sheep. From the agricultural

inventory there are: 3 bookers, 10 harrows, 1 winnower, 1 seeder, 1 wine press. Hired force in the economy is used, but without registered contracts. During the season, up to 22 seasonal laborers work on the farm for 2-6 months and, in addition, 3 annual workers. The farm is not a member of any cooperative organizations. Agricultural tax paid 572 rubles. The head of the family is 36 years old, semi-literate; his whole family is illiterate, they do not teach children to read and write, they eschew public life. (From the same materials.)

In the same Terek district there are a number of capitalist peasant farms, no longer of the horticultural type, like Sergei Korneev, and not of the field-animal husbandry type, like Ivan Yena, but specifically cattle-breeding. Based on the materials collected in March 1927 on behalf of the Terek comrades by Comrade Serebryakyan, I will give an example of one village - Alikui, Naursky district, Tersky district. There are 10 large peasant sheep-breeding farms here, ranging in size from 1 1/2 thousand to 15 thousand sheep each. Here is a description of one of them, the farm of Yakov Lutsenko, who has up to 7,000 Spanish sheep.

"A year he collects up to 2 thousand poods of wool, and in 1926 the income received by him from the farm is estimated at 73 thousand rubles. Of this income, 51 thousand rubles were spent on the needs of the farm (land rent, payment to shepherds, shearing sheep, fodder), and the remaining 22 thousand rubles. amounted to a surplus and partly went to the issuance of loans to neighboring peasants. This year Lutsenko has such credits for the peasants up to 1 1/2 thousand poods of grain and 5 thousand rubles. money. He assures that no one will deceive him, since the peasants know that once he has deceived, you will not get another time. Lutsenko's son studies, according to him, at the university.

Lutsenko's house differs from the huts of other farmers: it consists of three or four rooms, with furnishings somewhat different from the usual peasant. One of the comrades who visited him at home a few years before our survey, in 1923, says that at that time the farm was not yet so powerful. Yet even then the family already drank tea with jam, silver spoons. In the past, in 1926, Lutsenko spent 3,000 rubles on the treatment of his wife in Mozdok." (From the same materials.)

Sometimes in the same villages the contrast between capitalist entrepreneurs and the ordinary peasantry is very clearly revealed.

Comrade Lvov (chief inspector of the NKTorg) delivered me a list of 29 owners who were deprived of the right to vote during the re-election of councils in the village of Vorontsovsky, Yeisk District, Don District, along with information about the property status of these 29 households and the remaining 149 households of the village of Vorontsovsky. Dispossessed people make up only one-sixth of all households.

They have 3632 desyatina land, or an average of 15 desyatina on the eater. The rest of the yards have an average of 2 desyatina on the eater. The disfranchised have 99 winter laborers, that is, on average, almost 4 winter laborers per yard. I emphasize the word "winter", because in the summer they have several times more fixed-term, seasonal and daily wage workers. Among the dispossessed come across owners who have 150 dessiatins. and above. Having more than 100 desyatina quite a lot, and in a number of cases the head of the household is a woman who has several young children, but hires 4-5 winter laborers alone.

Before us is a type of a kind of small new landlords, growing out of large-scale peasant farms in the conditions of commodity-market relations.

It is curious that in the Samara province, surveyors from the workers of the Communist Academy, having discovered in the spring of 1927 a similar layer of capitalist peasant farms, established that the local population calls them “new landowners” in this way. The houses of the “new landowners” differ from ordinary peasant houses in size, in the size of the windows (urban type), in the height of the rooms, and in the interior decoration (the investigators saw pianos, gramophones, etc. in them).

Is it possible to call otherwise than the "landowner" that peasant who in the village of Essentukskaya alone in 1926 sold from his farm for 32 thousand rubles. wheat and other grains? (From the materials of the Terek regional committee.) After all, this means sowing more than 200 desyatina The area for sowing on such a scale is concentrated in the hands of one farm thanks to the lease of land and due to the absence of intra-settlement land management in the overwhelming majority of areas of the USSR. Until now, in a number of places (especially where there was no “land pressure”), large peasants use their lands bought before the revolution, as well as lands seized by them during the civil war and the first years of Soviet power, when they “mastered” free land (former landlord and former state) one who had cattle and equipment in cash for this.

As for entrepreneurial leasing, even the very incomplete data of our CSO (based on spring polls) published on pages 74-77 of the aforementioned "Reference Book" allow us to judge its significant prevalence.

General data for 1924-1926 are given here throughout the RSFSR. There are few of them.

There are few of them.

	1924	1925	1926
% of farms with crops on leased land	3.6	5.4	7.2
% of sowing on leased land to the total sowing of the RSFSR	2.4	4.1	5.3

For Ukraine, Transcaucasia and Uzbekistan, information is only for 1925. Here, lease relations are even more developed:

	% of farms with crops on leased land	% of sowing on leased land to the total sowing of the RSFSR
Ukraine	6.9	4.7
Transcaucasia	7.7	6.3
Uzbekistan	8.2	5.1

The reality by 1927 must be considered undoubtedly more impressive than the data of this incomplete accounting of 1925 and 1926. As for the distribution of rent between different groups of households, apart from a few northern provinces, the CSB's "Reference Book" contains data only for the Ryazan, Tula, Oryol and Saratov provinces, the Ural region, and the Republic of the Volga Germans. Thus, this "producing zone" does not include the main and most characteristic agricultural regions: the Ukraine, the North Caucasian region, Siberia, and Kazakhstan. Transcaucasia and Uzbekistan with their more developed lease relations are also not included. Nevertheless, for this "producing strip" we get the following picture for the spring of 1926, according to the CSB, dividing the farms according to the amount of sowing per yard into three groups:

Sowing	less than 6 desyatina	from 6 to 10.	above 10 .
Number of yards	78.3%	16.5%	5.2%
Rented from all the leased land	24.8%	26.5%	48.7%

For 1 rental yard	1.5 dec.	2.9 dec.		8 dec.
from all surrendered land		87.2%	9.4%	3.4%

It turns out a picture that is completely not amenable to any reinterpretation. It clearly shows that approximately half of the lease is capitalist, entrepreneurial. Such leasing is not aimed at satisfying the consumer needs of the economy, but at the production for additional sale on the market, carried out in addition to the family's own labor forces, by hired workers.

We saw above that the narrow capitalist-entrepreneurial stratum of the peasants, according to total tax data, owns up to 10% of the entire peasant sown area in the USSR. Now we can add to this that, judging by the dynamics of incomplete accounting of the Central Statistical Office, we can approximately assume that in 1927, including entrepreneurial rent, it accounted for from 2.5% to 3% and about 7% for the rest of the land use of this group.

Some indications of the growth of this group can be taken from the data of the "Handbook" of the CSB on the growth of the largest farms - those with 4 or more head of working cattle, with 4 or more cows, with more than 10 dess of crops. Of course, in any locality, even a farm with 4 heads of working cattle may not be entrepreneurial, but on average in the RSFSR a farm of this type usually goes far beyond the ordinary. Farms with 4 or more cows in the RSFSR were (p. 81):

1924 г. 2,2%,

1925 2,3%

1926 3,%

Farms with 4 or more heads of working cattle in 1924 were 20/0 and in 1926 - 2.1% (p. 81). Farms with more than 10 desyatina in 1925 it was 2.7%, and in 1926 it was already 3.2% (p. 78). According to the data of annual censuses of 340,000 households

in the same villages, carried out by the Central Statistical Office in 1922-1925 in some areas (p. 85), the number of farms sowing more than 16 desyatina to the yard, changed as follows:

	1222 г.	1925 г.
Producing region of the RSFSR. . .	0,1%	0,4%
North Caucasian	1.0 %	4,6%
Siberia	0,4%	0,4%
Ukraine	3%	1,4%

Capitalist surrender of livestock and implements.

The second type of capitalist organization of production in agriculture is the organization of production under the guise of leasing out one's implements and draft animals. This form is described and analyzed in detail in my book, The Soviet Village, and in Comrade Kritzman's book, Class Stratification in the Soviet Village.

Seemingly here, a poor man hires a capitalist entrepreneur as a piece worker with a horse. In fact, the kulak, in order to extract exploitative income for his own benefit, cultivates the land of the poor, legally without renting it. For the use of the land, the kulak pays the poor peasant a smaller part of the harvest from the land thus cultivated. And legally it is considered that the poor "hired" by him "piecework worker" pays "wages" in the form of most of the crop. For plowing, for bringing crops from the field to the countryside, for exporting them for sale to a point, etc., for all “piece-work” work, the horseless “pays” a fair share of the harvest to the kulak (in the Kiev district, for example, for only one export from the field - up to one sheaf out of every four, etc.). This is a system of "proletarian" camouflage with the fist of actual capitalist relations (the imaginary "employer" is usually the actual worker of his "piecework

worker"). The system of such camouflage is partly a relic of the early years of the NEP (when there was still no clear permission to lease), partly carried out by the kulak to protect oneself from disenfranchisement or from registering an agreement to lease land from the poor or to hire the poor himself, etc. The purpose of the camouflage - depriving the poor of the protection of the law, which the poor would have received in the open discovery of real capitalist relations and in the registration of the corresponding contracts.

Exploitation by masquerade "renting out" of one's draft animals and implements is now one of the most widespread forms of capitalist enterprise in the countryside. It is absolutely impossible to accurately calculate its dimensions with available materials. Approximately, it is possible to determine the lower limits of its size in relation to the prevalence of hiring the so-called pieceworkers.

According to the spring poll of the Central Statistical Bureau in 1926 (pp. 88-89 of the Handbook), one can see how sharply the division of "piecework workers" into groups of employers differs sharply from the division into groups of employers of other wage workers (i.e., fixed-term, annual and daily). And in the consuming region of the RSFSR and in the producing region of the RSFSR, the picture is completely the same—the direct opposite of the distribution of "piecework" workers and other workers. Here, for example, is a table showing the percentage of households in each group employing "piecework workers" for the consumption band:

Farm groups	Of these, hires “piecework workers” (in %%)
Sowing up to 1 des.	39.6
From 1 to 2 dec.	23.9
2 to 3	9.2

3 -4	5.0
4-6	3.1
6-10	2.9
10- 16	5.9
16-25	1.5
Over 25 dec.	0

Before us is a vivid picture of how "piecework" workers are "hired" mainly by the poor. Of all the farms "hiring" in general "piece-workers" according to the consumption band, the share of the smallest farms sowing less than 2 dessiatines, as can be seen from another table on the same page of the Directory, is almost equal to 80% - four-fifths. Then almost 18% falls on those who sow from 2 to 4 desyatina to the yard. The distribution of households that hire the rest of the workers—permanent, annual, and daily workers—is completely reversed. hire fixed-term, annual and daily wages (p. 88). And from the group sowing up to 1 desyatina, only 1.5% are hired for term and annual. Of those sowing from 1 to 2 desyatina—2.6%. Of those who sow from 2 to 3 desyatina—3%. Of those who sow from 3 to 4 desyatina—3.8%. Of those sowing from 4 to 6 desyatina—4.6%. And so on. The "hiring" of so-called "piecework" workers is concentrated in the lower, poorer groups, while the hiring of real laborers (fixed-term, annual) is concentrated in the higher entrepreneurial groups of the countryside.

The picture is the same for the producing region of the RSFSR. Of all the farms that hired here in the spring of 1926 fixed-term and annual or "piecework" workers, according to the data of the Central Statistical Bureau (pp. 88-89), the following percentage fell on individual groups:

Farm groups	Term and annual (in %)	"Pieceworkers (in %)
Sowing up to 2 desyatina	7.5	29.2
From 2 to 4 dec.	19.3	37.2
4- 6	19.8	19.3
over 6 dec.	53.4	14.3

At the same time, there are more than 10 desyatina (only about 5% of all households) accounts for about 27% of all households employing temporary and annual workers, and only 2.3% of households employing "piecework workers". The contrast between the distribution of pieceworkers and non-pieceworkers is thus quite obvious .

8) In the Voronezh province in 1926, the cultivation of arable land was carried out with hired livestock and implements: from those who sow up to 2 dessiatines, in 75.8% of households; of those sowing from 2 to 6 desyatina—in 25.2% of households; of those who sow from 6 to 10 desyatina—2.7% of households; of those who sow more than 10 desyatina, about 6% of households (p. 118 No. 3 "On the agrarian front " for 1927).

It should also be noted that since in the highest group there are more farm laborers per household employing temporary or annual workers than in the lower groups, the percentage of farm laborers they hire is significantly higher than the 27% that they make up in the total number of employing workers. farms according to the CSO.

The underestimation of actual farm laborers generally affects big employers more than small ones, because the big ones are more interested in evading accounting and registration of contracts than the small ones. This is confirmed not only by individual observations and reports from the field, but also by

special surveys of Vserabozemles. For example, in 1926 Comrade Akhmatov, an employee of the central office of the All-Employee Lands, examined the Mariupol District of the Ukraine in this respect. It turned out that the kulaks registered contracts for 18% of the laborers they actually have, the middle peasants registered contracts for 45%, and the poor peasants registered contracts for 100%. (Poor families sometimes hire a laborer in case of conscription, death, or prolonged illness of the only worker, etc.) This shows, by the way, the data of the Central Statistical Service cited above on the number of farm laborers among the peasants refer only to temporary farm laborers without "piecework workers." In other words, only to real farm laborers.

For the first time, the CSO's "Reference Book" tables make it possible for the consumption and production bands of the RSFSR to provide data separately for "piecework" workers and separately for others. It turns out (pp. 86-89) that out of the total number of peasant households in each lane, according to the data of the CSB, in 1926 the following were hired:

stripes	"piecework" workers	Term, annual and daily
Consuming	16.5%	8.7%
Producing	23.7%	7.8%

In other words, about 8% of all households actually hire farm laborers (of those employing “piecework” households, those households that simultaneously hire others, i.e., fixed-term, annual or daily, are excluded here). The lion's share of those hired falls into the upper 2%, the capitalist-entrepreneurial group, and is subjected to capitalist exploitation, disguised by the imaginary hiring of "piecework workers", on average, about 20% of all households. This is not surprising, if we recall that the number of those who did not have working livestock in the RSFSR in 1926 was 30% (p. 81 of the Handbook), and five-sixths

of them (about 25%), however, according to the tables of the Central Statistical Service (p. 78) were sown. And this is what “hiring pieceworkers” serves for, i.e., to put it simply, the cultivation of the lands of the horseless poor by their working cattle, predominantly by the highest group, who, moreover, sometimes perform labor duties with this working cattle (and those operations that are not required by livestock, for example sowing with hands, threshing with a flail, etc.).

We would go too far if we began to give here all the calculations necessary to determine what part of the marketable output of peasant agriculture is concentrated in its hands by the capitalist group of peasants through such exploitation of the poor 20% of the households by "surrendering" their working cattle to them in the form of hiring to the poor in "piecework work". I get for this a value of only 4% to 5% of marketable output.

At first glance, this seems surprisingly small with such a large number of people being exploited in this form, as 20% of all peasant households. A more complete account, by the way, would give perhaps a figure closer to 25%, for without working cattle, but sowing, there are 25% of all households. And “spouses” and similar forms of comradely, non-exploitative combination of forces from different farms are hardly so widespread as to serve as many as 5% of peasant households everywhere, although, for example, in the Voronezh province, 6.7% of households work with “spouses” (p. 118 No. 3 "On the agrarian front" for 1927).

However, the modesty of the value of 4% to 5% of marketable output as a result of this form of capitalist exploitation will be understandable if we take into account: 1) the entire part of the output that is the actual rent and wages of the imaginary "employer" is not counted; 2) the small size of land use of most of these 20% households; 3) partial participation in such exploitation by the upper stratum of the middle peasants of the

countryside, however, limited by the fact that they usually do not have such large surpluses of draft animals as would allow them to expand their participation in this form of exploitation of the horseless poor on an especially wide scale.

Understanding the socio-economic essence of the phenomenon that, according to the old populist tradition, even in the collections of the Soviet Central Statistical Administration, is also called “leave of piecework workers”, understanding the fundamental difference in the conditions of our village between the actual hiring of laborers (term, annual, daily) and disguised capitalist exploitation, called the cultivation of the land of the poor on a piece-work basis by the rich with their livestock—all this is absolutely necessary for any complete consideration of the significance of the thin capitalist stratum of the peasants in the very organization of agricultural production.

To the same extent it is necessary to take into account the share of the capitalist elements of the peasantry in the marketable output of the countryside, for they sell, for example, not only the grain that has grown on their lands and on the lands leased by them, but also the grain that has grown on those poor lands, where they performed in the operetta role of "piecework workers".

The poor "hiring" the rich; the rich, who are "proletarians" in relation to the poor who are actually exploited by them - only populism, which did not want to know the class meaning of the phenomena described by it, could agree to such terminology (designations), which breaks the record of economic illiteracy. It is well known how the Narodniks lumped together the opening of a tavern or factory with a kulak and the admission of a poor peasant as a worker to this factory or tavern.

It is all the more ridiculous now when our Soviet Central Statistical Administration, having given in its "Reference Book"

separately information on "piece-work workers" and on actual farm laborers, then, with truly Narodnik ease, puts the workers and their owners together and receives idyllic pictures (p. 87), like almost all groups the peasants of the producing strip almost equally "use hired labor power in general" (in nine groups out of ten, with such an addition, fluctuations are obtained only from 27% to 44% of all households in each group).

In this way, the real opposition between the character of the higher, capitalist, and lower, poor groups is completely obscured, and a fog is thrown in, of course. Instead of some being hired and others being hired, everyone is both hiring and being hired. And the uncritical observer who takes a ready-made tablet and does not investigate what parts it is composed of is given reason to think that the Narodniks were right in believing in the "special" character of our peasantry.

There is no class stratification, for even in the productive sector almost all groups use "wage labor in general" almost evenly—obviously, when for random reasons this is temporarily necessary (the Narodniks have always pointed to temporary small families, the absence of a worker, etc.). We have seen, however, what actually different social groups are hidden behind this hodgepodge. The capitalist peasant hires a laborer and, moreover, exploits the poor peasant in a barely disguised form—this is how the slovenly arrangement of workers and masters is deciphered by our CSO. It is time to abandon this carelessness, this illiterate populist tradition.

False collective farms.

The next, third, group of capitalist entrepreneurship in agriculture is pseudo-collective farms, agricultural production pseudo-cooperatives. Agricultural cooperatives in production have developed fairly well in our country in recent years, but

among these collective farms there are still quite a few false cooperatives. Their typical feature is often the organization of agricultural cooperatives from persons who have never been involved in agriculture.

For example, Pravda of May 27, 1926 published a description of an agricultural cooperative here in Moscow. It is called "Moskoopselkhoz" and was founded by the artist Valiev, the former collegiate assessor Vorotnikov and the former landowner Makarov. They received various goods from state institutions, received loans, in a word, in eight months they increased their turnover to 2 million rubles. and by the time they were arrested, they had caused losses to the state for 600 thousand rubles, which were never reimbursed.

Another Moscow example. In Izvestia of July 4, 1926, one can read the history of the agricultural cooperative partnership for the public cultivation of land named after the chairman of the Central Executive Committee of the USSR, comrade Kalinin. This "collective farm" of the Moscow province from the MOZO (Land Department of the Moscow Council) received 20 thousand rubles. buildings, for 5 thousand rubles. live and dead implements, etc. Cows were sold to a butcher, pigs were sold, etc., in a word, "used." The survey showed that the members of the cooperative themselves came there only to play gorodki, and when during the judicial investigation they were shown a cultivator (agricultural implement) lying in the yard, no one could explain what it was. Their work was carried out by hired workers.

An example of the "planned" organization of a large number of fictitious artels is the Hukon case. There was such an organization under the People's Commissariat of Agriculture, which cared about horses, etc. Some of its employees organized a whole series of false artels called "Select", "Prometheus", "Progress", "Ochakov", "Plemrassadnik" to get state farms. For

these organizations, 300 breeding cows, 22 bulls, 200 breeding horses were received from the People's Commissariat of Agriculture, including the most famous trotters of the pre-revolutionary time - "Krepysh" and others who took prizes at the races. All this was sold out to no one knows where, "went from hand to hand," as Comrade Kondurushkin writes in his book.

In the Kiev district, several kulaks owning mills formed the "commune" "Selprom". Forms, printing. Loan in Rybsindicate, Tea Department, Sugar Trust, AztabakTrest for 40 thousand rubles. Sale to the private market. ("Red evening newspaper" of January 26, 1926)

Near Moscow there is a suburban area Malakhovka. In 1925, citizen Malakhov organized an agricultural cooperative there, and in Moscow, the Moscow Representative Office of the Malakhov Agricultural Cooperation, a representative office for the sale of hay. Of course, this representative office opened an office in Moscow, purchased a telephone and established a manufacturing department. They received manufactories from trusts at wholesale prices worth 62,000 rubles, in view of the fact that this is a peasant agricultural cooperative. I strongly doubt that in Malakhovka the peasants have ever seen manufactories for 62 thousand rubles at once. at wholesale prices. Manufactory went to the private market in Moscow and the provinces. The son of one of the employees of the Moscow representative office was even accepted into the school of the Tsentrosoyuz as the son of a cooperative worker. As for the hay they bought hay for sale through counterparties in the Saratov province and transported it from there to Moscow, because they did not extract any hay in Malakhovka. In the end, they slipped on trifles and ended up on trial.

Interesting, of course, are not individual examples, but what is interesting is that they are indicative. Namely, the NK RCT

carried out surveys of almost 7,000 collective farms in the RSFSR according to the data of the provincial land departments and according to the data of the provincial RCTs. This makes up about a third of all collective farms in the USSR. When establishing which part of these collective farms are pseudo-collective farms, the following signs were used: 1) the economy, legally being a collective farm, is actually run not by the hands of members, but by hired workers; 2) under the legal guise of a collective farm, each member actually runs his own separate individual farm, i.e., the collective farm is organized only for the use of tax, credit and other benefits; 3) the collective farm is made up of a small well-to-do group, which refuses to accept middle and poor peasants into its composition, that is, it represents a kind of "joint-stock company"; 4) within the collective farm, some members exploit other members, hire them, etc., moreover, some of the members contributed a lot of property to the collective farm, while another part of the members contributed little; 6956 collective farms were surveyed.

The results were evaluated in the resolution of the board of the NC RCT of July 10, 1926 and published in No. 2 of the journal "On the Agrarian Front" for 1927 by Volodkovich and Kulikov (p. 32). It turned out that of all the collective farms in the Saratov province, 22% were pseudo-collective farms. In the Tatar Republic there are 29% of pseudo-collective farms, in the Middle Volga region - 30%, in the North Caucasus - 10% in Siberia - 30%, in the Moscow province, so to speak, directly at hand near the center - 35%. On average, out of all 6,956 collective farms, 1,717, or 25%, turned out to be pseudo-collective farms. Thus, according to this survey—and it embraces one-third of all collective farms in the USSR—an entire quarter belongs to pseudo-collective farms. Some authors suggest that these data are exaggerated. But since the NC RCT survey has not been discredited, I see no reason for

this. And the RCT NC could not have been interested in exaggerating the unfavorable results. In addition, according to the data of the Selskosoyuz, much more than half of the collective farms have not entered the network of the cooperative system at all and prefer to remain "wild", uncontrolled. And from the experience of urban industrial co-operation, which lends itself to more systematic observation, we know that "savagery" for the most part serves as a sign of the masking of capitalist exploitation by the cooperative form. The survey of the NK RCT is the only mass official material on the issue of interest to us, and it should be adhered to. more systematically observable, we know that "savagery" is for the most part a sign of the masking of capitalist exploitation by the cooperative form. The survey of the NK RCT is the only mass official material on the issue of interest to us, and it should be adhered to. more systematically observable, we know that "savagery" is for the most part a sign of the masking of capitalist exploitation by the cooperative form. The survey of the NK RCT is the only mass official material on the issue of interest to us, and it should be adhered to.

Therefore, we can safely assume that out of the total marketable output of all collective farms, at least one quarter is in fact capitalist production, disguised only by a pseudo-cooperative form. In the RSFSR, out of all grain marketable products, the products of collective farms for 1925-26 accounted for up to 4%, according to data published in the same issue of On the Agrarian Front (p. 31). Consequently, the share of capitalist production in the form of pseudo-collective farms accounts for approximately 1% of marketable output.

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If we combine, firstly, that part of the marketable output which is produced in the economy of the capitalist-entrepreneurial elite (2% of all households), about 14%; secondly, the 4% that this elite is concentrating in its hands by capitalist exploitation under the formal guise of a poor peasant farm, "hiring" the kulak piece by piece with his working cattle; thirdly, and finally, that almost 1% that goes through the collective farms— in general, we get that almost 19% of marketable output is concentrated in the hands of 2% of the entrepreneurial capitalist households. And in 1925/26, 19% of the marketable output of agriculture amounted to about 700 million rubles. pre-war, or, according to the index of 1.4 (adopted by the State Planning Commission for assessing agricultural production for 1925/26), about 1 billion red rubles. On average, per yard (450 thousand yards) this gives about 2,200 rubles. except for the natural part remaining on the farm, which must be valued at least 800 rubles. Together, this gives an average gross income per peasant farm of a clearly expressed capitalist-entrepreneurial type of about 3,000 rubles. (red) per year. The net accumulation of this group (450,000 households), taking it even as only 10%, should be about 125 million rubles. per year, i.e., about one-fifth of what the "Control Figures" of the State Planning Commission generally accept for peasant farming (625 million rubles). This roughly corresponds to the share in the marketable output of the peasant economy that this group of peasants has. Together, this gives an average gross income per peasant farm of a clearly expressed capitalist-entrepreneurial type of about 3,000 rubles. (red) per year. The net accumulation of this group (450,000 households), taking it even as only 10%, should be about 125 million rubles. per year, i.e., about one-fifth of what the "Control Figures" of the State Planning Commission generally accept for peasant farming (625 million rubles). This roughly corresponds to the share in the marketable output of the peasant economy that this group of peasants has. Together, this

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When applied to the farms of this group, the signs of a regular agricultural tax turn out to be insufficient. It is necessary to work out the issue of extending income tax to such yards. The above is an example, as with a net income of 10 thousand rubles. the agricultural tax is only about 4%. For comparison, I quote from No. 17 of the organ of the NKF "Finances and the National Economy" (for April 1927) a table showing how large the percentage of withdrawal of income tax at the present time with an annual income of 10 thousand chervonny rubles from non-labor sources in the USSR and from any sources in England and France:

USSR	18.6%
England	10.5%
France	14.7%

In other words, even in arch-capitalist England and France, a capitalist with an equal income is taxed several times more heavily than our Terek agricultural entrepreneur with a couple of dozen seasonal laborers is taxed with agricultural tax, I will add more, the agricultural tax does not take into account such income of the exploiter as derived by him through his the so-called "piecework" with their working cattle from the poor. In this case, the poor pay the agricultural tax. To some extent, this also applies to explicitly leased lands. For the narrow upper,

capitalist stratum of the peasants, it is time to raise the question of replacing the agricultural tax with an income tax on the same grounds as for the representatives of urban private capital. We are now losing at least 25 million rubles on this underpayment. in year. by a modest estimate.

In the same way, these capitalist entrepreneurs in agriculture must be equated with capitalist entrepreneurs in urban industry and with regard to obligations in the field of wage labor. Now, for example, with social insurance, with payment for unused vacation, etc., things are rather unimportant for them. There is a law on easing the requirements of the Code of Labor Laws as applied to the middle peasants and the poor who are forced by some reason to temporarily have a farm laborer (illness, conscription, etc.). This law is often used in practice by agricultural entrepreneurs who systematically (as a rule) resort to hiring temporary, seasonal, daily, and permanent workers. Here it will be necessary to carry out. a sharper and more distinct boundary and more firmly establish full observance of the Code of Labor Laws by capitalist agricultural entrepreneurs, small and large. Not a single poor peasant, not a single middle peasant can have, for example, three wage-workers at once, permanent, or temporary—that is no longer a middle peasant or a poor peasant then. So it's not hard to find the border.

Further, it is necessary to create some kind of guarantee for the horseless poor, who is forced to resort to the so-called "hiring" of his exploiter for "piecework work" with his cattle. The prevalence of this system of exploitation is now beyond doubt. Finally, measures are needed to protect the interests of the poor who explicitly lease their land to an entrepreneur (prohibition of paying less than a certain amount by district, etc.), and measures to deprive pseudo-cooperatives of benefits (limitation of benefits to the “wild”, deprivation of benefits for

those who use hired labor, raising the mandatory minimum number of members, etc.).

Entrepreneurial organization of waste. Construction.

Even before the revolution, we had an annual departure of part of the peasants from the countryside to work. A book by Comrade Mintz has recently been published, which is specially devoted to this question. It summarizes pre-war data, as well as data from the latest surveys that were already carried out under Soviet rule. From all these reports it is clear that in the last years before the revolution, approximately from 1900 to 1913, the average number of otkhodniks annually was about 6 ½ million people. Moreover, of these, about 3 million were spent on agricultural earnings and about 3 1/2 million - on non-agricultural, including 2 1/2million people construction and road workers (of which 1,750,000 laborers) and 1 million engaged in various other seasonal trades, in particular, logging, etc. (Mints, pp. 38-39). During the World War, under the influence of mobilization, the departure was reduced and in 1917 amounted to only 2,700 thousand people. (ibid.). In the first years after the revolution, the retreat completely stopped. The counter-revolutionary armies of Denikin, Kolchak and others separated from the center by military fronts those areas where a fair portion of otkhodniks usually went—the south of the Ukraine, the North Caucasus, and the Trans-Volga region. In the very center, the landlord economy was destroyed, and the kulak economy was almost destroyed. As for the departure to the city, under the influence of the famine of 1918-1919, on the contrary, people left the cities for the countryside. But then, after the end of the war and the new unification of the country, gradually, the retreat began to recover from about 1921-1922, when the new economic policy made it easier to increase the use of wage labor in the restored non-agricultural economy and in agriculture. According to Gosplan's Control Figures (p. 286),

over the past three years, from 1923/24 to 1926/27, we have added 3 million people. of the proletariat—an average of 1 million in year. This increase was mainly due to the migration from the villages to the cities, both returning and finally moving for the first time. we have added 3 million people. of the proletariat—an average of 1 million. in year. This increase was mainly due to the migration from the villages to the cities, both returning and finally moving for the first time. we have added 3 million people. of the proletariat—an average of 1 million. in year. This increase was mainly due to the migration from the villages to the cities, both returning and finally moving for the first time.

In addition, the annual seasonal departure from the countryside began to gradually increase, similar to the pre-revolutionary one. At present, it reaches about 3 million people. per year (for 1926). Of these 3 million people. at least a million are construction workers, about 500,000 are forest workers, i.e., such workers who go to the forest to cut firewood, and so on. Further, approximately 1 million is the mass of laborers who are unemployed in our cities, then 500 thousand go to various other industries - water transport, etc., including agriculture (for seasonal work in state farms Sugar trust, tobacco and vineyards in the Crimea, the North Caucasus, etc.). I must make a reservation about this figure—1 million unemployed laborers. In the statistics of our labor exchanges, one cannot find such a figure, there the number of unemployed unskilled workers is much less. This is due to the extreme incompleteness of the statistics of unemployment through labor exchanges, which we have. Labor exchanges registered unemployment before October 1, 1926, only in 256 cities, and after October 1, 1926, only in 283 cities. Meanwhile, the unemployed are not only there. At the suggestion of the All-Union Central Council of Trade Unions, the trade unions made a calculation as of April 1, 1926, of how many members of the trade unions are

unemployed and how many of them are registered with the labor exchanges (these data were published in the report of the All-Union Central Council of Trade Unions to the recent 7th Congress of Trade Unions on p. 247). There were 1,182,000 unemployed members of the trade unions, but meanwhile, only 509,000 of them, i.e., 43%—about half, were registered at the labor exchanges in these 256 cities. The other, larger half, almost 700 thousand people. obviously has to that part of the country where there is no registration of the unemployed by labor exchanges. It must be assumed that among the unemployed who are not members of trade unions, there are also quite a few in places where there are no labor exchanges and therefore no registration of the unemployed is carried out. At the end of December 1926, there were 1,310,000 unemployed at the labor exchanges (according to the "Reference Book" of the CSB, p. 302). So, in general, we actually have at least two million unemployed. As for their percentage distribution by category, the latest data was published (according to labor exchanges) as of October 1, 1926: skilled workers of all types - 25%, Soviet employees of all types - 20% and Deskilled - 55% (p. 303 "Handbook"). From here we get up to a million unskilled workers who somehow manage to get by (help from relatives, hand-selling without a patent, standing in lines for hire, etc. - few of the unskilled workers receive state benefits).

Of all the waste that comes from the villages, a part is organized by entrepreneurs. The main types of waste now are for construction and forestry. There are many construction artels. Some building artels, or rather most of them, are really labor associations, but some are organized by the entrepreneur under the guise of a senior worker, headman, etc., in relation to whom the rest of the members of the artel are in fact hired workers. To determine what part of construction waste is organized in this way, one has to dwell on the question of the role of private

capital in the production of construction work in the USSR in general.

The cost of repairing and building residential premises in the USSR is greater than is often assumed. The role of private construction in this case is also much more significant than is sometimes estimated "tentatively".

According to the People's Commissariat of Internal Affairs (certificate dated February 22, 1927, No. 33/064/10), private owners own 83% of buildings, 66% of apartments and 50% of the living space of the cities of the RSFSR; in the rest of the USSR this percentage is higher (because the largest areas are municipalized precisely in Moscow and Leningrad); therefore, we can assume that private owners now own at least 17 1/2 million square meters. soot living space (calculation of the State Planning Commission). According to the December 1926 census, the entire urban population of the USSR is about 25 million people, which, with an average actual number of about 10 1/2 sq. arch. per capita gives only about 29 1/2 million square meters. soot housing in cities.

The cooperation currently manages almost 6 million square meters. soot living space, and for the 1925/26 financial year the cooperatives spent almost 37 million rubles, or more than 50 kopecks, on repairs. per month for 1 sq. soot living space on average (according to the reporting1 data of the Allied Council of Housing Cooperation, No. 4 of the Housing Cooperation for 1927, p. 14). In terms of living space administered by government agencies, this expenditure is about 20% less per sazhen (judging by survey data in both capitals, etc.) and, consequently, the government agencies have a total of about 30 million rubles. Finally, in private houses it is even less (about 30 kopecks per sazhen per month), and in total it should reach 63 million rubles in them.

The entire cost of repairing urban residential buildings, therefore, amounted to at least 130 million rubles for the year. At least half of the repairs are carried out by private owners through private contractors and entrepreneurial artels. As regards the repair of cooperative houses, data are available for Leningrad, which accounts for 40% of all cooperative expenditures on repairs (and the same percentage of the cooperative living space in the cities of the USSR). According to these data (leading in No. 1 for 1927 of the Leningrad magazine Zhilischnoe delo), work through private contractors of the total amount of repairs of cooperative houses in Leningrad amounted to about 25% (for the 1925/26 financial year), including about half by direct orders to a private contractor, and just as many "hidden", that is, in the form of false artels (which are just a cover for the same private contractor). There is no reason to think that this percentage is lower in other cities (in the provinces, even, undoubtedly, much higher) and in the houses of government agencies (data for Moscow, etc.). Together with the amount of repair of residential buildings of government agencies and cooperation (67 million rubles), this will amount to about 17 million rubles, and in total, out of the entire amount of the annual repair of urban residential buildings, about 47 million rubles will have to be worked through an explicit and hidden private contractor. and through state construction offices and labor artels, about 38 million rubles. (including the economic hiring of individual workers). and in total, out of the entire amount of the annual repair of urban residential buildings, about 47 million rubles will have to be worked through an explicit and hidden private contractor. and through state construction offices and labor artels, about 38 million rubles. (including the economic hiring of individual workers). and in total, out of the entire amount of the annual repair of urban residential buildings, about 47 million rubles will have to be worked through an explicit and hidden private

contractor. and through state construction offices and labor artels, about 38 million rubles. (including the economic hiring of individual workers).

As for the construction of new residential buildings in cities, according to the NKVD (certificate dated February 22, 1927 No. 33/061/10), in 1925 the construction of private homeowners amounted to 49.9%, or almost exactly half of all new living space in the cities of the RSFSR. For every thousand urban residents of the RSFSR, according to the NKVD, this amounted to 80 m 2 of living space, and in the next year, 1926, according to the approximate calculation of the NKVD, it already reached 100 m 2 , or 22 sq. m. soot, per thousand inhabitants. Extending this to the rest of the USSR, we get for 1926 all new private construction of 550 thousand square meters. soot living space per year.

New private houses are almost entirely small wooden or stone (often of a simplified type) buildings, designed on average for no more than two families each. Due to the simplification of the type and the advantages of working through private contractors and private artels (the forest is bought from the peasants, which they harvest under the law on labor allotments without a penalty fee, they do not pay for members of social insurance artels, etc.), these private houses (more than 90 % wooden, according to the NKVD) are much cheaper than state and cooperative construction.

Stone houses in Moscow in 1926 cost an average of 802 rubles. for 1 sq. soot living area. Wooden houses of cooperation (in the RSFSR, according to the NKVD, wooden construction still accounts for almost 89% of the living space in the cooperation) on average in the state cost 480 rubles. for 1 sq. soot living space (data from cooperation according to the brochure of engineer Glagolev - "Conditions for housing construction", M., 1927).

The price of private construction in cities should be taken on average another 25% cheaper, or about 360 rubles. for 1 sq. soot. living area. This gives the price of all new urban private housing construction to about 200 million rubles. in year. All of it is carried out by private contractors, private labor artels and individual stove-makers, roofers, etc. hired in an economic way (including false artels). The role of contractors and pseudo-artels is estimated by experts to a quarter.

The new cooperative construction of dwellings in urban-type settlements (including factory settlements) in 1926 amounted to only 42 million rubles. (according to Tsentrozhilsoyuz). According to the certificate of the Tsentrozhilsoyuz (dated February 19, 1927, No. 2/411/10), construction through private contractors accounts for only about 2%, i.e. no more than 1 million rubles. The difference from repair work is clear. During repair work, often small sums are involved, which do not justify the creation of their own economic apparatus and which are insufficient to obtain consent to undertake these works from state construction offices. Since most housing unions do not yet have cooperative repair and construction offices for minor repairs, it is often necessary to turn to a private trader for repairs (as we have seen, 25% of the total repair amount). When building new houses, however, it almost always pays off either the organization of its own apparatus, or, perhaps, consent to the construction is obtained from state construction offices— because the role of private contractors is insignificant here (2%). No more and the role of false artels.

The new construction of residential buildings by government agencies (executive committees, trusts, people's commissariats, etc.) for 1925/26 gave an amount of about 200 million rubles. Accurate, or at least approximate data, including how much was done by private contractors and through private artels, is not available. But the certificate of the Central Committee of the

Union of Builders (dated February 10, 1927, No. 527/133/11) makes it possible to make a rough estimate based on the number of hired workers employed by private contractors.

The same estimate, on the same basis, has to be limited to the construction of non-residential buildings by government agencies (factories, warehouses, railway water pumps, etc.). According to the report book of the Supreme Economic Council of the USSR "Consolidated production and financial plan of state industry for 1926/27" (pp. 304-305), all capital work in the industry of the Supreme Economic Council for the 1925/26 business year was actually carried out for 781 million rubles. Of these, equipment accounts for 213 million rubles. and for buildings 568 million rubles. (counting together new buildings and renovations of existing ones). Including: almost 95 million rubles were spent on housing construction, which are already included in the price of housing construction of government agencies. Remains for all construction and repair of non-residential buildings in the industry of the Supreme Council of National Economy 473 million rubles. Adding the construction and repair of non-residential buildings by other government agencies (schools, hospitals, transport,9 according to the "control figures" of the State Planning Commission, the amount of all construction (including repairs) in transport, communications, trade, utilities, education, health care and general administration in 1925/26 amounted to about 500 million rubles (in including transportation, almost 300 million rubles.) Discarding, however, from here the price of rails and other equipment, etc., we get about 250 million rubles .

Together with the cost of 200 million rubles. government agencies for the construction of dwellings receive a total amount of up to 900 million rubles, for which the share of a private trader can only be determined roughly, using

information from the Central Committee of the Trade Union of Builders on the distribution of construction workers.

Some part of this work is carried out by artels, whose members are not accepted as members of the trade union at all and therefore are not taken into account by them. Many of them are real comradely craft organizations of people from the same village. But often in the form of an artel, under the guise of a "senior", etc., the contractor acts. At least in the mentioned reference, the Central Committee of Builders writes that artels "in a number of cases are a hidden organization of private capital." What share of the total amount of work worth 900 million rubles is generally accounted for by such false artels is not known; in repair work, cooperation, as we have seen, is about 12% (and the same amount is rented to undisguised contractors). If for government agencies in general, out of caution, we assume a lower value - up to 5%, then we will get about 45 million rubles for the share of artel-camouflaged work through a contractor - hardly less.

The rest of the work is carried out by hired workers, including the hiring of labor (non-fictitious) artels. According to the Central Committee of the Trade Union of Builders from workers, members of the union, as of October 1, 1926, almost 7% were employed by private entrepreneurs, and on average, 27 workers hired by him accounted for one private entrepreneur. The Central Committee considers (mentioned reference) that, together with non-members of the union, the total number of construction workers in private entrepreneurs will be up to 10% of their total number, no more. Therefore, we can assume that, excluding construction, false artels, the open work through contractors from government agencies in total accounts for about 85 million rubles.

To this must be added the construction work in the peasant village. Every year, up to 500,000 households are completely

rebuilt in our country (counting the rebuilding part of the population growth and the restoring part of those that burn down). The average price of the buildings of one peasant household in 1926, on average throughout the state, according to a special survey of the People's Commissariat of Land of the RSFSR, is 406 rubles at pre-war prices (collection "On the Ways of Socialist Development", M., 1927, article by Comrade Svidersky, p. 109). At current prices, this amounts to about 800 rubles, and in total, about 400 million rubles.[10]

10 "Control figures" of the State Planning Commission are supposedly 769 million rubles, but it seems to me that this does not correspond to the number of new huts under construction.

It is generally assumed that at least half the peasant contributes his own labor and his own material. Artels or individual workers are hired only for furnace, carpentry, roofing, etc. in some places for the assembly and installation of log cabins, wall-beaters (in the south), etc. Thus, no more than 200 million rubles will remain for work through artels, small contractors, etc. What part is accounted for, including by explicit and hidden contractors together, is unknown, but one can think that it is less than in the city, presumably up to 10%, or about 20 million rubles.

Thus, not counting their own labor and their own (non-purchasable) material of small builders, the entire cost of repair and new construction of residential and non-residential buildings in the 1925/26 business year in the USSR amounted to about one and a half billion red rubles. Including about 450 million rubles. accounts for work through labor artels, about 250 million rubles for construction through private capital (counting together open orders to the contractor and work through false labor, essentially entrepreneurial artels), and about 800 million rubles for the work of state construction organizations. The share of private capital accounts for such;

Thus, about one-sixth of the performance of all paid construction work in the USSR. At the same time, it is possible that out of the materials counted for the absence of materials, 800 million rubles are completely constructed by the state apparatus.

The large role of the private sector in the market of building materials is thus based, first of all, on the large role of construction not through the state apparatus (nearly half, almost 700 million rubles "private sector" and about 800 million rubles - state), partly — the lack of inclusion in the plan of bank lending of the supply of housing cooperation funds for the cooperative procurement of handicraft building materials necessary for repairs and partly for new construction. In addition, state construction offices generally do not undertake minor repairs, and the organization of cooperative offices for minor repairs encounters an obstacle in the indicated absence of special credit for this matter.

The large role played by false artels and artels in the very production of buildings is additionally explained by the still greater advantages which, according to the laws in force, they have in supplying timber and other expenses (social insurance, etc.) over cooperative and executive committee construction. The equalization of conditions, by reducing the cost of cooperative, executive committee and industrial construction of dwellings, can bring about essential changes in this matter.

The amount of circulating capital of private capital in construction, excluding work through labor artels, is approximately 50 million rubles, judging by the usual percentage of advances in construction (the amount of entrepreneurial construction, including through false artels, amounted, as we have seen, to about 250 million rubles for the last year). The amount of net profit should be up to 20 million rubles. (i.e. up to 8% of turnover by analogy with known

calculations), which is up to 40% of capital, i.e. approximately corresponds to the net return on private capital in wholesale and semi-wholesale trade.

One of the forms of inconspicuous favoring of private capital in the field of construction is the habitation of non-working elements in ready-made municipal apartments (with the investment of their new savings in the growth of speculative operations), while the state and the workers take from themselves the most necessary funds for the construction of new dwellings, moreover in insufficient quantity.

It is necessary to oblige the Nepmen within two years to build new apartments for themselves at their own expense without a state loan, freeing up all the large living space they occupy. People subject to income tax of at least 5 thousand rubles. per year are able to do so.

It is necessary to enable state-cooperative construction offices to work at the same prices as private-enterprise artels: a) by establishing an equally reduced percentage of social insurance for artels and state construction companies when building one-story and two-story houses; b) by equalizing the building workers' cooperatives in the stumped payment for timber with the peasants who pay for the timber according to the labor norm, from where the private trader feeds on cheaper timber; c) by developing the state-cooperative procurement of handicraft building materials by including it in the bank lending plan; d) setting the task of creating state cooperative offices for minor repairs; e) limiting the profit in the calculation of state construction offices to no more than 2%.

Thus, it can be considered that private capital occupies about 15-20% of all migrant construction workers, yet private construction accounts for an even larger share.

Similarly, of the peasants who go to work in the forests, of these 500,000 forest workers, about 15-20% are also employed by large private lumberjacks. These large private procurements (sometimes even now in a "pseudo-state" or "pseudo-cooperative" form) are the main base for private trade in firewood and forest products. Private timber trade, including wholesale, is currently very large. For example, in Moscow it makes up about one third of the total timber and firewood turnover, in some places it is even larger in the provinces. It is based on two sources: firstly, on the fact that private capital itself harvests timber with the help of hired workers and peasant artels, and, secondly, on the fact that individual big buyers buy timber from the peasants, who have the right to cut it without foam payment on especially favorable terms within the limits of the so-called labor norm from the forests allotted to them. Thanks to this, private loggers get the opportunity to have timber for construction and for sale, including firewood, partly cheaper than the cooperatives and government agencies that pay the foam fee.

Thus, of the two main types of current peasant non-agricultural waste—construction and timber—at least 15 percent is exploited (and partly organized) by private capital. Incidentally, this roughly corresponds to the share of marketable output that capitalist entrepreneurship has in agricultural production itself. As for the unemployed unemployed laborers from the countryside, who are in the cities, some of them also fall into the hands of private capital as dummy agents in "queues" at retail stores, as manual salesmen without patents, etc. this" to the remaining share of long-distance departure for agricultural earnings (to the Kuban, to the Crimea, etc.)

Overgrowth and ideology.

We have already shown above the present limits of the growth of definitely capitalist production out of simple (labor) commodity production in our agriculture. But growing into a capitalist entrepreneur is, of course, not limited to the very process of agricultural production. Having established itself here, the agricultural production entrepreneur begins to use the accumulated funds to organize a local rural capitalist industry for processing agricultural products. He begins to operate with the provision of credit, acting as a mercilessly enslaving usurer. Selling the goods of his own farm, he at the same time begins to buy goods from smaller producers for resale.

Below, in the section on trade, we will touch upon the question of what proportion private capitalist procurement constitutes in the total procurement in the countryside, and what part of the industrial products received by the countryside in general passes through private merchant hands. The support and agent for both is primarily the same thin upper capitalist stratum of the peasantry, whose role in agricultural and livestock production and in their marketable products was discussed above. Here I want to note only the incorrectness and superficiality of a fairly common method of considering a private village merchant as some kind of abstract category of "pure trade".

At the same time, they usually take the entire turnover of private village trade, divide it equally among all merchants, not even separating the manual peddlers from the rest, and joyfully conclude: this is how insignificant the average turnover and, consequently, the “capital” of the village merchant. There are two wrongs here. First, there are a lot of manual traders, and their turnover is insignificant. Their mere selection already gives a different picture for judging the village shopkeeper.

Secondly, and most importantly, this shop cannot be considered in isolation from the rest of its owner's economy.

In reasoning divorced from reality, it is possible to create in the village a category of “pure merchants” who do nothing but their shop, but in fact, in most cases, the shop is only a part of the owner’s economy. Growing out of the production process of simple (labor) commercial agriculture and turning into a capitalist entrepreneur, the representative of the top 2% of peasant households complicates and expands his entrepreneurial operations. He is at the same time a farmer, and a usurer, and a shopkeeper, and a buyer, and a tenant, and an industrial entrepreneur, and even an agricultural "piecework worker." But all this is only different forms of application of one and the same capital. The connecting thread of all parts of his economy is the non-labor nature, that is, the use of his own resources for the exploitation of the labor of others. Individually, the "trading part" of his capital is often small, but it is not a stable value either. The owner now directs his capital more into usury, then into trade, then into buying, etc., depending on the profitability under the given circumstances. It has its own “planned economy”, its own maneuvering. A correct idea of this capitalist elite in the countryside can only be obtained by taking its economy as a whole, and not by isolated (isolated) pieces, with each piece considered as an independent magnitude. Individually, the owner may have a small handicraft enterprise, only two or three workers, and in agriculture there are only two or three seasonal laborers, and the shop does not turn over thousands, and the debts of neighboring yards to him are absolutely not so great, etc. But for a correct idea about the "spider" and about the reasons for the hatred of the ordinary peasantry towards him, we must take all this together. Otherwise, the result is not a real picture, but an unconscious or deliberate “statistical” sweetening of the rural capitalist as a very, very small kulak, downright “poor

kulak", which, in fact, would not be worth talking about if they didn't raise a "noise" about him.

As applied to rural handicraft industry, we have the opportunity to illustrate on a mass basis how the gradual growth of the capitalist entrepreneur from a simple commodity producer proceeds in the countryside on the basis of the processing of agricultural products. The material is a survey of the small rural industry of the USSR, carried out by the CSO in 1925, published on pages 250-272 of the "Handbook of the CSO for 1927". True, here we have the result of the development of only the first four years of NEP, meanwhile, according to all reviews and individual available materials, (precisely the two years following this survey (1925-1927) were a time of especially strong growth of this phenomenon in rural industry.

By the beginning of the NEP, it can be said that there was no capitalistically organized rural handicraft industry. Wage labor began to appear in it only gradually. Moreover, first of all and most of all, it appears precisely in those branches of rural industry that consist in the direct processing of agricultural products (flour and cereals, oil, and leather industries). This is reflected in the connection with the growth of capitalist elements in the process of agricultural production.

If we divide the entire rural industry into two parts—the indicated three branches (purely processing from peasant raw materials) and all the others (production of footwear, clothing, wood, metal, and pottery, etc.), then we get the following result. The first three branches account for about 60% of all agricultural products; (not counting the price of raw materials, auxiliary materials, and fuel, and with them even about 75%).

Of all the people employed in these three industries, wage workers in 1925 were already 14.5%. And in the rest of the small rural industry, only 4% of the persons employed in it were

wage workers, a share that was three and a half times smaller. Thus, by 1925, no less than a seventh of the three main branches of rural industry were organized capitalistically, or rather, more than a seventh, because in some cases minor members of the owner's family also participate in production (11.5% of those employed in the entire small rural industry) and the owners themselves; moreover, the output per average worker in these larger enterprises is greater than in the others. It must also be borne in mind that the data on wage-workers do not cover the type of capitalist organization of handicraft industry which is carried out by the so-called distributing offices.

But what is of interest to us here is not a complete idea of the scope of capitalist processes in handicraft industries (more on this in the section on industry), but a characterization of the fact that in small rural industry in general, it is precisely those three branches that began to be put on the capitalist footing most of all and most quickly. which are associated with the direct (primary) processing of products of the peasant economy. These three branches in 1925 accounted for about half of the wage-workers in all small-scale rural industry. These three industries (mills, tanneries, and vegetable oil factories) are exactly the three industries where the state recognizes the role of private capital as definitely harmful and seeks to reduce it.

The capitalist entrepreneurship of large peasants in agriculture under Soviet conditions had already by 1927 worked out a peculiar ideology. Its originality lies in the manner of the usual bourgeois aspirations to serve in Soviet attire. The demand for private ownership of land is presented in a modest form, spoofing the Soviet wish for "sustainability of land use." The demand for the abolition of the right of workers to land appears under the guise of the need to "interest the producer in improving production." The desire to put an end to the dangers of collectivization and to provide agriculture more widely with

cheap laborers acts as an attempt to slip bourgeois content under the Soviet line to overcome the adverse consequences of the unlimited fragmentation of the economy under its current system. And all this, of course, in the name of the greater triumph of "nationalization" and even for the sake of the "poor".

The upper stratum of the peasantry, being the most economically active, literate, and cultured, also shows great social activity in preaching its own ideological orientation with the means available to it. Rising from below, at the top, these sentiments are generalized and more clearly formulated by such epigones of populism as prof. Kondratiev, bluntly formulating: too much industrialization. But the "village elite" itself is bombarding the "city" with its appeals for the introduction of an extended system of bourgeois relations in the countryside, with the actual throwing overboard of our course of the outgrowth of socialist elements in agricultural production.

11) Of course, this meets with full support in the foreign Socialist-Revolutionary White Guard literature. The hatred with which they cannot stand the very words "state farms" and "collective farms" is characteristic. Here, for example, is what the Paris organ of Avksentiev, Bunakov and other prominent Socialist-Revolutionaries writes about me on this subject. "Modern Notes" in No. 28 for 1926: "Yu. Larin adjoins the left wing of the ruling Bolshevik group. It is to him that the primacy belongs in the ill-fated idea of creating state farms; he is still a fierce defender of the plan for the collectivization of peasant farms ... His tactics are calculated on the political split actively organized in the countryside ... (with fists.—Yu. L.). Reading (my writings.—Yu. JI.) is especially unpleasant," etc. (pp. 521-522).

In connection with the discussion of the question of a new law on labor land tenure and the commune, various press organs, which concentrate the discussion of these questions in Moscow, receive a great many letters of this nature and even articles from

the countryside. Here is a typical work of this kind by a real peasant. He writes: “At present, there is no definite owner of the land. On the one hand, the land has been nationalized, on the other hand, the landed society disposes of it, and, thirdly, the individual peasant thinks of it as his own. These contradictions stick out more and more strongly.

Further: "The cultural growth of agriculture is closely, inseparably connected with the transfer of one's labor into monetary calculation ... Without understanding this, progress in agricultural culture is not conceivable at all." And for this, in the opinion of our author, "other land orders" are needed, such orders are needed when "peasants on a contractual basis with the state own the land, that is, on a lease basis."

He calls this "sustainability of land use" and says: "... such land use lays the foundation" for money economy in the countryside. This is the whole essence, which we will not bypass and will not bypass, no matter how much we would like to.” If there is no mediastination between the state and the peasant in the form of a landed society, if the peasant receives directly from the state what he has on rent, then no one will encroach on this. He will pay rent for this land, and it will be his land. “It will be clearer for every peasant where his interests are and how he can protect them.”

“How can this reform be carried out in practice, how concretely can the approach itself be thought of?” the author asks and answers: “Competition for the possession of this or that piece will be the opportunity to achieve a correct assessment of the land”—a correct assessment. And he concludes: “... there will no longer be a reason for splitting farms into small ones ...”, etc.

Another peasant author puts the same demands on the full and open involvement of the land in bourgeois circulation in the form, as he puts it, of "the right to sow." Just as in cities there is

the right to build, when some plot of land with the right to build is allotted, so in the countryside it can be introduced so that the land "although not sold, but so that the right to sow on it is sold to other persons."

It goes without saying that the endless fragmentation of the economy into smaller and smaller pieces, while the intensity of the economy remains unchanged, is unprofitable. But we point out a way out of this situation in the combination of small farms, in collectivization, in the growth of labor intensity and intensity of farming. And the ideology of personal capitalist entrepreneurship points out the way out in the forced indivisibility of individual farms, thereby creating a brake on collectivization and the very right to land, but on the other hand it provides the current user with the opportunity to preserve the current backward system without switching to more intensive farming.

Compulsory indivisibility, as put forward by the capitalist circles of the peasantry, is essentially a cover for private ownership of land and serves the purpose, as indicated, to dispense with the transition to more intensive forms that allow a painless lowering of the average land norm per capita and eliminate the growth of agrarian overpopulation. .

This is not only socially reactive, but also productive and of the aspirations to nullify the governing rights of the landed society. The ordinary laboring peasant economy, relying on the labor force of its family and not on capital, cannot support the introduction of this order and the abolition of the regulation of the use of land by rural society. To fight against the disadvantages of the reduction of the land area of individual farms, "" in order to remain in line with the class interests of the ordinary middle peasantry, the poor, and the proletariat, it is possible and necessary by intensifying, collectivization n and cooperating.

The strengthening of measures directed in this direction is absolutely necessary,1 and in this direction, and are directed primarily by the resolutions of the IV, Congress of Soviets of the SS R on the question of the division of allotments. (See the resolution of the IV Congress of the USSR on the report of Comrade Kalinin.)

What has been said above about the role of capitalist entrepreneurs in agricultural production and peasant waste does not completely exhaust the influence of private capital on agriculture. There still remains a vast and important field of capitalist procurements in the countryside, organized from the city; the role of urban private capital in supplying the countryside with industrial products; attempts by non-agricultural capitalists to subjugate the rural peasant handicraft industry by advancing it, supplying it, and organizing sales. We will deal with all this in the sections on> industry and trade. At the same time, the mediation of urban private capital in the matter of accommodating so-called "peasant loans" in the countryside, which were later accepted in payment of the agricultural tax, is also left unaccounted for—albeit a very modest one.

PRIVATE CAPITAL IN INDUSTRY

Four types of capitalist industry.

When we talk about the products of industry, we very often make the mistake of taking only the industry subordinate to the Supreme Council of National Economy and losing sight of all those branches of industry that are not subordinate to the Supreme Council of National Economy. Meanwhile, some of them are of very significant importance—for example, mills, the entire flour-grinding industry, which is very large, employing hundreds of thousands of people, embracing a relatively large capital, and producing a large output. All the figures, all the figures that I will cite below about industry, refer not only to the industry of the Supreme Council of National Economy, but to the entire industry of the USSR, no matter what department this or that branch is subordinated to.

The last year for which there are already more or less accurate data on the gross output of all industry, both large and small, both licensed and non-qualified, is the financial year 1925/26. I will take the well-known official reporting figures and, based on these figures, single out the production that is organized on capitalist lines.

Capitalist production in industry is now composed of several parts. This is, firstly, what we call private licensed industry, i.e., those privately exploited enterprises that have more than 16 workers with a mechanical engine or more than 30 workers without a mechanical engine. Quite often one comes across in our press and even in official documents, when talking about capitalist industry, a figure that applies only to these licensed enterprises. But it far from covers the entire gross output of capitalist industrial production in our country.

In addition to capitalist qualified industry, one must take into account, secondly, that form of capitalist industry that is hidden in the form of a part of the trade cooperatives, which is only a cover for individual capitalists to organize production with hired workers (pseudo cooperatives).

Thirdly, it is necessary to take into account the unlicensed capitalist industry. Indeed, of those enterprises that have less than 30 workers without a mechanical engine, there are a number of enterprises with 25 workers, 20 workers, 15 workers, which belong to individual private entrepreneurs who conduct their production with the help of hired workers. And the conditional statistical limit that, say, enterprises without an engine with up to 30 workers on hand are considered small-scale industry—this conditional statistical limit does not change the fact that any private enterprise with 25-20 wage-workers is also a capitalist enterprise. Of course, one cannot consider any village smithy a "capitalist enterprise" where the labor of a so-called hired worker-apprentice, some boy, who inflates the furs (since he is not a member of the family, but a hired hand), has a purely auxiliary value. But, as the survey of the Central Statistical Bureau showed, such enterprises of the non-licensed industry account for a small part of the wage labor employed in it, in particular, forging production - less than 10 thousand people. in 1925 (p. 266 of the Handbook). In general, only 5% of the hired workers in small industry are employed in enterprises with one worker (p. 26 of Planned Economy, No. 2, 1927).

Fourthly, we must take into account another part of the handicraft industry, organized capitalist by distribution offices. Two forms must be distinguished in handicraft industry. First, there is a handicraft industry where a handicraftsman who does not use hired labor produces some products at his own expense and sells them himself to the consumer.

This is simple commodity production; this is private production of the labor type. It also happens that a handicraftsman or a small artisan does not sell the products he makes directly to consumers or customers, but sells them to a buyer, sells them to a wholesaler, who buys a certain type of handicraft products, such as felt boots, takes the felt boots from the provinces to Moscow and sells them here.

It will still be private labor commodity production, independent labor commodity production, but one that does not directly appear in the process of trade with the consumer, but instead of him, the wholesale buyer who bought up the corresponding products acts. But there is also a second form, which is fundamentally different—the capitalist organization of handicraft industry, where the handicraftsman, although not formally a hired factory worker, is, on the other hand, a worker in domestic industry organized capitalistically. He works not at his own expense, but at the expense of the capitalist. He does not lead an independent economy, but is a cog in the capitalist's economy. This capitalist form of organization of small domestic industry existed before the revolution, both in town and country, and still exists today.

In no case should you forget about it. First of all, these are the so-called "distribution offices", when the capitalist at his own expense acquires raw materials for production and the necessary materials, supplies these raw materials and materials to the so-called handicraftsman, determines the size and nature of production. The handicraftsman is obliged to produce a product and hand it over exclusively to the same capitalist who gave him raw materials and materials, who advances it and to whom he is always indebted, actually receiving piecework wages from him. This is the capitalist form of organization of handicraft industry, and its production in this proportion must be singled out and included in capitalist production..

Gross production. Industrial pseudo-cooperatives. Distribution offices.

First of all, it is necessary to find out what is the share of each of these four groups in the gross output of the entire industry of the USSR.

As for the private licensed industry, the matter is simple. There is a table on page 327 of Gosplan's "Control Figures" which shows that if we take the gross output of the entire industry of the USSR, licensed and non-licensed together, then the share of output of the private licensed industry accounts for 3.4%. This is the figure with which we usually operate when it is said that the size of private capitalist production in our industry is very small—only 3-4%. (I remind you that all data refer to the 1925/26 business year.)

It should be noted that private rented industry, among other things, despite the absolute growth of its production, gives an ever smaller share, because the production of private own industry is growing even faster (collection of the All-Russian Council of National Economy "Private Capital", M. 1927, p. 31.)

The second group is pseudo-cooperative industrial enterprises. The entire share of cooperative production, according to the same tables of the State Planning Commission, in the entire gross output of the licensed and non-licensed industry together is 6.7%. This does not include trade cooperatives of a supply, marketing, etc. nature. This includes only what is cooperative production, at least formally. This means, firstly, the production part of the industrial cooperation and, secondly, the industrial enterprises of consumer cooperation. There are few pseudo-cooperatives among the latter (except for disabled cooperatives and some "wild ones"). In what follows; therefore, we speak mainly of industrial production enterprises organized in the form of trade cooperation. The question is

whether we have the right to bring some of them under the concept of pseudo-cooperatives, who are only a front for private entrepreneurs? And if we have, what part?

It must be said that if our country feels lacking in anything, it is not in the absence of examples that commercial cooperation is very often a false cooperation. There are any number of such examples. Here is just one issue of the Commercial and Industrial Newspaper of March 22, 1927. There are reports here about the data of trials and investigations, which (are currently going on, at once, on three Moscow pseudo-cooperatives. This is in just one day.

In the Sokolnichesky district there is a fishing artel "Lento-cord". Artel this such. It is managed by the former owner of the same factory, which the artel is now leasing from the Ministry of Economy and Social Economy. Instead of selling their products through government agencies, the bosses of the artel sell them to private traders. They receive from various state bodies, supposedly for their artel, large stocks of materials, which then, instead of being put into production, are put on sale to private traders even in remote places, for example, in Tashkent, including yarn in batches of several thousand kilograms, etc.

Another of these artels is the artel of the shoe industry. It includes merchants, commission agents, etc. It does not include shoemakers, etc., workers in the shoe industry. Members of the artel lend money to the board at 8% per month, that is, more than 100% per year. Artel has a shop and sells shoes, which she buys from private artisans. To put it simply, this artel is a covert (under the form of cooperation) distributing-purchasing private capitalist office. Artel members use hired labor; they do not work themselves. Their income is as follows: Samoilov, a member of the artel, “earned” 16,000 rubles in six months—this

is what has been established; some other members had "earnings" from 8 to 10 thousand rubles. in half a year.

Here is the third artel - Tekhkhimkust. Its members are the entire family of the former owner of the distillery. In the warehouses of the artel, during the survey, a mass of raw materials belonging to private traders was found, who used the artel as a place to hide their raw materials and their goods from taxation, because the fishing artels enjoy a number of large tax benefits. The chairman of the board of the artel received 10% of the entire gross amount received by the artel—10% of the total turnover of the artel. This gives such a large profit to one person that the private capitalist character of the "artel" is quite clear. It should be added that for several years the MCHX and MUNI did not collect any rent from this artel, because how can you touch the fishing artel? (All from the same issue of the Commercial and Industrial Newspaper.)

Here is the sewing artel "Proletary". The organizer of this artel has never been engaged in sewing (from the materials of comrade Kondurushkin). By profession, this is a former circus performer who performed in 1919 in Yuzovka under the name of "Mr. Sam, the owner of the Tibetan secret to unravel the present, past and future." When such a competent person organized a sewing "trade" artel, he took some measures in order to ensure some success for his new trade. Namely, the artel was named "invalid" and as an invalid received letters of recommendation from the administration of the Pura of the Revolutionary Military Council of the republic, from the administration of the Council of People's Commissars of the RSFSR and the USSR. At the same time, the People's Commissariat of Health also issued a special circular (No. 143 of June 18, 1923) "to all provincial and regional health departments and the People's Commissariat of Health of the Union and Autonomous Republics", where he asked to provide

support to the artel of red invalids "Proletary" "through the sale of linen rags on preferential terms." This case ended with the fact that in the end the artel was caught selling on the market materials, fabrics, etc., stolen from the Main Military Warehouse. One of the letters of recommendation pointed out that "in view of the morbid condition" of the representative of the artel as an invalid, "one should not ask unnecessary questions."

Finally, the last example. A 14-year-old boy named Leva Bregin organized a fishing "Children's Artel named after Comrade Lenin" in Leningrad. In view of this, he received, firstly, 8 thousand rubles from Narkomfin to support a good undertaking. How not to give? Children's artel, the guys are moving on to useful work, and even the artel bears the name of Lenin. From the NKPS, he received, further, for the needs of the artel, free travel tickets with speed, softness, etc., at the expense of the norm of the NKPS. From the Leningrad Soviet and cr. deputies, he then received 200 pounds of various old uniforms to get down to business. And for all this Leva Bregin opened the cinema. It turned out that in this artel, except for Lyova Bregin, there was no one at all.

These examples can give an idea of how entrepreneurial people are often hidden under the guise of industrial cooperation, and how this cooperation is sometimes actually a cover for a private capitalist entrepreneur. To what extent and to what extent, we can judge this, among other things, according to information about the availability of hired workers in the production fishing artels of non-licensed industry in general. The Central Statistical Bureau carried out a corresponding survey for 1925, the results of which were recently published in the journal On the Agrarian Front, in an article by Comrade Tsylko.

This survey shows the following state of the production part of our commercial cooperation. As many as 58% of the non-

qualified trade cooperatives use hired labor—more than half. Over 47% of all persons employed in the production of trade production cooperatives are hired workers.

In such cooperatives, in which only one person is employed in production, 49.3% are hired workers, i.e., this only employed person turns out to be hired in half the cases. In cooperatives where two people work in production, hired workers make up 56.3%. In cooperatives, where the total number of employed persons is from 3 to 5, hired workers make up 61%, and so on (Tsylko, p. 70).

In a word, it can be established that wage workers make up noticeably less than half of the total employed persons in only one group of cooperatives (with more than 15 employees), where only 24% of all persons employed in industrial trade cooperatives are employed. And here, too, hired workers still make up 21% of all employed persons. And for all the other cooperatives, taken together, there are more wage workers than the employed members of the cooperatives themselves.

This circumstance indicates that in at least three-quarters of the production of industrial cooperatives, we are dealing with very suspicious organizations, working mainly through hired workers, and the members of the cooperative very often do not take a personal part in production.

In the field of supply and marketing cooperation, which we do not touch on here, the situation is better, although it is also far from perfect, even in that modest respect, so as not to be a simple auxiliary instrument of private capital (more on this in the section on trade).

What figure should be considered for industrial fishing cooperation related to pseudo-cooperatives? If we proceed from these data on hired workers, then more than three-quarters of the output of all industrial trade cooperatives would

have to be attributed to pseudo-cooperatives. Concerning this quantity, besides the given one, I know only two estimates. One, formulated by Comrade Frumkin, Deputy People's Commissar of Finance, in the Commission of the NK RKI. He estimates that at least two-thirds of all commercial industrial cooperation is pseudo-cooperation.

The experience and observations of the NKF bodies in this matter should be taken into account. Another assessment is given by some competent workers of the Supreme Council of National Economy, who believe that up to 80% of all industrial trade cooperation should be attributed to pseudo-cooperatives.

I take the lower figure of all three—not 80% and not 75%, but only two-thirds of the production. In this case, out of the entire gross output of industrial enterprises of cooperation (6.7%, see above), taking into account the share of industrial cooperation, capitalist production in pseudo-cooperative forms will account for about 2% of the total gross output of all licensed and non-licensed industry USSR.

The third group of capitalist production is non-qualified enterprises with hired workers. In 1925/26, they accounted for just one fifth of the gross output of the entire non-licensed industry (p. 243 of the CSB's "Spravochnik"). If we discard from here the share attributable to the smallest (blacksmithing, etc.) enterprises (see above), then this gives about three percent of the gross output of the entire industry of the USSR, licensed and non-licensed together.

The fourth group is the distribution system of capitalist production (distribution of work to housekeepers in the city who work for the shop, rural handicraftsmen to work at home). The production of all handicrafts, i.e., of the entire non-qualified private industry operating without hired workers, according to the Gosplan's "Control Figures" is 13.4% of the

total gross output of the qualified and non-qualified industry together, and with the share of wage workers not included in the capitalist enterprises (forges, etc., see above)—even 13.7%.

It is required to determine which part, among other things, is organized capitalistically according to the system of distributing offices, and which part exists independently. The CSO data from a survey of 1925 show what proportion of each of the branches of the rural non-licensed industry is produced from the customer's raw materials.

Of course, the customer can be different: an individual consumer can order a tailor to sew a dress from the customer's fabric (raw materials), or a capitalist can distribute raw materials to hundreds of workers working at home, the products from which they are obliged to hand over to him for an agreed payment.

But there are a number of industries in which it is known that raw materials are in no way supplied by a neighboring peasant. These are those who work on imported raw materials or use factory semi-finished products, for example, processing of cotton fabric from yarn or dressing of silk products, or the manufacture of certain goods in certain centers (kal leather shoes in Kimry, Romanov short fur coats, felt boots, etc.), diverging then throughout the country and in the cities.

This is the percentage of production from the customer's raw materials established by the CSO's survey in some of those branches of rural handicraft industries in which the "customer" is not an individual consumer, but a distribution office of the capitalist (pp. 244-255 of the CSO's Handbook).

Rogozhno-kuletka	54%
Wheel production	33
Cotton hand weaving	96

Silk processing	45
Linen hand weaving	29
Hemp production	98
Leather shoes	59
knitwear	51
Production of sheepskin coats	81
Felted shoes	67
Embroidery, lace	73
Cardboard and box production	45

According to the survey of the Central Statistical Bureau, the total production of the listed industries alone is about a third of the gross output of all that rural small-scale (non-qualified); industry, which is not state-cooperative and is carried out without hired workers,[12] and on average, work for distribution offices is about 60%. If we take into account that in some other industries there is work for the distributing office of the capitalist, then in general already in 1925 this system dominated approximately 40% of rural industry. Over the past two years (1925-1927), as all evidence testifies, the desire of private capital to master and organize handicraft industry has especially intensified, so now this figure must be considered at least 50%. Hence, about three-fifths is accounted for by production organized by the capitalist by the distribution of raw materials, consequently, about 30% of the total gross output of the rural handicraftsmen is organized by the capitalist as a domestic branch of capitalist industry.

12) Comrade Belkin's work, Forms of Private Industry, pp. 217-243 of the collection of the Supreme Council of National Economy provides many examples. »Private capital in Nar. household USSR "(M.,

1927). Recently, such a phenomenon has become especially widespread when "entrepreneurs resort to a new type of use of apartment owners: apartment owners were forced by their owners to choose a patent at their expense, allegedly indicating that the person in question is not a worker, but an independent owner-handicraftsman" . This is done to avoid the operation of the law on the protection of apartment dwellers.

In terms of gross output, the rural non-licensed industry accounts for about half, and in terms of conditionally net output, even more than half of the total output of the country's non-licensed industry (urban and rural together, according to the same CSO survey).

Among the small urban non-licensed industry, there is also a capitalist organization of it through distributing offices (the work of home sewers and sewers for shops and wholesalers of ready-made clothes, for example, "Tolstoy blouses", etc.). Unfortunately, the CSO did not publish such detailed information about it as about rural industry.

But in the city, the output of the small-scale flour and cereals industry is comparatively small, in which there is no system of distribution offices at all, while in the countryside flour and cereal mills, according to a survey by the Central Statistical Bureau, account for over 30% of the gross output of all small industry. This noticeably lowers the percentage which, on the average, constitutes in rural industry the part of it organized by the capitalists through distributing offices. Together with flour milling, as we have seen, it now amounts to about 30%, and if flour milling is not counted, then its share increases to over 40%.

For the city, we do not have such indicators as for the countryside. Taking into account the share of the city in the total gross and conditionally net output of the entire non-

licensed industry (see above) and the undoubted presence in the city of some, and, moreover, a significant, presence of a distributing system, we can, on average, consider that at present (1927) , no less than a quarter of all private small-scale labor industry, in which there is formally no wage labor, is in fact organized as a domestic system of capitalist industry. But according to the "Control Figures" of the State Planning Commission, 13.4% of the entire gross industrial output of the USSR accounts for the entire private labor non-licensed industry of the USSR.

Consequently, including not less than 3.3% is the output of the part organized by the capitalists through distribution offices into the domestic system of capitalist industry.

Summing up, the real share of capitalist industry in the total gross output of the entire industry of the USSR (state, cooperative and private, together licensed, and non-licensed) can be approximately defined as follows:

Census explicitly capitalist	3.4%
Unqualified explicitly capitalist	3.0
Fake cooperatives	2.0
Distribution offices	3.3

In total, we get 11.7%, or almost 12%. It is worth noting that when I announced my results at the Communist Academy on April 11, 1927, Comrade Weissbein, an employee of the State Planning Committee in the socialization section, said that the latest calculations of the State Planning Committee of the USSR for the clearly capitalist licensed and non-licensed industries together give 6.4% Distribution offices of all gross output , i.e., just the value indicated for them above. As for the pseudo-cooperative and distributive forms of capitalist industry, according to Comrade Weissbein, the State Planning

Commission has not yet attempted to estimate their weight at least tentatively. According to the collection of the Supreme Council of National Economy "Private capital", it turns out somewhat more: "If we add to the private licensed industry also that part of the non-qualified industry that is of a small capitalist nature, as well as domestic industry, then in general the capitalist sector of industry is unlikely to produce more than 15% of all industrial output". Thus, my calculation should be considered minimal.

The task of our further management of the national economy is to introduce into this area also the planned nature that follows from the interests of the proletarian revolution, and not from the "spontaneous" tendencies of private capital towards development in various directions. This means: 1) to choose in what branches and in what forms and extent the existence and further development of capitalist industry at the present time, from our point of view, is permissible, and in which it is undesirable; 2) to carry out a number of relevant economic and administrative measures. Sufficient material has already accumulated for such a refinement of the line, it has already been developed by a special authoritative commission, and below we will stop there.

Taking into account the part that falls to the share of the distribution system of capitalist industry, we can assume that the share of actual independent labor private production also accounts for slightly more than 10% of the total gross industrial output of the USSR. This is the value set by Gosplan's "Control Figures" for non-licensed private industry, minus the part we have determined for the distributing system of private capital.

Private capital in the production of consumer goods

In the gross output of the entire industry of the USSR, the share of production organized by private capital amounts, as we have

seen, to a little more than 11% of the sum of all products. This is the overall result of the participation of private capital in industrial production.

But the other side is also important for us. It is also important for us what proportion capitalist production makes up in those industrial products that the population receives. Indeed, in our industrial production there is a whole series of such goods with which the general population does not deal. For example, locomotives, fuel oil, etc. are not sold in shops. Therefore, we must take separately all marketable output and single out from this marketable output the means of consumption, i.e., that with which the population deals.

All marketable output is obtained by deducting from the total gross output the price of those items of intra-industrial turnover, the price of which is expressed in the price of finished products.

According to Gosplan's "Control Figures" (p. 207), out of all commercial output of the industry of the USSR for 1925/26, 70.6% fell to the share of state industry, 7.7% to the share of cooperative industry (with false cooperatives) and to the share of private industry. production - 21.7%: - If the pseudo-cooperative part, as it should be, is counted as private, then the share of private production as a whole will reach almost 24% of the total marketable output of the country's industry, while in the gross output the share of private industry is only up to 22% (private, according to the State Planning Commission - 19.8% and pseudo-cooperative - about 2%).

If in gross output the share of capital accounted for up to 12% and the share of private labor workers over 10%, then in all marketable output, accordingly, we must count about 13% for the share of capital and for the share of independent (small

private labor workers about 11%). In total, we have up to 24% [13].

13) One of the leaders of the CSB, comrade M. Smith, made an attempt to calculate, according to the data of the CSO, the share of private production (labor and capitalist production together) in the net output of the entire industry of the USSR. By "net output" Comrade Smith means the sum of output minus raw materials, fuel, other materials, and depreciation. In relation to marketable products, net production, according to her data, is 57%. As of October 1, 1925, private production accounted for 23.3% of all net production, as calculated by Comrade Smith (Statistical Review, p. 44, No. 4, 1917). Moreover, Comrade Smith did not include pseudo-cooperatives in private production.

But in the production of means of consumption the role of private production, and in particular the role of capitalist production, is greater than in the commodity output of industry as a whole. And this is understandable. Our private capital is not engaged in the production of locomotives. Artisans don't work either. Private capital and handicraftsmen are hardly engaged in heavy metallurgy, rolling rails and the production of a number of other products that serve industrial and military consumption, and not the consumption of the population. Private capital has no means and no interest for this, and its output is concentrated mainly in the production of fast-turning means of consumption for the population. According to the "Control Figures" of the State Planning Commission (p. 385), in 1925/26, out of all gross output, consumer goods accounted for 43.2% in state industry, in the cooperative (with false cooperatives) - 72.7% and in the private - 70.5%. On average, all industrial production for the broad market (i.e., means of consumption) thus accounts for almost 46% of the total gross output of the entire industry of the USSR.

Having made a corresponding cut, we find that out of the entire industrial production of consumer goods, all private production, i.e., labor, and capitalist production together (including pseudo-cooperatives), in 1925/26 accounted for 32%, that is, almost a third; of these, about 17% for the capitalist sector and about 15% for the labor sector. The remaining 68% of the industrial production of consumer goods falls on the cooperative and state industry.

Thus we see that if in the commodity production of our country in general the share of private production is about 24%, including about 13% of capitalist production, then in that part of the production of industry which is intended for the broad market, i.e., in that part of industrial production with which the consuming urban and rural population deals, almost a whole third is the product of private production; including approximately one-sixth of the capitalist. This is a production base that prepares the possibility of a corresponding participation of private capital in the market, in trade in industrial products that are consumer goods.

Employed persons

Let us now pass on to the question of employed persons, of what part of the labor force—both wage workers and individual producers—is organized in capitalist production in our country. Here we have, first, information from the State Planning Commission (on p. 211 of the Control Figures) on wage workers in private industry. In 1925/26 there were 283,000 of them. out of all 3,092 thousand hired workers in industry. This is 9.3%. I compared these data with the data of the All-Union Central Council of Trade Unions—how many workers out of those employed in private industry are organized according to industrial trade unions. The statistics of the All-Union Central Council of Trade Unions gave a certificate for

October 1, 1926—they have no more recent information—and it turns out that only 156,000 people are organized in all eleven industrial unions. of those 283,000 who are employed in private industry.

Consequently, of the wage workers in private industry, trade unions have so far organized only 55 percent, that is, only about half of all wage workers working in private industry. Meanwhile, the trade unions themselves (the All-Union Central Council of Trade Unions in a report to the 7th Congress of Trade Unions) assumed that they embraced over 80% of all workers employed in private industry. The fact that this assumption is incorrect is evident from the above comparison. Our trade unions, therefore, still have a lot of work to do to reach all the workers in private industry. that this assumption is false is evident from the above comparison. Our trade unions, therefore, still have a lot of work to do to reach all the workers in private industry, that this assumption is false is evident from the above comparison. Our trade unions, therefore, still have a lot of work to do to reach all the workers in private industry.

In addition to the wage workers of obviously capitalist industry, who appear in the tables of the State Planning Commission, one must also take into account wage workers of pseudo-cooperatives.

According to the tables of the State Planning Commission, there are 250,000 wage workers in industrial cooperative enterprises. In proportion to the output of pseudo-cooperatives, at least 70,000 of these wage workers in cooperatives should be classified as wage workers of capitalist enterprises, only hiding behind a cooperative mask.

Thus, out of all wage workers in industry, over 350,000, or 11.6%, fall to the share of capitalist entrepreneurship; of the wage-workers of the cooperatives, the pseudo-cooperatives

probably account for somewhat more than it comes out in proportion to the output; so that it can be considered that out of all wage workers in our industry, up to 12% are employed by private entrepreneurs, both explicitly qualified and non-qualified, and those who hide behind the cooperative form.

Then there are about 100,000 more so-called "members" of pseudo-cooperatives, in fact disguised capitalist workers and entrepreneurs. Finally, about a quarter of handicraftsmen work for private entrepreneurs through distribution offices, as follows from the above data on the capitalist organized part of the handicraft industry.

To account for handicraftsmen, it is necessary to transfer them from the count of living people to the count of "average annual workers", so that they can be compared with the number of wage workers in the factory industry.

The fact is that in factory and small-scale urban industry they usually work all year round, while in rural handicraft industry, according to the report of the CSB (Comrade Smith-Falkner) to the commission of the NC RCT, work continues on average about 30 weeks a year, but on the other hand 10 hours a day instead of 8 hours.

Based on these data, let's translate the living people of rural industry into the average annual number of employees, add the workers of the urban non-qualified industry

(the total number of all employed in the non-qualified industry in 1925/26, according to the Central Statistical Bureau, was 2893 thousand people - quoted from Comrade Tsylko, p. 67, "On the Agrarian Front")

and subtract the part employed in state, cooperative and explicitly capitalist enterprises (according to the CSO survey, of all persons employed in the non-qualified industry, "simple

private commodity production without hired workers" accounts for 84% See page 241 of the CSO Handbook for 1927).

Let us get slightly less than 1,600,000 annual workers (or almost 2,500,000 living people; a quarter of them in the cities and three-quarters in the countryside).

About a quarter of their output, as we have seen, now comes from the home system of capitalist industry organized by distribution offices. Consequently, up to 400,000 "annual workers" are classified as exploited "domestic workers" of the capitalists (working at home for themselves and not for the capitalists), and about 1,200,000 "annual workers" (which amounts to about two million living people) are independent labor artisans and artisans without hired workers.

The total number of people employed in industry in 1925/26, therefore, in the USSR is about 4,850 thousand people (with the transfer of the rural part of independent handicraftsmen and "distributing" handicraftsmen into "annual workers"). They are divided into separate groups as follows:

	Number (thousand people)	Percent
Private equity	850	17
Private labor production	1200	25
Cooperation (without false cooperation)	240	5
State	2560	53

In total, private industry thus accounts for 42% of all the country's labor force employed in industry (according to the tables of the "Control Figures" almost the same figure - 43%); if we take living people in all categories (and not “annual employees”), then the ratio will turn out to be something like this:

	Number (thousand people)	Percent
Private equity	1100	18.3
Private labor production	2000	33.3
Cooperation (without false cooperation)	300	5.0
State	2600	43.3

If we compare the percentage distribution of the entire gross output of the country's industry and the total number of annual workers and living people, then a much greater labor productivity in state industry, as larger and better equipped, immediately catches the eye.

	Annual employees (in %)	Living people (in %)	Gross output (in %)
Private equity	17	18.3	11.7
Private labor production	25	33.3	10.1
Cooperation (without false cooperation)	5	5.0	4.7
State	53	43.3	73.6

By the way, two things emerge from this.

Firstly, what an enormous reserve for the expansion of state industry and for the growth of production is still private labor production (and a part of the handicraftsmen still attached to the capitalist distributing offices). The transfer of one yearly worker from private labor production (mainly manual or with miserable machines) to state production equipment is tantamount to an increase in output per person by three and a half times. Here, first of all, we will find that mass of skilled workers which will be needed as the building of new factories

and plants (for capital construction) is completed. The wages of a factory worker are higher than those of most handicraftsmen, so there are no obstacles in this respect.

The second conclusion: the figures of the vast preponderance of the output of state industrial production over private production should not obscure from us the fact that, as regards the living labor forces employed in industry, more than one-sixth is directly subordinated to capital, and in the private economy as a whole there is even more half. From this follows the special social (socio-class) importance of measures to regulate capitalist production in industry and measures to help and draw into the state-proletarian channel a vast layer of small private labor producers (urban and rural handicraftsmen without hired workers). We will discuss these measures below.

Capital and accumulation.

Let us now turn to what proportion of the property of all industry, both licensed and non-licensed, taken together, belongs to the capitalists, i.e., to bourgeois production with wage-workers and in the form of capitalist organized domestic industry.

On the question of the property of industry, a survey was carried out by the Central Statistical Office based on materials as of October 1, 1925. There are no more recent materials, which are a record of the entire licensed and non-licensed industry, as detailed as necessary for our purposes, are not available. For subsequent years, i.e. for 1925/26 and 1926/27, there is, on the one hand, information about the amount of capital invested additionally in state and cooperative industry, and on the other hand, information about the percentage increase in the output of private industry, so that it is possible to make an approximate estimate for 1927 as well.

The entire fixed capital of the licensed industry and all the property of the non-licensed industry, taken together, in pure rubles, taking into account wear and tear (that is, the part that is worn out and which actually does not exist, although it is listed in the books), is excluded from the price, without the price of buildings in small-scale urban industry and with incomplete accounting of concession capital (because the CSB did not have complete information about concession capital)— this entire amount as of October 1, 1925, amounted to 6,830 million red rubles (Statistical Review, No. 2, for 1927, p. 72).

This amount is divided into two parts. The first part is the property of the industry producing means of consumption. The second is the property of the industry that produces the means of production. Private industry is concentrated mainly in the industry producing consumer goods. Of the entire industry of the USSR (co-operative, state and private together, licensed, and non-licensed), about 55 percent of all industrial property belongs to the property of the industry that manufactures means of consumption, i.e., works for the broad market (p. 72).

Of the gross output of all industry in the USSR, consumer goods industry accounts for 47% (Planned Economy, No. 3, 1927, p. 106, Gosplan calculation). Of all employed persons, consumer goods account for up to 60%. Finally, as regards the urban and rural population, for them the industrial market is 100% reduced to consumer goods (clothes, dishes, furniture, all household utensils, etc.). The rest of the industry does not work for a wide market, and the population as a buyer does not directly encounter it.

The property of the industry that manufactures means of consumption, according to the Central Statistical Bureau, accounts for about 3800 million rubles.

It is in this industry of means of consumption that industrial capital, owned by private individuals, is chiefly concentrated.

If we make the same small correction for pseudo-cooperatives in the CSO survey as we did elsewhere, then the share of all private industry (not only capitalist) accounts for almost 20% of the total property of the industry producing consumer goods.

In some industries, even more. So, for example, in the clothing industry, private individuals own 70% of the total capital, in the shoe industry, private individuals also own 70% of the total capital, in the food industry, private individuals own 34% of the capital, in the leather industry, 27% of the woodworking industry, 26%, in others, less (everywhere we mean licensed and non-licensed industry together).

In a number of branches of industry, the role of private industry in terms of the capital it owns is therefore very significant.

This also corresponds to the number of employed persons. For example, in that part of the metal industry that works for a wide market, according to the same data of the Central Statistical Bureau, 235 thousand people were employed in private enterprises, in the flour and cereals industry in private enterprises - 230 thousand people, in the production of clothing and items toilet - 585 thousand people, in the production of leather shoes - 335 thousand people.

These are the main, basic industries.

As a result, such a result is obtained. If we take the property of the entire industry, licensed and non-licensed together, then from it to the share of all private individuals, according to a survey by the CSB [14] will be about 11%. If we take, among other things, the industry that produces consumer goods, then the property of all private individuals there will amount to almost 20%.

14) According to the CSB, both groups together have 10.2% without false cooperatives (p. 47 No. 4 of the Stat. Review for 1937).

From here it is necessary to single out that part of this property that belongs to the capitalists. According to the CSO data, we can single out: concession capital; the capital of private entrepreneurs with hired workers who have their own enterprises; the capital of private entrepreneurs with hired workers who have leased enterprises.

Together, this gives about 220 million rubles. To this we must add about 60 million rubles. capital of pseudo-cooperatives, i.e. 25% of the industrial cooperative property (corresponding to the share of pseudo-cooperatives in the production of cooperation), and several tens of millions invested in distributing offices in their various forms (probably up to 70 million rubles, bearing in mind the advance payment system and the volume of production, all the property of the handicraft industry, according to the Central Statistical Bureau, amounted to 474 million rubles). Thus, we obtain a value of up to 350 million rubles on October 1, 1925, meaning both fixed and circulating capital together.

Of the entire industrial capital of the USSR, the share of private capitalists on October 1, 1925, thus accounted for up to 5%, and the share of private labor production, about 6%. We have the opportunity to compare two estimates with this calculation: the commission of the Supreme Economic Council of the USSR on private capital (article by comrade Ginzburg, p. 4 of the collection of the Supreme Economic Council of National Economy "Private Capital", Moscow, 1927) and an employee of the USSR NKF, Comrade Kutler ("Finance and national economy" of December 5, 1926, p. 8). Both of them belong to the same time.

Comrade Kutler developed the NKF questionnaire on the state of assets and liabilities as of October 1, 1925 of several hundred enterprises. A sample of information was made by the financial inspector for enterprises that they considered typical. The information refers to working capital only. Ultimately, the amount of own working capital of private industrial enterprises (without borrowed funds) is received by the NCF questionnaire at 205 million rubles. Taking into account the significance of fixed capital (equipment, buildings, etc.), we can assume that the NCF questionnaire developed by Comrade Kutler indicates, perhaps, a larger amount of private (fixed and circulating together) industrial capital than I calculated for the same period, based on the materials of the CSO.

The second assessment, by the commission of the Supreme Economic Council of the USSR, is based on expert assessments and individual materials on 23 branches of industry that are most important in this respect.

These data refer to the financial year 1924/25, and the final estimate (in Comrade Ginzburg's introductory article) does not cover private capital in pseudo-cooperatives and distributing enterprises. It reads: “It is hardly possible to accept the amount of capital of these enterprises, considering the main and circulating capital, as less than 200-300 million rubles.” (page 4).

Even if we take a value closer to 200 million rubles. and add the funds of the capitalists invested in pseudo-cooperatives and in the distributing system, you will still get a value of up to 350 million rubles on October 1, 1925, as determined by me.

If we take an estimate closer to 300 million rubles. and to join the capital invested in the domestic system of capitalist industry and in pseudo-cooperatives, it will turn out to be much more than the 350 million rubles accepted by us.

Thus, our calculation of private industrial capital according to the data of the Central Statistical Bureau as of October 1, 1925 is indirectly confirmed by both other available definitions: the materials of the NKF on a questionnaire survey of balance sheets and expert assessments of the Supreme Economic Council bodies that have worked out reports on all the most important industries, for each separately. (Thus, the Commission of the Supreme Economic Council indicates that in 1924/25 private capital in the leather industry was up to 35 million rubles, in the fishing industry also up to 35 million rubles, in the timber industry about 28 million rubles, in the chemical -7 million rubles, etc. Page 2 of the collection "Private capital".)

However, preference should be given to the data of the CSO, as the only mass continuous survey, and not just a questionnaire or expert. But all this refers to October 1, 1925.

According to Gosplan's Control Figures, since 1924/25 but the current year 1926/27, private production has grown by 31%, counting in chervonny prices (p. 331 of the Control Figures). These assumptions of the State Planning Commission are apparently lagging behind reality. Thus, the growth, for example, of the output of private licensed industry in chervona prices in 1925/26 alone actually amounted to 52% (p. 22 of the collection of the Supreme Council of National Economy "Private Capital"), i.e., more than the State Planning Committee expected in two years. By the way, in the conjectural constructions of the State Planning Commission regarding private capital over the past years, there has always been a readiness to "throw" private capital, if not with "caps", then with "control figures". And invariably the reality turned out to be worse (this also applies to the share of the private owner in the turnover, as we shall see). This also includes such methods of "accounting", as oblivion of pseudo-cooperatives or of the

domestic system of capitalist industry. It's time to say goodbye to all such ostrich traditions, although they testify to hatred of capitalism (they don't even want to see it).

Thus, the growth of private industry projected by the State Planning Commission to date against 1924/25 by about a third must be considered surpassed. In any case, for the capitalist part of this private industry, as evidenced by the given data on its licensed part, as well as on the concession industry. The output of concession enterprises, according to the data of the Supreme Economic Council, in 1924/25 was only up to 20 million rubles, and in the current year 1926/27, already up to 70 million rubles; an increase of more than three times (collection of the Supreme Council of National Economy "Private Capital", p. 281). If we take the private licensed and concession industries together, then, according to the data of the collection, we get an increase in their production of about 65% in 1925/26 alone.

It is possible, of course, and even probable, that, on the other hand, the growth of independent small-scale labor industrial production is going on at a much slower pace (the handicraftsman, not organized by the capitalist into a system of home industry, not turned into an actual wage worker at home, with whom only in form - for avoidance of taxes, etc.—the capitalist pays as if he were an "independent producer" with a patent).

But we are now interested in the growth of output precisely in the capitalist part of private industry as a reference for judging the growth of private industrial capital over the past two years, and not in the growth of the property of all private industry in general (labor and capitalist industry together).

In the same two years, 1925/26 and 1926/27, the fixed capital of state and cooperative industry (in excess of depreciation) increased by one billion chervonny rubles, according to

Gosplan's Control Figures (p. 315). Comparing this growth with the growth of production and assuming for private capitalist industry a corresponding growth of capital in comparison with the growth of production (for the concession part there are direct data), we find that now (June 1927) the entire own industrial capital of private capitalists (fixed and circulating together) should be close to 450 million rubles. (red). A quarter increase over two years.

If we take, according to these calculations, the distribution of the entire industrial property of the country among the four groups of owners, then the percentage changes in relation to the total turn out to be insignificant.

	June 1, 1925 (in %)	June 1927 (in %)
Capitalists	5.1	5.6
Private labor production	5.9	5.8
Cooperation	2.7	3.0
State	86.3	85.6

The share of the capitalists in the country's industrial property has by itself increased by one tenth in two years, but in general it is so small that the general ratios have scarcely changed as a result of this increase. Small changes in this direction during the period of NEP are absolutely inevitable, since we would like the appearance of certain concession enterprises, etc., but in general the figures cited speak clearly: bourgeois hopes for the triumph of private capital in the industry of the USSR have been shattered. This song was sung most loudly by our enemies in 1921 at the beginning of the new economic policy: “The Bolsheviks allowed private economy—private economy will eat them up. Industrial production will quickly pass into the hands of the capitalists—where are the Bolsheviks to compete

with them, since competition is allowed at all? And Bolshevism will fizzle out naturally in a few years."

Talks and rumors about the rapid and widespread transition of Soviet industry into private hands were then widespread in Europe, as about something undoubted, secured. They even planted doubt in the Communist floors. When I arrived in Berlin in 1922, some leaders of the German Communist Party, looking searchingly into their eyes, asked to be told in confidence how large a percentage of the factories and factories remained and were intended to remain in the hands of the state.

In part, these fears were fueled by the publication of various immoderate projects by individual comrades who misunderstood NEP. Some abroad did not know how to separate, while others deliberately confused the personal proposals of individual similar comrades (who went too far in the direction of private capital) with the line of the party, which differed sharply from these proposals. Such, for example, is Comrade Sokolnikov's well-known interview in the first half of 1922 on the desirability of transforming state trusts into mixed joint-stock companies of the private-capitalist type with the participation of foreign capital, which appeared on the very day when the leading article of the organ of the Central Committee of the Party with particular persistence emphasized the task of developing Soviet industry precisely as a state industry.

Six years have passed - the anxiety of friends has dissipated; the hopes of enemies have disappeared. In 1927 only about 5% of industrial capital, less than 12% of gross industrial output, and up to 17% of annual workers employed in industry came to the share of private capital. Moreover, a significant part of this quantity is formed from the subjugation of handicraftsmen by private capital (through distributing offices and the domestic system of capitalist industry). The increase in state funds, thanks to the general upsurge of the economy, is already

beginning to reach proportions that will allow us from now on to set the task of gradually freeing this part of the handicraftsmen from the power of the capitalists and gathering them into the mainstream of the state economy. Therefore, the increase in the growth of private capital in industry along this line, the easiest for him, one might think, will now be somewhat slowed down.

It remains to be said about the size of the annual net accumulation at the present time in private capitalist industry. The only continuous material is the already mentioned general survey of the CSO of all industry in 1925. At the same time, as for the non-licensed industry, the CSB itself doubts the results of the calculation of profits, as obtained by controversial calculations. I consider these results to be exaggerated (and so is Comrade Strumilin), and therefore in what follows I cite CSB data on the percentage of profits only for the licensed industry.

These data refer to the percentage of profit only on fixed capital (without circulating capital). To calculate the sum of the net profit of the entire private capitalist industry, I assume that the profit of the capitalists in its non-licensed branches is approximately the same percentage of capital as in the licensed ones.

Then I take the sum of the fixed capital of the entire industry of the USSR (Soviet, cooperative, and private together) without private labor production and compare with this the total amount of net industrial profit (also excluding the part attributable to private labor production).

The exclusion of a part of the profit, which, according to the calculations of the Central Statistical Bureau, should have been attributed to the share of private labor production, is made by me for two reasons. Firstly, due to the unreliability of this part of the data, recognized by the CSO itself, and their obvious

exaggeration. Secondly, for a small private labor producer (a single individual without hired workers), it should be about earnings, not about profit. He is not engaged in the exploitation of someone else's labor force with the help of his capital ("profit"), but in the sale to customers and consumers of the products of his own hands ("earnings"). Moreover, quite often the entire amount of earnings of such an independent working private industrial individual turns out to be lower than the wages of a hired worker in the corresponding branches of small-scale (non-qualified) private capitalist industry.

According to the same CSO survey of 1925, the total "wages in simple commodity production in rural small-scale non-qualified industry" in relation to wages in the same sectors of non-qualified capitalist industry amounted to:

	Percent
Mining and processing of stones, earths, and clays (silicate industry)	84.4
Wood processing	80.0
Food production (with drinks and tobacco)	57.5
wool industry	54.3
Cotton processing	46.8

On average, for all industries, this value was 83% (p. 46 No. 4 of the Statistical Review for 1927, article by Comrade M. Smith).

Under such conditions, we consider it highly inexpedient to divide this wages into two parts: actually "earnings" (in accordance with some more or less theoretically calculated "normal subsistence level") and then another "profit".

Thus, small-scale private labor production is not included in the calculations below, either in terms of "fixed capital" or "profit".

In future surveys and groupings of data, the CSO should also keep in mind that private labor producers have not “capital”, but “property”, firstly, and “earnings”, not “profit”, secondly.

This is important not only in terms of the accuracy of terminology (naming), but also for clarity of understanding - so as not to confuse the reader in the real picture and not to get confused yourself.

Returning to the amount of profit in the licensed industry as of October 1, 1925, in relation to the fixed capital, we obtain the following result.

In state enterprises, profit, according to the CSB (according to table No. 17 of the report submitted by the CSO to the commission of the RCT), is 3.53%, in cooperative enterprises - 15.8%, in private enterprises owned by capitalist entrepreneurs - 27.8 %, in concession enterprises - 45.8% and in enterprises leased by capitalists - 64%. In 1924/25 the most profitable enterprises turned out to be supposedly rented enterprises, which is understandable in view of the special conditions for leasing state-owned enterprises, which I spoke about in the chapter on predatory leases.

Of course, data on the level of profits in leased, private and concession enterprises cannot claim the same accuracy as data on profits in state enterprises, but still give some idea of the ratio.

If we take the entire capitalist licensed industry as a whole, that is, if we take the concession, rental, private property, and pseudo-cooperative industries; it turns out that on average the capitalists have 32% of the total fixed capital. This is approximately the same level of accumulation, which, as we shall see, the People's Commissariat of Trade defined as the entire amount of accumulation for private trading capital (the

People's Commissariat of Trade defines this value there as about 30%).

Assuming the same percentage of profitability for the non-licensed industry, it is possible, based on the CSO data on fixed capital (property) and on the percentage of profitability, to give the following summary table. It shows the distribution As of October 1, 1925, of all the fixed assets of industry (excluding working capital) and all industrial profits among the three main owners: the state, the cooperatives, and private capitalists. Excluded from this comparison, as mentioned above, are small labor private producers (their share in production and in industrial property in general has already been given above). The result is the following:

From the main property (in %)	Of all property (with working capital) (in %%)		Of all profits (in %)
Capitalists	3.6	5.4	20
Cooperation	3.4	2.9	10
State	93.0	91.7	70

The percentage of the fixed capital of private capitalists in the fixed property of the entire industry of the USSR is lower than the percentage of their total capital (with circulating capital) in all the property of industry (with circulating assets), because some of the capitalists act when they receive a significant part of the fixed capital on lease or in concession, and the price buildings, machines, etc. rented by them, of course, cannot be counted in (their own capital. It should also be noted that the distribution of the entire mass of industrial profit between individual owners (the state, cooperation, capitalists) can be considered characteristic of the current year of 1927 without significant reservations. In 1924/25, a significant part of the state industry was still unprofitable, and this greatly influenced the

whole picture. According to our preliminary tentative calculation, in the current financial year 1926/27, the situation appears to be something like this.

All property (with working capital) (in %%)	Amount of profit (in %)	
Capitalists	6.0	13.0
Cooperation	3.2	6.5
State	90.8	80.5

Here, too, private labor production is not taken into account, as in the above calculation for 1924/25. If private labor production is also taken into account, then, as already indicated above, the share of capitalists in the entire industrial property of the USSR (fixed and circulating assets together) now, in 1927, it is about 5.6%.

Finally, approaching the question of the absolute size of the net profit of the capitalists in industry, we can stop for the present year, 1927, as the most plausible, at a value of about 75 million rubles. in year. In total, the capitalists have invested in industry to date, as we have seen, about 450 million rubles, of which about 250 million rubles belong to fixed capital. Taking, according to the calculations of the Central Statistical Bureau of capitalist industry; in 1925 (and the calculations of the People's Commissariat of Trade on private trade), a net profit of about 30%, we will have up to 75 million rubles a year. In relation to the entire industrial capital of private capitalists (with circulating assets), this amounts to about 17% per year.

Dynamics and activities. Workers in capitalist industry. From the hidden to the obvious. Differentiated approach.

Having singled out private capital from the total mass of private production and taking into account also the hidden forms of capitalist production (pseudo-cooperatives and the domestic system of capitalist industry), we arrived at the following conclusions about the share of capitalists in the industry of the USSR:

From all capital	5.6%
From gross output	11.7%
From commercial products	13.0%
From the means of consumption (production for the general market)	17.0%
Of employed annual workers	17.0%
Out of profit	13.0%

Such is the picture for 1925/26. Now the question is what can be said about the changes in time. Do we have any indicators that would make it possible to judge the change in the share of capitalist industry in recent years in the total amount of industry in the USSR?

In general, even about the entire private industry as a whole, there are only the most speculative estimates of what happened in 1923, what happened in 1922, etc., and what will happen next, in the coming years. I do not dare to rely on these conjectural assumptions, because it is impossible to single out the capitalist part from them, and

they themselves are completely arbitrary and partly already refuted by the course of events. Therefore, I will confine myself to information that, although not covering the entire industry, is accurate information based on real facts, and not just well-intentioned wishes projected forward or backward. First of all, these are the data of the All-Union Central Council of Trade Unions on the percentage of all members of industrial trade unions that are those trade union members who are employed in private enterprises.

According to the data of the All-Union Central Council of Trade Unions, as of October 1, 1925, it appeared that 3.8% of all trade union members were employed by private owners. Thus, a relative growth is observed, not very, however, large, by about 10-12%, but still there is a relative growth (information taken from the materials of the All-Union Central Council of Trade Unions).

However, these data cannot be considered entirely indicative because, perhaps, there is simply a greater unionization of those workers who are employed by private employers.

There is a second series of data, this is the number of man-days per year worked in the licensed industry.

The CSO carried out two surveys in this respect, one for 1924/25, the other for 1925/26. Each of them covered the entire census industry, both state and private and cooperative.

The results of the first survey are published in No. 1 of the "Bulletin of Statistics" for 1927 on page 97; the results of

the second are presented by the CSO in Table No. 9 in the report to the RCP commission that worked on this issue.

The tables for both 1924/25 and 1925/26 were compiled under the guidance of T. M. Smith, a member of the CSB board; both surveys are produced and developed on the same basis and are quite comparable.

It turns out that of all the man-days worked in census industry in 1924/25, capitalist industry accounted for exactly 2%. And in the next year, 1925/26, capitalist industry accounts for 2.6%, i.e., approximately one-third more. I remind you that here we do not have all of capitalist industry, but only that part of it, which in the surveys of the Central Statistical Bureau is listed as capitalist licensed industry (without pseudo-cooperatives, without the domestic system of capitalist industry, etc.). Consequently, here we have an indication not only of absolute, but also of relative growth.

Further we have the calculations of Gosplan's "control figures" on the gross output of the licensed industry. According to these calculations for 1923/24, the share of capitalist industry (qualified) was 3.3%, and according to calculations for 1926/27, that is, three years later, it is 3.4%, a little more, also relative growth, however, is negligible (p. 327 "Counter, numbers"). Rather, it should be called stability. Finally, we have the data already cited above concerning the relative growth of the concession industry and especially the growth of the organization of handicraftsmen by the capitalists in the form of a domestic system of capitalist industry. This also includes the

appearance from 1921 to the present of a very large number of false artels.

Thus, according to all these direct indications, it seems as if it can be established that in recent years there has been no decrease in the share of capitalist production in the sum total of industrial output, either in terms of gross output or in terms of the number of workers employed in it.

It's completely natural. After all, when the New Economic Policy was allowed, when the New Economic Policy began, then in our country private capitalist licensed industry did not exist at all; the same did not exist and the concession industry. All this was to arise in subsequent years, and it did.

The percentage of participation of capitalists in the organization of production is in itself small. It should show some relative growth, since before there was only state industry, and now some capitalist industry has appeared alongside state industry in a legal way, obviously. Moreover, under war communism, and even in the early years of NEP, handicraft industry was not yet organized by the capitalists through distributing offices, etc., even in the quarter in which it is now organized; it could only come gradually. Handicraftsmen existed in the village, but in a certain part they were inactive.

The capitalists began to give them orders, make advance payments, etc. In parallel, there was also some investment in private and rented factories of the funds that the bourgeoisie partly stole from us in the early years of the

NEP, partly accumulated in trade and in other branches of their occupations. Naturally, the role of the capitalists in industrial production was bound to increase somewhat.

Here we must definitely distinguish between two things: the role of private production in general in industrial production, and the role of capitalist private production in that same industrial production.

If we compare 1922/23 with the present, then the role of private production as a whole in the total amount of industrial production in the country has decreased. This is exactly what the Gosplan's Control Figures illustrate. But if we take only capitalist production, then the role of capitalist production has increased. Thus, private economy as a whole recedes into the background before state and cooperative economy. But within the framework of the retreating private industrial economy as a whole, the role of capitalist production increases to such an extent (both by organizing its own, rented and concession capitalist enterprises, and by organizing handicraftsmen through distribution offices, etc.) that the share of capitalist production in all industrial the country's production even manages to grow slightly.

What should be expected in this regard in the coming years? It seems to me that in the next few years we can expect approximately the same thing, i.e., firstly, the role of state industry will increase in comparison with the role of private industry as a whole, and secondly, within private industry the role of its capitalist part will further increase. And small-scale independent labor production

will relatively more and more recede into the background. The reasons are clear.

First, in the growth of state industry, we have now reached a point where the growth of its output requires the investment of enormous new funds, because the old factories are almost fully loaded, and new ones must be built to increase output. But new construction of the state should be directed in the next few years mainly to very expensive heavy industry plants (metallurgy, mining). A private capitalist will not build them for us, he cannot do it, and we will not give him such important strongholds. The construction of such factories requires a number of years; the cost of them will not give therefore in: the coming years of growth in production.

In the current year, 1926/27, state industry, according to the data of the Supreme Council of National Economy, is growing by about 20%. For the future, 1927/28 according to the State Planning Commission (page 53 of the tables "Prospects for deployment) /, M., 1927, ed. comrade Strumilin), the growth of state industry by only 13% is foreseen.

Then in the next two years, by 10%, and for 1930/31, by 9%. And for the production of state industry for the broad market (means of consumption), Prospects for the same years plan an even smaller increase: in red prices 10% - 7% - 5.5% - 4.2%.

It is possible that these expectations will be somewhat exceeded by reality, since up to now the results in terms of industrial production have always turned out to be

better than planned bodies expected, but nevertheless, a tendency towards a slowdown in the annual increase in state industry output is inevitable for the next few years (later results of current and future investments in capital construction).

Meanwhile, private capitalist industry is engaged almost exclusively in the production of consumer goods. The organization of such enterprises does not require, even remotely, such large funds as, for example, metallurgical plants, so the deployment here can be much easier and faster.

We have already cited above the report of the Supreme Economic Council that in 1925/26 the capitalist licensed (own, rented and concession) industry increased by 65%, while the state licensed industry increased by 40% in the same year. During the previous year, 1924/25, the gross output of state industry increased by 55% (Prospects for Development, p. 52 of the tables).

So, in recent years, a slowdown in the rate of growth of state industry has already been quite noticeable in connection with the approaching full utilization of old factories, with the start of building new ones, and with the direction of funds for this construction in long-term and expensive constructions for heavy industry, which does not directly provide means of consumption.

Hence, over the course of two years, a decrease in annual growth from 55% to 20%. Therefore, it is also plausible to expect a further decline in this annual growth over the next few years, if not to the pessimistic outlines of the State

Planning Commission from 13% to 9%, then at least to about 15%.

But for private capitalist industry, located mainly in the "lightest" industries, 15 much less than others that require fixed capital, there is no particular reason to expect a decrease in the annual growth rate to a value even lower than that planned by the State Planning Commission for state industry (from 13% to 9%).

15) According to the calculations of the Central Statistical Bureau, out of all the “net output” of all private industry, the production of “light” industries accounts for more than 90% (article by Comrade Smith in No. 4 of the Stat. Reviews).

It makes a directly humorous impression when, in the “Prospects for the Development of the State Economy,” Gosplan suddenly prophesies that the annual increase in all non-state production for the broad market (personal and (household) consumption goods) will suddenly go for some reason at this pace from now on:

1927/28	4.4%
1928/29"	3.6%
1929/30 „	1.6%
1930/31"	1.0%

This is after the actual growth of the entire qualified capitalist industry in 1925/26 alone amounted to 65%; in the current year 1926/27, as is known, no catastrophe of private industrial production is observed either.

If the State Planning Committee suddenly proposes a reduction in its growth for the next year by fifteen times at once in comparison with the actual growth of the capitalist licensed industry for the last reporting year (and then sixty-five times), then this, of course, indicates that the State Planning Commission wishes the capitalists any trouble . Feelings, of course, are commendable, but such divinations have nothing to do with a serious attitude to the matter.

Capitalist industry, although insignificantly, nevertheless increased its share in output, according to the same State Planning Committee, even during the last three years, when state industry grew rapidly (by 160% in three years). All the more reason to expect the same now when the rate of annual growth in the output of state industry should slow down in the coming years.

Secondly, we are now taking a course towards a certain squeezing out, so to speak, towards a certain transfer of private capital from trade to industry, from certain branches of trade to certain branches of industry. This, too, will, of course, contribute to a certain growth of capitalist industry. Then we look forward to a further increase in concessions. Our unused natural resources are enormous, we are interested in attracting foreign capital to them rather than letting them lie idly further underground, and we are gradually succeeding in attracting it on an ever larger scale.

Thus, I believe that the ratio that we have for capitalist industry at the present time in relation to the entire

industry of the country, that it is comparatively stable in the coming years.

We will wrest something from private entrepreneurs by transferring some of those handicraftsmen who are now organized by capitalist distributing offices to work for state and cooperative bodies; on the other hand, capitalist production will grow to some extent in the form of the direct exploitation of wage-workers.

In general, it will probably result in a result close to stability over the next few years (and maybe even a slight increase). This circumstance is not only nothing terrible (since, as we have seen, we are not talking about a significant part of the total output), but is more tolerable for us than, for example, the growth of private commercial capital would be.

It would be more advantageous for us to have the link between town and country, between industry and the consumer, in our hands, but on the other hand, private capital would be transferred to the creation of real values, to construction, etc., in subordinate sectors of the economy that are not of decisive importance for development of the state and economy.

Such is the dynamics. It remains to outline what measures should be taken in view of the present state and place of capitalist industry in the general economy and industry of the USSR.

It seems to me that these events can be divided into four groups:

1) by transferring from a latent state to an explicit one with appropriate control and limitation of exploitation;

2) by differentiation (distinguishing) of our approach to the participation of private capital in different industries;

3) directing private capital precisely to those sectors where it is more acceptable to us, on the basis of its corresponding subordination to the state leadership and dependence on this leadership;

4) to free handicraftsmen from dependence on a private capitalist (as a customer, buyer, organizer of supplies, etc.) with their involvement in the mainstream of the state economy.

We have already spoken of the forms of the hidden and dispersed existence of capitalist industrial enterprises. These are predominantly pseudo-cooperatives ("labor artels") and then mainly the domestic system of capitalist industry (room owners working for shops and handicraftsmen working for distribution offices). We have already seen above that there are hundreds of thousands of such "disguised" workers, in total up to half a million. In terms of the capitalist exploitation to which they are subjected, their situation is much worse than that of the open wage workers of capitalist enterprises (of whom there are only up to 300,000).

In the works of Comrade Emdin—"The Condition of Labor in Private Industry" and Comrade Belkin—"Forms of Private Industry" (collection of the All-Russian Council of National Economy "Private Capital", Moscow, 1927, pp. 206-249) one can find a number of demonstrative

illustrations. When a capitalist organizes an industrial establishment openly, with hired workers, this establishment falls under the control of government bodies (financial inspector, labor inspector, etc.), and the workers join trade unions. As a result, we have such a picture.

1) Salary. According to the Moscow Bureau of Statistics there for February 1926, the average monthly wage of one worker in Moscow was: in state enterprises 71 rubles. 61 k. and in private - 88 p. 64 k., i.e. more than 20% more. Approximately the same ratio for individual industries:

	State	Private equity
Printing houses	81 p. 14 k.	94 rubles 92 k.
Leather shoes	91 10	90 98
Knitwear	6800	109 41
clothing	66 99	101 16
Food flavoring	68 95	89 31
Woodworking	71 31	81 35
Chemical	78 66	88 14
Engineering.	86 67	119 20
metalworking	76 85	94 17

And so on across all industries. The same picture in the province. Detailed examples of the collection of the Supreme Council of National Economy show that everywhere the rate and earnings of hired workers of the same branch and the same category in private industry are

almost always no less than in state industry, and sometimes even more. “Instances of arrears in wages and inaccuracy in payment in private industry are relatively rare” (collection of the Supreme Council of National Economy, p. 212).

2) Deductions in favor of workers in excess of wages in openly functioning capitalist enterprises with hired workers are almost always greater than in; respective state enterprises. These deductions are established by collective agreements for the organization of cultural work, for the construction of rest homes, etc. According to the Central Bureau of Labor Statistics, throughout the USSR, on average for the main industries where there are open capitalist enterprises, the percentage of these deductions to all wages as of December 1 1925 was:

	SOEs (in %)	Capitalist (in %)
Metalworkers	3.0	6.3
textile workers	3.0	5.3
Leatherworkers	3.3	6.1
printers	3.6	7.0
Chemists	3.2	7.3
seamstresses	3.0	6.2
Food workers	3.0	5.5
Woodworkers	3.3	5.6

This is the same picture in particular in Moscow. For private entrepreneurs, trade unions impose more

stringent conditions on both wages and deductions. In cases where the activity of the capitalist industrial entrepreneur proceeds openly, without disguise and without dispersal that eliminates the possibility of control (the work of dependent handicraftsmen at home), our system and our rules provide the worker with serious protection against attempts by the capitalists to exacerbate exploitation.

Just don't think that the capitalists pay their workers more than in the same state-owned enterprises, simply out of the kindness of their hearts, out of favor with the proletariat. The point is simply that the capitalist forces the worker to work in the capitalist enterprise with much greater intensity than is the case in state industry. The worker spends the capitalist much more strength, health, nerves and produces much more output in one man-day. "Production standards in a number of private industries are significantly higher than those established in state industry" (collection of the Supreme Council of National Economy, p. 212). According to a survey by the Central Statistical Bureau (embracing 77,000 hired workers of capitalist industry in the first quarter of 1925), the output per man-day worked in red rubles was as follows:

Industries	State enterprises	capitalist enterprises
Glass	5p 47 k.	8 p. 17 k.
Metal processing	15p 85	17p 30k
Woodworking	13p 50	17p 36
Confectionery	24 p 66	31p 37

Brewery	21 p 03	25p 31
Tannery	29p 37	41p 66
sewing	17 p 80	19p 33
Printing houses	13p 62	19p 93

In the same period, in the qualifying industry of the Moscow province, the output per man-day in pre-war rubles in state industry was 9 rubles. 54 k. and in the capitalist - as many as 12 p. 61 k., or more than 30% higher.

Meanwhile, the average monthly wage in capitalist industry is only 20 percent higher than the earnings of workers in state enterprises (in October 1925 in Moscow — 81 rubles 13 kopecks and 74 rubles 74 kopecks; in January 1926—83 rubles 99 and 70 rubles 23 rubles, in February 1926 - 88 rubles 64 rubles and 71 rubles 61 rubles).

Thus, in relation to output in capitalist industry, the wages of the wage-worker are definitely lower than in the state industry.

The worker gives the capitalist more output thanks to greater effort, and not thanks to better machines, because the technical equipment of the capitalist is worse than in state enterprises.

3) The situation with vacations and compliance with labor protection regulations is indicative. There is a development of the MGSPS on the norms of vacations under collective agreements in force in Moscow for 1925. The duration of annual leave, according to the percentage distribution of workers by vacation time, on average for nine industrial trade unions was:

	State enterprises	capitalist enterprises
Two weeks	95.9%	41.2%
Three weeks	2.6%	4.4%
four weeks	1.5%	54.4%

The difference does not depend on the greater harmfulness of production, but on other conditions of the number of contracts in the same production. As for labor protection, in general, "the sanitary and technical condition of private industry establishments lags far behind the sanitary and technical condition of state industry," because "private industrial establishments huddle in barns adapted for production, living quarters, etc." (collection of the Supreme Council of National Economy, p. 213). Therefore, in the course of inspections by the labor inspectorate, much more capitalists are brought to justice (and for violating the rules on social insurance and others) than in the case of inspections of state economic agencies. For the second quarter of 1926 in the RSFSR, out of all the surveyed enterprises of each group of owners (the state, cooperation, capitalists), the labor inspectorate was brought to justice:

From the state	11.2%
cooperative	13.7%
capitalist	47.6%

This difference is partly explained, of course, by the more condescending attitude of the inspectors towards the state and cooperation: they are not sent immediately to the court, but are given terms for correction, sometimes they

are exhorted more than once or twice, in general they are talking nonsense instead of acting.

This "bureaucratic perversion" in the practice of labor inspectors is beginning to be eliminated only recently. The requirements for state enterprises in the field of labor protection and compliance with labor laws on the part of inspectors and trade unions must be firm and uncompromising - such is the directive in this regard at the present time.

Its necessity, among other things, is dictated by the impossibility of carrying out a real rationalization of production otherwise, and the possibility of realizing it is ensured by the fact that our industry is no longer in short supply, as it was several years ago, and is financially able to fulfill the requirements of the law.

However, regarding Moscow, the collection of the Supreme Council of National Economy reports: “The Labor Inspectorate in its reports constantly notes that private industry complies with the instructions of labor protection authorities by almost 100%, and that things are going well with safety and industrial sanitation at private industry establishments” (collection of the Supreme Economic Council, p. 213). To us, these statements of the Inspectorate seem somewhat rosy in the light of the above data on bringing to justice. But in any case, it is obvious that in the open existence of capitalist industrial enterprises with hired workers, the control of state organs and the influence of the trade unions really eliminate the extremes of exploitation and provide the workers

employed by the capitalists with relatively tolerable conditions.

The situation is completely different for those much more numerous hundreds of thousands of actual capitalist workers who are exploited by the capitalists not in openly existing private enterprises with hired workers, but in a dispersed form (handicraftsmen working at home in the domestic system of capitalist industry, working for "kvartirniki" shops, etc. d.) and in disguised forms (members of the so-called labor artels). Here we immediately plunge, as it were, into pre-Soviet times. There is no control.

There are no trade unions. There is no working time limit. There is no labor protection. There is no guarantee of regular income. Capital unbelts with might and main and shows itself in all its glory.

Any "artel" "includes hundreds of members" whom the "leaders exploited in the most merciless manner, forced to work 12-16 hours a day, canceling all days of rest and cutting back on meager earnings" (collection of the Supreme Council of National Economy, p. 235, about knitwear “artels” in Yaroslavl, where the leaders were the owners of knitting machines, and the “members” were about 200 poor handicraftsmen who did not have cars; the owner of the machines receives the lion’s share for using them).

The collection of the Supreme Council of National Economy, unequivocally establishing the capitalist nature of the vast majority of "labor artels"16, comes to the

conclusion that a number of their workers must be said: "they are outside the law" (p. 226).

16) "A survey undertaken in Moscow by the GubRKI revealed the private-ownership nature of all building labor cooperation without exception" (Collection, p. 231; not to be confused with housing-construction factory cooperatives). In Kherson, out of 400 artels that were part of the Union of Artisans, when the new government examined the inheritance it had received, it turned out that there were "only 9 with cooperative characteristics", and 391 artels of a purely capitalist nature, an organizational cover for the capitalist (Sbornik, p. 222; such examples are endless).

The capitalist hires workers from among the unemployed, forcing them to "leave the trade union and sign up as members of the artel" (collection of the Supreme Council of National Economy, p. 233). Thus, in Ivanovo-Voznesensk, "the artels of the Ivgubstroysoyuz have actually turned into the largest construction enterprises, where, under the flag of cooperative artels, contractors brutally exploit several thousand construction workers" (collection of the Supreme Council of National Economy, according to the data of the Ivanovo-Voznesensk provincial department of the union of builders, dated April 12, 1926).

According to the collection of the Supreme Council of National Economy, in the metal, knitwear, leather, fishing, timber and other industries (including local transport), precisely this type of artels dominates, when the capitalist, under the guise of an artel, organizes poor workers

around himself (or a figurehead) by providing them with his enterprise or fishing tools and exploits to the fullest. “Members of the artel not only do not participate in the conduct of the artel’s business (acceptance of work, conditions for fulfilling the order), but also do not participate in setting the rates for the working day and other working conditions” (collection of the Supreme Council of National Economy, p. 231).

In other branches, such as the sewing and tailoring industry in the city and a number of handicrafts in the countryside, an even vicious system of exploitation dominates—the distribution by the capitalist of work at home to individual workers, the so-called "domestic system of capitalist industry," which has long been given the characteristic name of the sweatshop system (from the words "sweat"). The capitalist forces these "workers at home" to choose a patent for fishing (handicraft). Thus, he “brings his workers under the category of independent producers (handicraftsmen), who are not covered by labor legislation and to whom the trade union has nothing to do” (collection of the Supreme Council of National Economy, p. 22). Both the labor inspector and the financial inspector are sent off immediately.

Of course, such dispersed or disguised forms of activity as the distribution of work at home or "false artels" have their disadvantages for the capitalist as well. All his activities take on a semi-legal, risky character, from which, under appropriate conditions, he would gladly get rid of and openly have an industrial establishment with several hundred workers. Even though such an open existence

would have to pay workers a little more and comply with the instructions of the labor inspector, this would pay off with other benefits of an open existence. But we have four conditions which induce the capitalist to prefer dispersed and disguised forms. The elimination of these four conditions is entirely within our power. Only it can lead to a transition from the uncontrolled cruelest forms of disguised exploitation to the removal of masks, to the control, to the limitation of exploitation and to the organization of these actual wage-workers. Now they are dispersed and separated from us by their "patents" and their "artels". In the presence of these four conditions, however, only those capitalist enterprises openly exist which, by the very nature of production, cannot in any way be brought about by the distribution of work at home, etc.

Firstly, according to the current law (Articles 53 and 54 of the Civil Code), we are allowed in the usual manner the existence of private enterprises with no more than twenty employees. Any new enterprise larger than this size, according to the law, can be established only by way of a special government concession. And concessions can be established, according to the law, in each individual case only through a special agreement between the government represented by the Council of People's Commissars of the USSR and between an individual concessionaire. The contract must stipulate the term of the concession, payment to the state for permission and free transfer of the concession after the expiration of the term to the state. It is clear that to this day we do not have a

single internal concession. There are only a few dozen concession agreements with foreign entrepreneurs.

We have no reason to hold on to the norm of 20 people, and it can be freely raised at least tenfold, up to 100 or 200 people. We will benefit from this:

1) the open existence of all the same existing (only hidden) capitalist enterprises,

2) the ability to control them,

3) a significant improvement in the situation of the workers they exploit, and

4) the involvement of these workers in the general organizational and other life of the Soviet proletariat.

The question of raising the norm over 20 people. is now a foregone conclusion and will soon receive a practical solution.

The departure of the capitalists from the open organization of industrial enterprises with hired workers to the dispersion of the production organization by distributing work at home is not in the least caused by the second condition pushing in this direction.

This condition lies in the peculiar peculiarity of our tax legislation: the taxation is less burdensome for the trader in bought-up products than for the trader in the products of his own factory. The complex labels of our tax rates are too clever. The intentions of the workers of the People's Commissariat of Finance were, of course, the best. They reasoned like this. If you first organized your own capitalist production, then you have an industrial profit;

and if you still trade in products of your own production, then you also have a trading profit; means pay twice - for industrial and for trade. On the other hand, if you only trade, you only buy their products from handicraftsmen for resale, then you have only trading profit - pay once. And the handicraftsman himself, as a labor producer, is very leniently taxed for his production.

With such a tax practice (with a serious role of taxes in limiting profits), the capitalist, of course, must prefer the distribution system of the open organization of factories and workshops with hired workers. After all, when distributing work at home (the home system of capitalist industry), the capitalist officially acts only as a trader: he sells to the "handicraftsman" the material for the manufacture of the product; he buys from this "handicraftsman who has an independent patent" a product worked out by the "handicraftsman". But in reality, under the official form of commercial transactions, here is the organization of the domestic system of capitalist industry with the provision of a dispersed worker to the will of the capitalist.

Now the question of the appropriate ordering of our taxation has already been raised. Our general orientation is to make it easier to impose a tax on open capitalist industry, which is only a cover for the domestic system of capitalist exploitation. Special economic analysis; showed the complete validity and necessity of this measure, once it is put into practice, one of the most essential moments that led to the expansion of our most backward and

harmful system of capitalist exploitation—distributing offices disguised as trading functions—will disappear.

The third condition that must be eliminated is the existence of large tax breaks for industrial artels without any control, whether this artel is a real cooperative of working people or (as in the overwhelming majority of cases) only a formal cover for a capitalist. Such a practice creates too great a temptation for the capitalist to disguise himself as an "artel" and get rid of the heaviness of taxation, from certain credit restrictions, etc. We didn't have any experience with them yet. Over the past few years, experience has been accumulated, and now it is possible to indicate a number of measures that should make it difficult to use them as a cover for actually capitalist enterprises. These include:

1) deprivation of privileges of those fishing artels that are not included in the system of fishing cooperation (“wild”, evading even cooperative control);

2) the deprivation of benefits of those fishing artels that employ hired workers;

3) deprivation of benefits of those fishing artels, whose members do not participate in. setting prices, etc., which clearly indicates the lack of a cooperative nature of the artel;

4) deprivation of privileges of those fishing artels in which some members receive deductions from all the income of the artel (or from its other members) for the machines or other means of production provided by the artel;

5) deprivation of privileges of those fishing artels that develop their operations on funds belonging to individual members with their special remuneration

6) transfer of all the artels listed above to the category of ordinary business partnerships (without termination of their activities / but with the extension of the Code of Labor Laws to them in full and tax legislation on private enterprises);

7) the establishment for the future of criminal punishment for the creation or concealment of artels, which in fact are a cover for private capital of one of the types indicated above;

8) oblige cooperative centers to systematically check and exclude from the cooperative system primary cooperatives that fit the signs of false artels;

9) oblige other artels (included in the system) to pay social insurance for their members, give them vacation pay, overalls, make deductions for cultural work on those; the same standards as are established for members of trade unions of the respective industries;

10) to extend to these artels the restrictions on the working day, the work of teenagers, pregnant women, etc., existing for wage workers, and to subordinate the artels in this respect to labor inspectorates;

11) to strengthen the connection between the state and cooperative centers with the actual primary artels in order to supply them with raw materials, credit, orders and to organize sales, in order in this way to reduce the need for

their members to subordinate their artel to dependence on the capitalist and to eliminate the danger of an entrepreneurial degeneration of the artel.

The adoption of a number of such measures will undoubtedly reduce the interest of the capitalists in disguising their activities with false artels, make it more difficult for such a disguise and increase the resistance of real artels to being captured by the capitalists.

The fourth condition necessary for pushing the capitalists away from uncontrolled scattered forms of organization of production is decisive measures to protect the workers in the domestic system of capitalist industry.

Without this, one cannot overcome the temptation of the capitalist to the most severe industrial exploitation of the "worker at home" under the guise of a trade connection with a handicraftsman who has an independent patent. Such a "handicraftsman", who in fact works exclusively for the capitalist (and is advanced by the latter), and not for consumers, not for self-sale, etc., must be recognized for what he really is.

This means the hired worker of the capitalist, who is only employed at his own home (by the way, the capitalist also saves on the upkeep of premises for work).

Assistance to such allegedly independent "handicraftsmen" must be rendered along both lines—organizational and material. The capitalist must be obliged in relation to such a "handicraftsman", from whom he systematically purchases products:

1) to pay social insurance contributions for him according to the tariffs for private enterprises, so that this "handicraftsman" - and members of his family enjoy all insurance benefits, etc., as is established for wage workers;

2) to conclude collective agreements on the prices of products with the sections of “domestic industry workers” established for this at the trade unions, where such “handicraftsmen” are to be taken;

3) choose at his own expense a trade patent for the handicraftsman, provide him with annual leave at his own expense, participate in the cost of paying for an apartment, etc.

It is necessary to strengthen the organization of workers in the domestic system of capitalist industry—to form special sections of trade unions for them, to open "handicraft houses", "handicraftsmen's clubs", "handicraftsmen's societies", etc. organizations that would reduce their dispersal and comparative defenselessness in the face of capitalist entrepreneur.

The imposition of taxes on the purchase by capitalists of handicrafts from raw materials of the customer (from raw materials sold by the customer) should be arranged in such a way that it would be more profitable for the capitalist to organize an open industrial establishment with hired workers, controlled by state bodies and trade unions, than to resort to organizing a dispersed system of domestic industry.

The labor inspectorate should be given the right to present demands to the capitalist-buyer (who is the organizer of

the domestic industry) for the improvement at his expense of the premises where the handicraftsmen employed by him live and work, for the arrangement of special places of work for them, separate from housing, etc.

All these measures, bringing together for the capitalist the profitability of a dispersed system with the profitability of the open existence of capitalist enterprises, will facilitate the transition from uncontrolled "sweatshop" exploitation to controlled "limited" exploitation, linking in place more capitalists' funds to the organization of their enterprises (less will be left for speculation). , usury and to fight us in the field of commercial bonding).

In parallel, as the state's means for this increase, the other side of our practice will develop—the gradual recapture of dispersed handicraftsmen from the yoke of the capitalists in general. In other words, the more funds we have, the more we will be able to give orders to handicraftsmen ourselves, instead of getting them from the capitalists. At the same time, we will be able to improve their working conditions and pay for their labor force. We will be able to transfer their ever-increasing proportion as permanent hired workers to newly built factories and local workshops. In a word, we will gradually be able to make dependence on the capitalists completely unnecessary for many of them (and later for all of them). Until then, by organizational measures in the spirit of those enumerated above, it is already now possible, not without success, to induce the capitalists to move from this most uncontrolled and harmful form of

exploitation to forms that can be subject to the control and, to a certain extent, the regulating leadership of the state.

The second main point in our approach to private capital in industry at the present time should be the differentiation of this approach.

We are more tolerant of the creation of new industrial establishments by private capital than of mere commercial speculation.

By creating a new workshop or factory, the capitalist increases the production of useful items in the country and reduces unemployment.

His capital gets a more useful use for the country than if it is entirely used for repurchasing in state retail through dummy agents in the queues of state products for their further resale with a corresponding inflation of prices.

The same applies to foreign capital. We are more pleased when he resorts to the development of gold placers on the Lena by concession than when he organizes on a large scale illegal smuggling of goods across the border in order to break through our monopoly of foreign trade.

All this is undoubted, but it by no means follows from this that we provide or should provide unlimited opportunities for the development of industrial capitalism in the USSR. Private capital, even in industry, still remains for us only a tolerable evil—only the lesser evil in comparison with the fact that there was nothing at all in the place of this establishment.

It would be better for a capitalist to organize the extraction of gold or asbestos from underground than for them to lie there idly for a number of years. In this sense, each new concession permitted by us and controlled by us, etc., is our undoubted success, a new step forward.

Of course, the best thing would be if there were no capitalists left, all their capital would pass to us and we would use it on a world scale for the greatest benefit of working humanity without any capitalist gain.

Today it will be so. But for the time being, for fairly solid reasons, we do not consider it expedient even now to try to withdraw all private capital in the USSR from the hands of its present owners.

Therefore, it is necessary ("for a long time, but not forever") to raise the question not about its immediate destruction, but about such an influence on it, about such a direction of its activity, so that the harm from this activity is possibly reduced and that all the benefits are extracted, which of it can be extracted. "Do not live as you like, but as the CPSU commands," our task is to be able to say this to private capital in the USSR with sufficient practical results.

Not only does this result in a slightly greater tolerance towards private capital that creates useful objects (industry, building houses, etc.) than towards private capital that is purely commercial or usurious, it also leads to a general attitude towards private capital. in the industry of the USSR, which can be reduced to four main points.

1. It should serve as a supplement to the state industry. There can be no freedom for the growth of private capital in whatever branches of industry it likes. It should go where we don't want to spend our money now. We ourselves are building an agricultural machinery plant in Rostov and Dneprostroy, and we allow a capitalist to build a button factory.

2. Private capital in industry must be subordinate to state industry. We will not give him such enterprises from which he could dictate conditions to the mass of our factories and factories, making them dependent on him. That is why we build Volkhovstroy, Dneprostroy and similar main energy sources at our own expense. That is why we have invariably rejected foreign projects for the concession of the Donbass and Baku as the main sources of oil (which does not exclude the encouragement of small-capitalist coal or oil production in addition to the bulk of them in our hands).

That is why we ourselves are building large new metallurgical works and railroads, etc. In a word, not any development of private capital in industry, but in those branches and within the limits to which it does not affect the so-called "commanding heights". '

3. Private capitalist industrial activity must therefore be subordinated to the plan of the state in regard to its direction and content.

This means a differentiated, i.e., different approach to the participation of private capital in various industries. This differentiation must take into account both the nature and

production and marketing prospects of the given branch of industry, and its social significance.

For example, in those industries where there is not enough Soviet raw material even for the production possibilities of state industry (for example, the production of vegetable oils, leather production), there should clearly be no tolerance towards capitalist industry.

Or in such industries as the production of flour and cereals for the supply of cities (commodity milling and cereals industry), where the major role of the capitalist would make the worker dependent on him and would enable the capitalist to pump any increase in wages into his pocket for bread—here the development of capitalist industry is intolerable primarily for socio-political reasons.

On the other hand, in such industries where there is an abundance of raw materials, but the needs of the country are not completely satisfied, and the state, according to its plans, does not invest as much money as it would be necessary to fully satisfy it—for example, the production of bricks, the construction of new houses—there is the use of private capital would definitely be useful (i.e., the benefit of the fact of additional production would outweigh the harm from the fact that this production is carried out in the presence of capitalist exploitation and profit).

In order to direct private capital here, it is even possible to apply special tax incentives, for example, on housing construction, along with increased taxation and measures to "push" out of those industries where private capital

should be recognized as harmful (an example is the gradual reduction and cessation of private lease of tanneries, commercial mills, etc.). Finally, there are areas of a sort "neutral" at the present time where there are no grounds for taking either prohibitive or encouraging measures.

4. Private capital in industry is permissible in the USSR only as controlled and limited in its exploitative aspirations. This matters both for the worker and for the consumer. The level of prices and the degree of profit of the capitalist can be regulated by the state only under the condition that capitalist enterprises exist openly (by the way, one can even imagine the work of capitalist enterprises on orders from state trading bodies without the obligatory existence of capitalist wholesale trade).

It is from all this that the line towards the transition from hidden and dispersed forms of capitalist activity follows, the need for the active implementation of which (with appropriate pressure from the state) has already been discussed above. Not then, for example, it is necessary to raise the limit of permitted private enterprises from 20 workers to 100 or 200 workers in order to facilitate the development of capital, but for the reason that such large capitalist enterprises already exist, but only in a hidden, disguised, dispersed, uncontrolled form.

Thus, our line with regard to private capital in industry in the present historical period should be to turn it into a subordinate, planned, controlled addition to the state economy through appropriate measures - "on the way to complete disappearance in our time.

Private Capital In Trade.

Production and credit base.

The role of private capital in trade is based not only on the intermediary trade in its products of state industry, but also on private capital's own production in industry and agriculture, as well as on its participation in transport.

In the field of industry, as we saw above, the share of private capital accounts for about 10% of gross output (more precisely, up to 12%), not less than the same amount in construction and forestry, and close to this in water and road transport. in agriculture, the capitalist share includes up to 10% of gross output and up to 15% of marketable output.

The second prerequisite is the credit base, in particular the capitalist credit capital. What is the amount of private credit capital, i.e., that which is transferred by its owners to other branches of the private economy or to other owners in general, has not been accurately calculated. Lending in agriculture with livestock and implements has already been discussed in the section on (agriculture. For industry and trade, there are P. Kutler's calculations according to the latest Narkomfin questionnaire, published in No. 5, dated December 5, 1926, of the journal "Finance and National Economy ". Of these, we (now we are interested in calculations for trade. This questionnaire covered over a thousand enterprises according to their balance sheets as of October 1, 1925. The questionnaire was carried out by financial inspectors who selected enterprises that they considered typical in their areas. The surveyed enterprises cover 3.2% of all taxed private turnovers (for trade and industry together), and these data were recalculated by P. Kutler in relation to the entire private industry and to all private trade (each separately). The People's Commissariat of Trade 239 balance sheets of private trading establishments, also on

October 1, 1925. In both calculations, mutual settlements are deducted, i.e., the remainder is shown ok funds attracted to private trade from other private individuals, minus the fact that other private individuals owe private traders (comrade Strumilin's calculation results are given in the collection "On the Ways of Socialist Construction", M., 1927, p.-134 135). Both counts cover relatively little material (although they consider it typical), but more massive data do not yet exist at all. According to the first estimate (Comrade Kutler, data from Narkomfin), the net balance of credited private capital placed in private trade amounted to almost 200 million rubles as of October 1, 1925. According to the second calculation (comrade Strumilin, data of the People's Commissariat of Trade), on the same date the same amount was about 135 million rubles. Of these two quantities, out of caution, we take the second as the smaller one.

According to Gosplan's "Control Figures" (p. 374), the amount of private trade intermediary turnover grows from 1924/25 to 1926/27 by 42%. The actual growth, as we will see, turned out to be somewhat higher and should be taken at least 50%. Accordingly, the amount of credit funds attracted to private trade from private owners should by now (by the last quarter of 1926/27) reach approximately 200 million rubles. (Again, after deducting what private trade itself owes to private owners, that is, the net balance or the so-called "balance").

Moreover, private trade in certain (and considerable) amounts is financed by the state in our country. State funds placed at the disposal of private commercial capital consist of three parts.

First, the commodity loans provided by the state industry, which amounted to over 190 million rubles. in 1925/26, according to the estimates of the People's Commissariat of Trade according to the Supreme Council of National Economy (including 179 million rubles from state industry and 13 million

rubles from cooperation. See pp. 111-112 of the ed. SSR, Moscow, 1927).

At the same time, a significant part of commodity credits consists in the issue by industry to private traders on credit of salt, kerosene, and similar so-called "difficult" goods (the main "difficulty" is the absence of a passionate desire on the part of the co-operative bodies to trade these goods in view of the more stringent regulation of prices here and low profitability). their trade). Commodity credit provided by state industry to private trade is usually not particularly long-term, but one batch of goods replaces another, so that, in general, up to 190 million rubles are fairly constantly linked in lending to private trade. working capital of state industry and cooperation.

Secondly, private trade receives government cash loans. In the second section (the chapter on state monetary credit), we saw that on October 1, 1926, private economy from state funds (through state banks and through the OVK) in the form of direct and indirect monetary credits together received at least 100 million rubles. (except for loans for the purchase of government loans). Of this, at least half must be considered for trade (the rest for industry and transport; credit to agriculture through the system of agricultural credit is not taken into account at all).

The third source of power for private trade in public money credit is the system of advances that government agencies issue to private producers. Here only a very rough estimate can be made according to the data of the People's Commissariat of Trade, published by Comrade Dvolaitsky on page 130 of the collection On the Ways of Socialist Construction. The total amount of state and cooperative procurement of agricultural products in 1925/26 amounted, according to these data, to about 1,700 million rubles. red. Of these, a part was prepared through private buyers, parasols, etc., who are agents of state and cooperative bodies. For example, in 1924/25, 40% of flax

harvested by state agencies and cooperatives was harvested through private buyers and in 1925/26 - 15%. In other industries, it sometimes happens that more on average can be considered at least 15-20%, that is, in the amount of about 300 million rubles. This will give an amount of advances of about 100 million rubles if we add here advances to private traders in the forestry and construction industry for the purchase of building materials by contractors. In total, private trading capital receives loans from the state in the amount of up to about 350 million rubles. and even about 200 million rubles. attracts private credit capital, and also relies on that share of capitalist production in industry and partly in agriculture; economy, which was discussed above (and the private credit used by private trade is partly credit from private industry). and even about 200 million rubles. attracts private credit capital, and also relies on that share of capitalist production in industry and partly in agriculture; economy, which was discussed above (and the private credit used by private trade is partly credit from private industry). and even about 200 million rubles. attracts private credit capital, and also relies on that share of capitalist production in industry and partly in agriculture; economy, which was discussed above (and the private credit used by private trade is partly credit from private industry).

Here are some of the results that must be kept in mind when judging the activity of private capital in the field of private trade.

Capital and the social structure of private trade.

First of all, instead of mixing into the total mass of "private economy" and its capitalist and non-capitalist share, it is necessary to separate separately private capitalist trade and separately those small manual and so-called traders who are

not capitalists, but either representatives of a kind of “handicraft” trade, so to speak, or hired agents of big capital (a kind of "home system of capitalist trade", which, however, takes place on the streets).

With regard to the general determination of the size of private funds in trade, we have three authoritative calculations in this area.

All three refer to the same period, namely, to the state of affairs for the 1924/25 economic year. According to these data, on October 1, 1925, we get such a picture.

According to the development of the State Planning Commission (comrade Strumilin), counting the own funds of private traders, counting the funds of private capital attracted by them from outside, and counting their net accumulation for 1924/25, it turns out as of October 1, 1925, a total of 546 million rubles .

According to the People's Commissariat of Trade (development made under the direction of Comrade Dvolaytsky), the same amount is 656 million rubles. (The results of the calculations of comrade Dvolaytsky and comrade Strumilin are given in the said article by comrade Dvolaytsky in the collection "On the Ways of Socialist Construction").

Finally, according to the materials of the Narkomfin (published in the journal Finance and National Economy of October 5, 1926, calculated by Comrade Kutler), it turns out 597 million rubles. By the way, this treatment by Comrade Kutler should not be confused with those exaggerated figures of the same P. Kutler, which were published a year before and were often referred to.

He explains in the article that the previous figures were the product of only less than half of the questionnaires. Now more

complete material has been obtained, which gives the results presented. Thus, we have three estimates: one is about 550 million rubles - Gosplan, another - about 600 million rubles - Narkomfin and the third - about 650 million rubles - Narkomtorg. The fluctuation in estimates is generally small, by a maximum of 100 million rubles, and one could take an average figure of 600 million rubles.

Not, of course, because one can give one's head for a cut-off, that on October 1, 1925, there were exactly 600 million, and not 610 or 620, but simply because, given insufficient data, all these three calculations are equally plausible, and the results of all they differ so little from each other that if we take the average value, then the possible error will be relatively very small.

However, out of caution and in order to avoid disputes about exaggeration, we will take the smallest of all estimates, namely 550 million rubles (especially since the disagreements relate to a large extent to determining the amount of net accumulation for 1924/25 according to Kutler - 100 million rubles, according to Dvolaytsky, 150 million rubles, and according to Strumilin, 114 million rubles; we take the smaller of these three values).

Considering the material of all these three calculations, it can be established that 550 million rubles. private funds available on October 1, 1925 in private trade consisted of such parts. First, private merchants with whom they operated in 1924/25 had about 300 million rubles of their own funds. Here we can recall that, according to the opposition, this amount should have amounted to 900 million rubles at that time. So it is three times exaggerated, as it turns out from the re-collected and then developed data. Secondly, the net accumulation of private traders, which as a result of 1924/25 amounted to about 100 million rubles. Thirdly, attracted by private merchants from private funds, which were up to 150 million rubles. as of October 1, 1925. The amount of 550 million rubles. and its

constituent parts are the initial value, based on which it is necessary to determine the amount of private funds in trade at the present time (the end of the 1926/27 economic year). To do this, you need to know the amount of net accumulation. By pure accumulation, I mean the accumulation above and beyond what private traders have to spend on taxes, on other expenses of their trade, and on paying interest on borrowed funds.

The annual value of this net accumulation is determined differently by various sources, ranging from 32% for equity per year, as determined by the People's Commissariat of Trade (more precisely, 31.9%; ; p. 21 in Planned Economy, No. 9, 1926). The rest of the definitions fluctuate between these values.

The definition of the People's Commissariat seems to me more cautious. If we accept only 32%, then by October 1, 1927 we will have about 680 million rubles of own funds of private traders, including net accumulation, then about 200 million rubles of private funds attracted to private trade from the outside, and, moreover, , private funds in smuggling (as indicated in section two, chapter on smuggling) - up to 20 million rubles. And only up to 900 million rubles. private funds, minus mutual settlements, is now, towards the end of 1926/27, in private trade.

These 900 million rubles are the entire sum of private funds circulating in private trade. We saw above that, in addition, the state finances it by about 350 million rubles. If we do not take into account the accumulation for the 1926/27 business year and the funds invested in smuggling, then in total private trade entered the current year 1926/27, operating with approximately one billion funds. Of these, about half accounted for their own funds (520 million rubles as of October 1, 1926) and about half (550 million rubles) for credit.

In particular, the state delivered to private traders almost exactly one third of all the funds circulating at their disposal as of October 1, 1926, and in this way ensured the possibility of a corresponding part of their turnover. The terms of commodity (and even more so advance) lending, as established by the development of the People's Commissariat of Trade, despite their relative brevity, are such that they often provide an opportunity for private traders to almost completely conduct their operations; at the expense of state credit, commodity and monetary (article by A. Sokolsky, "Commodity lending to a private trader" in the aforementioned collection "(Narkomtorg, p. 123; this includes, for example, about 50% of commodity credit to private traders from the Textile and Leather Syndicates).

It goes without saying that in such cases it will now be necessary to revise downward the terms of commodity crediting to private trade and the amounts of advance payments issued. In those cases where a survey of the People's Commissariat of Trade reveals the activity of private trade exclusively or mainly at the expense of state commodity and monetary loans, and not on the basis of private funds, it is necessary to raise the question of replacing such "work" with a direct state and cooperative organization (with the provision of these funds to the relevant Soviet authorities).

By the way, the materials developed by the People's Commissariat of Trade show that even now, thanks to the practice of our trusts and syndicates, "the advantage of cooperation in terms of lending terms is often completely lost" (p. 121 of the same collection), and "with regard to the conditions of lending to individuals and cooperation, there is no necessary distinction between the release of sufficient and insufficient goods" (ibid.). Taking into account the speed of turnover, it turns out "the opportunity for the private trader to

derive more benefit from commodity credit than from cooperation" (p. 123). Such results require, of course, the introduction of more stringent controls and more detailed guidelines[17]).

1) As a model, I cite several examples of the practice of 1927 from the issue of Economic Life alone (dated June 9, 1927 - senior comrade Krongauz "Distortion of trade in the wholesale link):

The Zinoviev State Plant Krasnaya Zvezda buys threshing leashes from the Industrial Union and from a private trader at the same time. The lots are the same (10 pieces each), the quality is the same, but the private trader gets a penny apiece more expensive.

The Nizhny Novgorod beer trust all the time prepared beer pitch for 24 rubles. per pood, and suddenly (deal No. 11541) begins to pay a private trader 40 rubles.

Carmine-nakarat is available in Rostov from the state organization Khimtorg and is sold for 31 rubles. 50 k. per kilogram. This does not prevent, however, the Taganrog TsRK ("Workers' Wing") from buying goods in Moscow, always from a private company, and always at 55 rubles per kilogram.

The Nizhny Novgorod Communtrest, together with certificates of the absence of gas fittings and other goods in Moscow state bodies, submits for registration a deal for the purchase of these goods from a private Moscow company; but even with the most superficial analysis of the operation, it turns out that most of the purchased items are in Nizhny Novgorod Zagmetal.

The Krasnoye Sormovo plant, having quite similar offers from state and cooperative organizations, prefers to take a large batch of firewood (for 82 thousand rubles) from a private company at prices exceeding state and cooperative ones.

Since mid-April, LSPO has been selling pickles to primary cooperatives at a price of 29 rubles. 75 k. per thousand on credit for 45

days, but the cooperative "Vasileostrovets" (despite the uniform quality of the goods) buys cucumbers from a private firm at 31 rubles per thousand, paying in cash.

There are also the most perfect curiosities.

"Wall paper trust (in Leningrad), receiving a cap factory from the former tenant of a private owner, acquires from the latter among the inventory: buckets, light bulbs, wall clocks, pocket watches, teapots, etc., and in total for 2465 rubles. 43 k., and the percentage of wear, even according to the tenant's specification, reaches 40-75%.

We need to establish how much of the funds circulating in private trade can be attributed to its capitalist part. The only serious material on this issue is the development by the People's Commissariat of Trade of about two thousand typical balance sheets collected according to a special program by instructors and statisticians of the People's Commissariat of Trade for 1925.

All private trading enterprises for the corresponding calculation, I divide into three groups. The first group is wholesalers and semi-wholesalers, which approximately corresponds to the fourth and fifth categories in terms of taxation. All of them together on October 1, 1926, there were 23 thousand people. The second group is about 155 thousand people. merchants of the third tax category (figures according to Comrade Strumilin's article, in No. 9 of Planned Economy, 1926, p. 9). These are those that) have their own shops - not kiosks, but real shops. They usually also have hired employees in these stores, sometimes they are engaged in semi-wholesale operations on the sly. Together, the first and second groups, almost 180 thousand people. Merchants are those who can be ranked among the big and middle commercial bourgeoisie [18]).

"The Kazan Metal Trust is selling over 2,000 kilograms of copper pipes to two merchants for resale, and the resale is known in advance, because the deal clearly stipulates that the bills are issued by the

Zinoviev mestkhoz's Smychka plant and are blanked by private buyers."

If we do not count free patents (issued to disabled associations, etc., but counted as "private" by our statistics), then in total there are slightly less than 170 thousand valid private trade patents of the indicated categories. However, if we add to them private industrial patents of the corresponding categories (only about 10 thousand from the third category and above), then in total almost 180 thousand bourgeois commercial and industrial patents (from the third tax category and above) will turn out.

In the third group, I include the first and second tax categories. These are those who trade from kiosks (second category) and from their hands (first category), for example, from stalls, peddlers of newspapers, etc. As of October 1, 1926, there were about 450 thousand people. They cannot be considered capitalists; quite often they are unemployed, selling pies on the street, etc. until they find employment. In part, and not infrequently, they are simply peddlers hired by a large private entrepreneur, whom he forces to choose a patent. There is a complete similarity with the spray system, which is observed in the industry in the form of a "home system of capitalist industry." And it is precisely the capitalist buyers of handicrafts, the organizers of the capitalist domestic industry, who resort most frequently to this "dispersal of trade". In Moscow, for example, one could observe at the end of May 1927 on the most diverse streets, the sale by manual peddlers of exactly the same wallets with embroidery "for good memory". These purses are the product of the dispersed "domestic system" of capitalism, which are then sold through the dispersed trade organized by the same capitalist who organized their production.

Manual and kiosk trade are thus predominantly either the hired agents of the capitalists or the temporary occupation of the

unemployed and other poor people with negligible working capital.

Here, there is usually no question of the capitalist accumulation of the kiosk or manual traders themselves. With the exception of the fact that they are obliged to pay for the goods sold to the capitalists who hire or supply them, pedlars and kiosks, as special surveys show, have only a very modest living wage (usually lower than that of a factory worker) and to pay taxes.

Insofar as capitalist accumulation takes place in this minute trade, it proceeds in favor of those capitalists who hire or supply these smallest merchants.

The transfer of this accumulation to them is ensured by the very conditions of employment or supply. That is why, by the way, this layer of the smallest atomizers of goods, these 450 thousand people. are not at all passionate, adherents of capitalist trade.

Experience shows that they are often quite willing to cut ties with the capitalists supplying them and turn into agents of the state agencies as soon as the state agencies show an intention to start supplying them. On October 1, 1926, about 200,000 of these smallest peddlers and kiosks were in the countryside and about 250,000 people in the city (Strumilin, the same article "On the fate of private capital", p. 11). In the vast majority of the villages (about three-quarters as of October 1, 1926) there are still no cooperative shops or kiosks, and they will not spring up everywhere so quickly. To use 200,000 pedlars and kiosks to supply these villages, tearing them away from the private capitalist and actually turning them into controlled agents of government agencies, is a very worthwhile task. Yes, and out of 250 thousand. There are quite a few kiosks and peddlers in the cities who are concentrated precisely in those bazaars and markets that specially supply the peasants who come to the city for shopping.

In this sense, they, in terms of the circle of buyers, in essence may not be competitors of the urban workers' cooperative (if it at least decently supplies its permanent members so that they do not run away from it to the "kiosk" market) And they can also be cut off from capitalist merchants and turned into agents of state agencies for the supply of the peasantry coming to the markets and bazaars (until the development of proper cooperative trade in the villages themselves).

The distribution of own capital and other (borrowed) funds circulating in private trade between large traders (fifth and fourth tax categories, mainly wholesale and semi- wholesale), medium (third tax category, shops) and small (second and first categories - handbrakes and kiosks, not related to the number of capitalists) is given by us first on October 1, 1925, according to the above-mentioned special survey, about two thousand typical balance sheets by the People's Commissariat of Trade of the USSR (published on pages 124 135 of the collection “Private Trade of the USSR”, M., 1927, edition of vol. Zalkind). By extending the data of these balance sheets to all private trade, as of October 1, 1925, the People's Commissariat of Trade receives the sum of the own capital of all private merchants in 1924/25, their accumulation for 1924/25, and the balance of borrowed funds attracted by them from private sources - a total of 635 million rubles (p. 134 collections). We have taken this value above for the same number of 550 million rubles. But, firstly, the People's Commissariat of Trade itself agrees to consider its absolute count (albeit slightly) exaggerated (p. 135), and secondly, we are primarily interested here in relative values (of the distribution of funds among the three groups of private merchants).

Merchants' own funds, invested in trading enterprises in 1924/25, were distributed among the People's Commissariat of Trade (p. 134 of the collection) in private trade as follows:

Major merchants	33%
Medium	50%
small	17%

It must be said that in terms of the amount of turnover at the same time (according to data for the second half of 1924/25), the private trade of the USSR was divided at that time (p. 18 of the collection of the People's Commissariat of Trade) between the same groups of merchants in a slightly different way:

Major merchants	36%
Medium	44%
small	20 %

This comparison can serve as if an indication that part of the turnover of small traders is carried out at the expense of medium and large ones. As for the distribution of accumulation, according to the People's Commissariat of Trade (p. 134), peddlers have no accumulation at all, among stalls it is so insignificant (about 3 rubles per month per trader) that it can be neglected (and even then it is actually transferred, as already indicated, to a larger owner supplying or organizing these kiosks). For the rest of private trade, according to the collection of the People's Commissariat of Trade, for 1924/25 there is a net accumulation of 123 million rubles. (according to the same development of balance sheets, p. 134; we assumed an accumulation of 100 million rubles), and it is distributed almost equally between medium (51%) and large (49%) traders.

Based on all these percentages and on the basis of our accepted (minimum of all calculations) values of 300 million rubles. own funds of private trade in 1924/25 and 100 million rubles. of its net accumulation for 1924/25, we obtain, on October 1, 1925, the following distribution of this entire sum together:

Major merchants	150 million rubles
Medium	200 million rubles
small	50 million rubles

In other words, during the year, as is natural in private trade, there was a certain relative concentration (concentration) of funds in large-scale trade (37 1/2 % instead of the previous 33%). Over the next two years (in 1925/26 and 1926/27) this process of concentration of private trade funds in the hands of big merchants intensified still more. An illustration can be provided by the Gosplan's Control Figures (p. 374) on the growth, first, of the wholesale and, second, of the rest of the private intermediary turnover in 1926/27 compared to 1924/25. According to these data, the turnover of the private trade grew by eighty per cent in the course of the biennium, while the turnover of the rest of private trade grew by only thirty-three per cent.

Continuing the same calculation for 1925/26 and for 1926/27 (as is known, during these years there was neither such a decrease in prices in private trade, nor such an increase in the severity of its taxation, which would lower the percentage of accumulation in it), we will obtain, as of October 1, 1927, the following approximate distribution of all own funds of private trade, including the accumulation of 30% for 1926/27:

Major merchants	300 million rubles
Medium	300 million rubles
small	80 million rubles
	680 million rubles

The increase in the funds of non-capitalist small traders is due mainly to an increase in their number. In two years, from September 1924 to September 1926, their number increased

from 307 thousand people. up to 450 thousand people - almost half (Strumilin, op. article, p. 9). The share of large merchants in all their own means of private trade increased even more, to 44%. The concentration of private commercial capital in the hands of this elite (the owner here now has an average of about 15,000 rubles of own funds in trade) has thus made quite significant progress over the past three years. On October 1, 1924, they owned 33%, three years later they own 44%. There is nothing surprising in this, if one recalls the above statement from the State Planning Commission on how much faster private wholesale trade has grown in recent years compared to the rest of private trade.

Thus, in the internal development of private trade, a trend can be established similar to that which is established in the section on industry for private industry. Namely, within private trade, the relative percentage of capital and turnovers that falls on the capitalist, especially on the large-capitalist part of it, grows, and the percentage that falls on the share of non-capitalist private economy decreases.

Looking ahead, we can immediately point out that the second result is the same. As the share of private industry as a whole recedes in the country's total industrial gross output before the share of state industry, so the share of private trade as a whole in the country's total commodity turnover recedes before the share of the state and cooperation.

In both areas of the economy, in industry and in trade, we have the same picture of how, under the conditions of NEP, capitalist sprouts appear within the framework of private economy, which on the whole is retreating before socialism. We shall discuss further in the section on the evolution of private capital how this emergence of new capitalist sprouts within private economy under Soviet conditions differs from the growth of capitalism in private economy under bourgeois dictatorship,

and what constitutes the precariousness and unviability of the basis for the development of these sprouts in our country.

We saw the distribution of 680 million rubles by groups. own funds (with accumulation) in the internal trade of private traders by the end of the 1926/27 financial year. Next come 20 million rubles engaged in smuggling, and 200 million rubles attracted into private trade in the form of a loan (balance) from some private owners. Smuggled capital without risk can be almost entirely included in the capitalist part of trade. It is absolutely clear that neither Moscow stalls nor street peddlers can at their own expense organize the smuggling of large quantities of knitted items, valuable manufactory of the highest grades, etc. from abroad. Distribution of the balance of funds attracted from other private owners (200 million rubles .), in the absence of any information, one has simply to accept proportional to the distribution among the groups of their own funds. More can be said about the distribution of state commodity and monetary credits (approximately 350 million rubles).

First, the industrial commodity credit (almost 200 million rubles, as stated above, including the cooperative credit) must be attributed wholly to the share of wholesalers and semi-wholesalers. Until now, trusts and syndicates have hardly traded directly with private retailers. And if, as an exception, they did, they did not provide him with any serious commodity credit. Events of this kind are still being developed for the future and suitable forms are being sought for them.

The same can be roughly said about the provision of advances to buyers-contractors for the supply of agricultural raw materials for industry and for export, the provision of advances to private lumberjacks and construction contractors (in total, about 100 million rubles). This is obviously not about small retailers, but about business contractors, buyers, etc. For the

procurement of certain types of raw materials, relatively small private prasols are involved, but this "smallness" should be understood very relatively. If such a small prasol prepares at least a hundred heads of cattle for meat in a year, this is already at least 10 thousand rubles. Not a single small trader in our sense of the word (handbraker and kiosk) even dreams about the corresponding advances (or commodity credit) from government agencies.

Finally, the last part of public funds is about 50 million rubles. money credit is by no means petty, as shown in the second section of the results of surveys of mutual credit societies and certificates on lending to individuals by Soviet credit institutions. Thus, if all borrowed funds (both Soviet and from private individuals) are distributed between two groups of private traders - non-capitalist (450 thousand people) and capitalist (almost 180 thousand people), then the former will have a little more than 20 million. rub., and in the second up to 530 million rubles. Together with its own funds (and accumulation for 1926/27), including smuggling, the total is at the disposal of private trade in round numbers:

Non-capitalist part	100 million rubles
capitalist	1150 million rubles

Thus, at the present time capital is tied up in bourgeois trade in excess of a billion chervonny rubles, only a slightly larger half of which is the property of the merchants themselves. Approximately 600 million rubles. including is in circulation for approximately 23 thousand people. large (in our scale) merchant capitalists, on average about 25 thousand rubles. to the merchant. With such funds, with a quick turnover, a rather significant turnover can be made in a year. Especially since (as we will see: in the sixth section) they also own most of the private credit capital in the country in general.

In relation to all the country's resources employed in trade, the capital circulating in bourgeois trade is now a rather modest amount, not even reaching 20%. This means that its share in all the country's trading assets has decreased quite significantly over the past two years.

For, according to the calculation of comrade Dvoilaitsky (according to the data of the People's Commissariat of Trade), his share on October 1, 1925 was much higher - 23% (p. 136 of the collection "On the Ways of Socialist Construction", article comrade Dvoilaitsky "Private capital in trade") .

At the same time, the remaining (Soviet) funds linked to trade amounted then to 4,024 million rubles. rubles, including the state accounted for 1,938 million rubles. and for cooperation 2,086 million rubles, of which, by the way, it had its own at that time, only 96 million rubles. (same article, p. 135) Of the total cooperative turnover, by the way, consumer cooperatives account for about 70%, agricultural cooperatives about 20%, and trade cooperatives about 10%.

The decrease in the share of capital circulating in bourgeois trade in all the country's funds linked to trade[19] is explained by large additional investments of funds in these years in state and especially in cooperative trade.

19) The above calculations do not take into account funds linked to intra-village inter-peasant turnover. If this is joined by the process of the gradual release by the state of its large funds, now provided on credit to bourgeois trade (about 350 million rubles), and the transfer of these funds to the co-operatives to replace the bourgeois merchant, then the role of bourgeois commercial capital in commodity circulation countries will become much more modest.

Meanwhile, conditions are already being created for such a gradual withdrawal with transfer to cooperative bodies. The main condition is such an expansion of the cooperative network

of procurement (agricultural and trade cooperation) and commodity distribution (consumer and housing cooperation for building materials and firewood) and such an accumulation of experience that the cooperation is able to organizationally cope with the task of replacing the corresponding part of capitalist trade, having received for this purpose, funds from the state provided in this part to the capitalist merchants.

Just the current year 1927 is in this respect a good preparation for the cooperation, because it is devoted to a comprehensive verification of its commodity distribution network, to simplify, reduce the cost and increase the expediency of its construction.

At the same time, the cooperatives are now being given the task of developing those procurements in which they have little participated (meat, vegetables), and measures are being taken and prepared in general for broader support for agricultural and trade cooperatives and for developing their network.

All this will make it easier for the state to gradually transfer its large credit funds, now invested in private trade, into co-operatives, and thus abolish the corresponding dependence on the exploiters of the working population and the working population in general.

Role in the industrial and agricultural market. Wholesale and retail. City and village.

The role of private and in particular capitalist trade can be calculated in two ways. Either by the sum of turnovers, i.e., by the sum of all sales and purchases in the country, with the selection of those transactions that fall on the share of private traders, or by the mass of goods, i.e., by that part of the items sold in the country that are sold, which went through a private sale. With us, the first method of counting is almost exclusively common, because it is easier. For him, there is ready-made

material in the form of data from the Narkomfin on taxable (according to the trade tax - "equalization fee") trade turnover. But these data, by the very nature of public and private turnover, create a significant distortion of the picture of what part of the goods goes through private trade.

Private trade, as is well known, deals mainly with consumer goods (industrial and food-compare above in the section on industry with the fact that private industry also produces mainly consumer goods). Meanwhile, in state trade, trade in the means and materials of production plays an extremely significant role, which is carried out only by trusts and syndicates; with other trusts and syndicates. In the section on industry, it is stated that less than half of the total gross output of state industry is accounted for by means of consumption.

Meanwhile, due to our organizational system, materials and means of production must be sold several times by one government agency to another government agency in order to go into business. For example, before the revolution, the large cotton factory of Konovalov herself bought cotton for herself in Turkestan or Transcaucasia from small buyers, and it was over. Now, however, local trades, cotton growers, and other government agencies buy cotton from the same small buyers and directly from the peasants (dehkans). Then Glavkhlopkom buys cotton from these government agencies. Then the All-Union Textile Syndicate buys this cotton from Glavkhlopkom. Then some cotton trust buys this cotton from the Textilesyndicate. And then the trust passes this cotton to one of its factories for processing. Turnovers within a trust are not included in tax statistics. But all other repeated sales between government agencies of the same cotton on the way from Central Asia to the factory are each time re-recorded (and taxed). More repeat sales as the iron ore turns into a plow, etc. The same story happens with coal and other means and

materials of production. In state industry, therefore, there is a series of repeated wholesale sales of the same object before it even begins its journey in the transformed form of an article finally ready for consumption from the factory to the consumer.

Meanwhile, private industry is almost never engaged in the manufacture of the means of production itself. She buys the materials she needs ready-made from government agencies (metal, etc.) or from peasants, etc. (raw materials for the food, leather, and other industries). She knows, of course, like the state industry, several links in the promotion of finished products from the factory to the consumer. And then, due to the nature of its production, this path turns out to be very often with fewer links than with the state factory. A state factory delivers a product to a trust, which sells to a syndicate, which sells to the Central Union, which sells to a regional union, which sells to a district (or provincial) union, which sells to a district, and which sells to a primary cooperative. And the primary cooperative sells to the consumer.

Thus, the tax statistics of the Narkomfin cannot give an idea of what part of the goods goes through private trade, because they contain incomparable terms. Cotton is counted several times, because under our organization, state agencies have to sell it to each other several times in order to deliver it to the factory. And besides, another trust sometimes sells yarn to another, and only another trust begins to make and sell cloth.

A private factory directly starts with the purchase of yarn and the sale of dressed fabric. Thus, the tax statistics of the Narkomfin, by their very nature, should exaggerate and exaggerate the share that falls to the share of the state and the cooperatives.

For she considers not goods, but turnovers. And if, for example, tax statistics show (according to Gosplan's Control Figures) that

in 1925/26 private trade accounted for 9.4% of wholesale trade, this does not at all mean that only 9.4% went through private wholesale. % of goods.

It only means that if in the state sector cotton, metal, etc., are counted several times until they reach the factory, which, by its very nature, cannot in any way be in the private share, then the share of private trade in the sum of wholesale turnover will be 9.4%.

Obviously, it would be very easy for us, if for some reason necessary, to reduce this share statistically to 2% or to 1%. One has only to order all the syndicates and trusts to, once again, sell cotton, metal, ore, etc., to each other through the exchange. But it is obvious that we have no need to engage in such statistical tricks for the greatest shame of private capital.

Therefore, we must turn to another method, to find out what part of the goods passes through private trade and what part of the goods reaches their final destination without the intermediary participation of private traders.

In order to determine the part of the country's industrial output passing through private trade, it is necessary to consider wholesale and retail trade separately, for a whole series of products (for example, the part of handicraft products sold directly by handicraftsmen) is sold to the consumer without going through the capitalist wholesale and semi-wholesale trade.

The following parts of the country's industrial output pass through capitalist wholesale and semi-wholesale trade:

1) the products of capitalist industry, including its domestic system;

2) part of the output of the handicraft labor industry, bought up by capitalist buyers;

3) part of the production of the state industry, legally sold to private wholesale and semi-wholesale;

4) a part of state products illegally bought up by private traders (through front dealers in state and cooperative retail stores).

The output of capitalist industry (including pseudo-operatives and the domestic system) in 1925/26, as we have seen, was about 11.7%. Some of these products are sold by the capitalists to state agencies and co-operatives, so that the consumer sometimes receives these products not from private shops, but in any case, they were originally sold to state agencies by the capitalists, so that they passed through capitalist trade in their entirety.

There is quite a lot of information about what share of all handicraft products (including those organized in the "domestic system of capitalist industry") is sold through private buyers.

As of April 1, 1926, in the USSR, of all handicraftsmen, only 9%, i.e., 280 thousand people, participated in cooperatives that are part of the corporation system. In addition, another 11% participated in "wild" cooperatives that were not part of this system, that is, almost entirely in pseudo-cooperatives.

Finally, 80% of all handicraftsmen did not belong to any cooperatives at all (quoted from an article by Comrade Tsylko, p. 75 of the journal On the Agrarian Front, 1927).

But even the handicraftsmen who participate in the cooperatives that are part of the system still find themselves subject to a significant degree of dependence on the private buyer. According to the All-Russian Union of Commercial Handicrafts-Vsekopromsoyuz, published in the journal Planned Economy, No. 2, 1927, p. 28, the cooperatives that are part of the cooperation system sell 30% of their products

through a private trader. This is for the RSFSR. In Ukraine, they sell even 40% of their products through a private trader. These are cooperatives that are part of the cooperative system. As for the cooperatives that are not part of the cooperative system, they sell to an even greater extent, almost entirely.

The role of a private trader in the sale of industrial products of the entire network of trade cooperation of the RSFSR is as a result: in the woodworking industry 65%, in the leather industry 38%, etc. (Tsylko, p. 75).

Finally, as regards handicrafts that are not members of any cooperatives - and we have 80% of such handicraftsmen - then, according to all available data, they sell their products in the vast majority through a private buyer. For example, “in the sale of felted shoes, the role of a private trader in Kalyazinsky, Ivanovo-Voznesensky and Vyatka districts is determined in 80% of all blanks, in the Ural region - 85%”, etc., and in the end, even for Vsekompromsoyuz, for the handicraft industry as a whole (including cooperation) "the role of the private trader in the sale of handicrafts is determined by no less than 60-70% even in the most cooperative regions" (Tsylko, p. 74).

Therefore, on average, no less than 75% should be considered. But we already know that of all handicraft production, about 25% is organized into the "domestic system of capitalist industry." Subtracting this, we get that of the rest, that is, of handicraft labor production, no less than half is bought up by capitalist buyers (more precisely, about two-thirds). In the section on industry, we saw that out of all the industrial output of the USSR, private labour; production accounts for about 10%. Consequently, the part of labor private industrial production bought up for resale by capitalist buyers accounts for at least 6% of the entire industrial output of the USSR.

The portion of the output of state industry legally sold by syndicates, trusts, auctions, etc. to private wholesalers and semi-wholesalers is comparatively small. For 1925/26, according to the reporting data of the People's Commissariat of Trade, comrade Dvolaitsky defines it as follows: to the broad market" (p. 126 of the collection "On the Ways of Social Construction"). All state production, as is known, in 1925/26 accounted for about 80% of the industrial output of the USSR, and about half of the state production went to the broad market (46% according to Gosplan's Control Figures). This means that 15% of this half, transferred to private traders, make up about 6% of the entire industrial output of the USSR.

Finally, that part of the products of the state industry, which fell into private trade illegally (through front dealers in state retail and cooperatives), is determined for 1925/26 by the People's Commissariat of Trade in 20% of all products of the state industry entering the broad market (the same article by Comrade Dvoilaitsky , p. 127).

This definition is not arbitrary, but was made by the People's Commissariat of Trade on the basis of data on working and other budgets and on the sale of state products in private retail. It is easy to calculate that 20% of the products of state industry entering the broad market constitutes about 8% of the entire industrial output of the USSR. In the second section (the chapter on repurchasing), we have already come to the conclusion that more than half of this illegal buying through hired nominees from Soviet retail is organized precisely by large merchants.

Consequently, in this way, capitalist trade receives up to 5% of the industrial output of the USSR (and then resells it to other cities, and partly to handicraftsmen for processing, for example, for making linen and dresses, and to shops in the same city).

In total, therefore, no less than a quarter of the total commercial industrial output of the USSR (more precisely, about 28% in 1925/26) passes through the capitalist wholesale and semi-wholesale trade. By "semi-wholesale" I mean the trade of such private wholesalers who are simultaneously involved in certain limits (sometimes for cover) and retail. It should also be noted that if at least a quarter of the entire mass of industrial goods passes through the capitalist wholesaler-buyer, then of industrial goods for the broad market an even greater proportion. For there are a number of manufactured goods in which the capitalists in the USSR do not and cannot trade at all—for example, steam locomotives, rails, rifles, looms, and many other things in the field of means and materials of production and special supplies (especially in wholesale trade). Of all the 28% above, items for the general market (means for personal consumption and household and small households) should account for about three-quarters (if we are guided by the percentage of what means of consumption, according to the State Planning Committee, in all private industrial production). And since about half of the entire industrial output of the country accounts for broad market items, it means that up to 40% of them went through the capitalist wholesale and semi-wholesale in 1925/26.

From this it is clear that for the rise in the cost of living and for the reduction of real wages such a large actual participation of the capitalist wholesaler in the sale of those industrial goods, with the purchase of which only the working citizen directly deals, is of the greatest importance.

For no worker or peasant buys for himself personally or for the members of his family such goods as a steam locomotive, rails, rifles, a loom, etc., therefore, the circumstance that steam locomotives or weaving looms imported from abroad pass 100% only through state trade. On the contrary, it is very

tangibly reflected in the fact that up to 40% of those industrial goods that are the subject of purchases of the working, office, and peasant population and of all the townsfolk in general pass through the hands of large private traders. For it has been proved with perfect irrefutability that it is the private wholesaler who is the instigator of exorbitant price inflation.

The wholesaler then supplies private retailers with the main part of the industrial goods that they trade in, and skims the cream off them too: he puts in his pocket the main part of the cape that has increased since 1923/24, which private retailers make, despite the fact that The selling prices of production bodies (trusts, factories, etc.) have fallen since 1923/24. This reduction does not generally reach private retailers; it mostly remains in the pocket of the wholesaler.

This makes clear the practical importance of the currently planned measures to strengthen the replacement of the capitalist wholesaler by the activities of government agencies and cooperatives. The share of the country's industrial output, which private commercial capital receives by participating in the legal wholesale trade in state industry products, is insignificant, only about 6%. But with the help of the totality of all sources of his supply, he passes through his hands much more - up to 40% of all industrial goods that generally enter the broad market (that is, minus the production supply of state industry, minus transport, and military equipment, minus foreign trade industrial turnover, etc.). It matters so much which fully explains the direction of the state's trade policy in the direction of strengthening the replacement of private wholesale capital by government agencies and cooperation, while with private retail (while continuing, of course, the general course towards its gradual replacement) the issue is not so acute. On the contrary, the task is set of separating it from the influence of private wholesale capital and using it as an

additional commodity distribution network to the extent that cooperation is not yet able to cover the entire trade turnover and to which private retail can be subjected to price and profit restrictions.

Of course, if the actual participation of private wholesalers in the distribution of industrial goods were reduced to only a few percent, then its costly practice would almost lose its significance and the dependence of the broad market on it would almost disappear. Now, however, we emphasize the importance of the struggle for its replacement precisely because it still plays a very prominent role in supplying the broad market (i.e., the population), and the wholesaler is the most parasitic of all private traders, i.e., increases the cost of goods without reasonable proportionality. with their promotional services.

This is the actual participation of a private wholesaler in the distribution of industrial products of the USSR for 28% of its mass, and for a wide market, even for 40% of all industrial goods, when assessing the share of private wholesale in the entire wholesale turnover, it turns into only 9.4% (for the same 1925/26 - according to the "Control figures" of the State Planning Commission). As has already been pointed out, there is no contradiction in these different calculations, there are only two different forms of approach to the same fact. For tax purposes, the sum of all sales (turnover) is important, at least including some goods in the wholesale trade, which were necessarily sold several times. And for socio-economic purposes, it is important to establish what part of the goods pass through the capitalist wholesale, regardless of how many times this or that product will be resold from hand to hand in the wholesale trade.

As to what part of industrial products goes through private retail, from the figure for private wholesale (28%) one must

subtract that part of capitalist production which is sold wholesale by the capitalists to government agencies (hardly more than 2% or 3%), and add that part handicraft production, which is sold by the handicraftsmen themselves (out of the 5% that they have left after being bought by the capitalists, this will be about 4%, because about 1% goes through government agencies and cooperation), and then add the part that is illegally bought up in state retail by themselves private retailers (about 3%). Thus, about a third of the entire commercial industrial output of the USSR passes through private retail (including, as indicated, what the handicraftsmen themselves sell directly to customers and consumers).

If we take only industrial products for the general market, then it is easy to deduce from the given data that at least half-50% of industrial products for the general market passed through private retail in 1925/26. The value obtained (50%) does not differ much from other estimates, if we recall that other estimates did not take into account the production of pseudo-cooperatives, etc. Thus, according to the calculation of the Supreme Council of National Economy, for 1925/26 this value is 42%, according to Norkomtorg - 43%, according to Gosplan - 43.3%.

This large figure further emphasizes the influence of the private owner on the general level of prices, especially in the countryside. For in the countryside up to two-thirds of all manufactured goods pass through the private trader, while in the city only one-third.

Of course, we have in mind all industrial products (both private factories and handicrafts, etc.), and not only products of state industry. If only the products of state industry are taken into account, as is often done in our country, then the result would be that even in the countryside a large part of the industrial

output is already carried out through cooperatives and state agencies.

But such a "distraction" from handicraft and privately manufactured products is just as wrong as the widespread methods of measuring the level of prices by selecting only a few goods from among state products, moreover, of an almost standardized type, most amenable to price regulation, such as salt, kerosene, matches, etc. (See the list of eight commodities by which the price level is usually determined. Comrade A. Lvov's article in No. 2 "On the Agrarian Front" for 1927).

This approach is wrong. There are some other things to take into account as well. In particular, for the village, as Comrade Lvov points out in the same place, sunflower oil, and herring; in the northern part of the country, and flour, which is brought there in part to the village.

On the right bank of Ukraine, a private trader imports 30% of all fish, and even half of the fish imported by government agencies is sold through a private trader (from a review of the USSR People's Commissariat of Trade for October-December 1926).

And the price of fish (herring) is not included in the calculation of the price level. There are a number of such examples, and not taking them into account distorts the idea of the share of the private trader in rural trade in industrial goods and of his role in the formation of the price level.

To assess the role of private trade in the marketing of agricultural products, it must be borne in mind that in 1925/26 all marketable agricultural products (excluding forests) amounted to only 3,640 million pre-war rubles, according to the "Control Figures" of the State Planning Commission (342; to convert to red at producer prices, according to the State Planning Commission, this value must be multiplied by 1.4).

Checking these data at the end of the reporting year gave a slightly higher figure, since the intra-peasant turnover turned out to be underestimated (comrade Groman's reporting article in Economic Life, April 2, 1927).

By intra-peasant turnover we mean the sale of agricultural products by some peasants to other peasants (for example, the poor usually buy bread for half a year, earning money for this on the side; rural handicraftsmen, who are only partly engaged in agriculture, do the same, etc.).

These intra-peasant sales, according to the reporting data of the State Planning Commission, accounted for 1,882 million pre-war rubles (the same article by Comrade Groman), and the rest was sold from the countryside to the city. This reported value of sales from the countryside to the city, determined by the State Planning Commission, almost exactly coincides with the value calculated for these agricultural procurements for 1925/26 by the USSR People's Commissariat of Trade (in December 1926 - see the collection "On the Ways of Socialist Construction", p. 130).

According to the People's Commissariat of Trade, it turns out for such sales outside the agricultural population only 2,725 million rubles. red, which, when translated according to the same index (1.4), gives about 1900 million rubles. pre-war.

Thus, of all the agricultural products sold by the peasants in 1925-26, only about half were exported from the countryside to the towns. Of this half, according to the calculations of our official bodies, there were approximately one third each:

1) for the products of field growing, meadow growing, horticulture and horticulture together, except for raw materials for industry (moreover, for horticulture and horticulture together, only one sixth of this third; potatoes are classified as field growing);

2) for livestock and fisheries products, except for raw materials for industry (in particular, for fisheries - less than one sixth of this third);

3) for agricultural raw materials for industry (oil seeds, flax, hemp, cotton, tobacco, shag, leather, sugar beets, wool, bristles, furs, chicory, etc.).

If we take what leaves the village, that is, that half of the agricultural marketable products that is alienated outside the village to the city, then, according to the calculations of the People's Commissariat of Trade, quite detailed and quite plausible, it was necessary to buy up wholesalers - by capitalists 25%, for sale directly by labor elements, who bring their products to the city to bazaars, etc., -15%, and for the procurement of state and co-operative bodies -60% (collection "On the Ways" pp. 128-131, calculation for 1925/26).

It turns out at first glance, as if not so bad, because of all that goes from the countryside to the city, from its agricultural products, alienated for the city and for export, only 25% passes through capitalist trade.

At first glance, this seems to contradict the well-known phenomenon that the trade in meat, vegetables and many other food products in our cities is predominantly in the hands of private traders. This seeming contradiction will become clear if we exclude from the total share of agricultural products leaving the countryside that part which does not enter the broad market, i.e., if we exclude raw materials for industry, procurement for export and procurement for the army.

If these three things are excluded, as they do not enter the market for purchase by the population, but take the rest, i.e., what is bought and consumed in the cities and in the factory districts by the population, then a completely different result will be obtained. Of the part of agricultural production that

goes to the population of urban settlements, the share of private trade is no longer 25, but seventy-five percent, while the share of state and cooperative trade together is only 25%.

This means that out of all marketable agricultural products leaving the countryside, state and cooperative bodies procure 60 percent. But since the main part of their procurement goes for export, for industrial raw materials and for the army, the share of state and cooperative bodies in the agricultural products consumed by the urban population is only 25%, and 75% goes through private trade.

Including more than 45% goes first through the capitalist wholesale and then goes to private retail, and almost 30% goes directly through private retail, that is, it is sold at the market by visiting peasants, thrush women, etc., who bring their products on carts and selling them to a large extent directly to retailers, bypassing large wholesalers, or directly to the consumer population right there on the market.

Thus, in the urban consumer market for agricultural products, we have a situation in which at least 75% of the food of agricultural origin purchased by the population is bought by residents from private traders. It is clear that in this area private prices, and not state and cooperative prices, are also decisive for the level of prices under such conditions.

Hence the general statements of our newspapers that the population hardly feels the drop in prices for foodstuffs produced by the co-operatives. For such a "feeling" it is necessary, first of all, to increase the share of cooperation in the procurement and sale of meat, butter, eggs, potatoes, vegetables, fruits, etc. This is one of the main tasks in the field of internal trade now. Successes in resolving it will not only increase and strengthen the real significance of money wages,

but will also greatly facilitate the further intensification of peasant agriculture and the increase in its labor intensity.

For the replacement of the private buyer by cooperatives means not only a reduction in price for the urban consumer, but also an increase in the price received by the peasant in comparison with the price he received from the capitalist (both due to the abolition of the capitalist's super-profit).

Meanwhile, just all these products are among those that increase the intensity of the economy, require more hands, make it possible to get by with a smaller area and reduce the possibility of agrarian overpopulation and the expulsion of the unemployed to the cities.

If we take together trade in industrial and agricultural products on a wide market (that is, without a production supply for industry, without exports, without supplying the army, without transport equipment, etc.), then it turns out that in the cities, counting the peasant import In general, the population receives about 50% of all goods (a third of industrial and three-quarters of agricultural) through private retail.

And in the countryside, if we count the internal peasant turnover, this figure will be more than 80%, and if we do not count the sales of agricultural products by peasants to peasants, it will still be more than half of all goods sold.

This determines the role of private retail in setting our price level, and consequently the exchange rate of the chervonets, and the real value of nominal wages, etc. Above, we have already shown in what part private wholesale capital stands behind and above private retail. , which dictates the price level. But even in that part in which the private retailer acts independently, without the preliminary leading intermediary participation of private wholesale trading capital—and this

part is not so insignificant—the retailer also inflates prices no worse than the wholesaler.

Therefore, as the Council of Labor and Defense correctly reaffirmed in May 1927, the main directive for reducing prices remains the desire to replace cooperatives and private retailers. As long as this is not sufficiently possible, it is necessary, as a palliative, at least to tear off the corresponding part of this retail trade from subordination to the wholesale capitalists and to subordinate it to the regulating influence of the state that limits prices.

The rising cost of private trade. Economic and social significance of the problem of retail prices.

In March 1926, in a relatively narrow circle, I read a report on the topic indicated in the title. A few days later I received a letter (later published in the journal On the Agrarian Front) from Comrade F. E. Dzerzhinsky. In this letter, Comrade Dzerzhinsky, among other things, writes:

"... With your main position that high retail prices for industrial products are the main link in our difficulties, I fully agree and believe that overcoming all difficulties (simultaneously studying them in the process of struggle) can be most successfully by grasping precisely this link, t i.e., against the level of retail prices... I think we must mercilessly expose private capital in the way you are doing it—at the same time seek and show the way for subordinating this private capital to us, establishing the area of work allotted to it (because it is not always necessary to let it go) and determining the size of its accumulation. At the same time, we must develop tremendous work to strengthen cooperation as the future gravedigger of private capital. After all, the strength of private capital stems from the weakness of cooperation... Without good and cheap

cooperation, a private trader will beat us, and we will not get out of our economic difficulties..."

Comrade Dzerzhinsky in these lines excellently formulated the main idea: the question of retail trade is a question not only about this retail trade, but also about "the main link in all our difficulties." This statement seemed to many then something paradoxical, strange, exaggerating. The most thoughtful of the major practitioners of our economic life, Comrade Dzerzhinsky, as he writes, "fully agrees" and came to the same basic conclusion that "all difficulties can be overcome most successfully by grasping this particular link," which I also came to on the basis of a general socio-political analysis of the difficulties of our economic growth and ways to overcome them.

The task of fighting for the reduction of retail prices has been set by our Party absolutely indisputably. But far from everyone fully assimilates the socio-political meaning and significance of it for the entire economy of the country, which actually take place. The circle of thoughts on this subject, into which my statement introduces, attempts to pose the question of retail trade in the countryside not as a narrow economic and technical task, but as a "social relation". How right or wrong in all parts is another matter. But only the posing of the questions of Soviet economic reality as concrete questions of the class struggle can lead us forward in understanding this reality, and not in simply navigating the sea of light-weight chatter, which often replaces the search for the social roots of phenomena.

As long as there is no social unity of all economic life, since it is not unified, but there is the existence and struggle of different classes (the proletariat organized into the state; the bourgeoisie, predominantly merchants; various groups of the peasantry and private labor industry), then all sorts of difficulties in our economic development can be understood only if we reduce

them to their social roots. If, however, we restrict ourselves to only counting arithmetical errors in our plan—I am not saying that this is insignificant, this must also be counted, taken into account and weighed—but if we do not realize what exactly is hidden behind this, what is going on , then we will face the danger of falling into planned fetishism.

Just as in capitalist commodity fetishism the relations between things obscured the social relations between people, so in our society this kind of "planned" fetishism can obscure the notions of the struggling social forces in our country.

Thus, it would not have made it possible to outline those social paths correctly and firmly, those social knots on which the attention of the economic proletariat should be concentrated. In no way am I speaking out against strengthening the planning principle in our economy in general.

Throughout the course of our planning organization and the strengthening of the idea of a planned principle in our economy, I have always been on the side of strengthening and developing this planned principle.

Now I only want to point out that if the enthusiasm for planning began to turn into oblivion of those social relations that exist in life, i.e., if the explanations of economic difficulties began to be reduced only to the establishment of "miscalculations" in the sphere of the plan, then this would be the transfer to our conditions, to the new conditions of NEP, of such explanations, which—and even then only in part—were admissible under the conditions of war communism, but now would mean an attempt to hide from the social content of life behind mere arithmetical errors.

If we approach the social explanation of the economic difficulties that manifested themselves in 1925/26, then, it seems to me, we should pay special attention to two things.

More attention must be paid to these things than is sometimes done in the analysis of our economic difficulties.

These two things are contained in the well-known fact that we, a Soviet state with a proletarian dictatorship, live in such conditions when, on the one hand, there are other bourgeois states outside of us with a very large economic role of the foreign bourgeoisie, and on the other hand, inside In our state, with the existence of power and the dictatorship of the proletariat, the economic role of the bourgeoisie, which is still quite significant, has not yet disappeared.

These two circumstances—the existence next to us, on the one hand of the independent and not subordinate to us economic activity of foreign bourgeois states, and, on the other hand, of the economic activity of the bourgeoisie inside the USSR—these two circumstances play (and cannot but play) a very important role in explaining the slowdown in the rate of our economic growth in comparison with the expectations that took place before the start of the 1925/26 financial year.

Here, first of all, we must dwell, at least briefly, on the foreign bourgeoisie.

We have a fairly widespread opinion that, since Europe is in a state of economic decline, the role of the European states, as a possible market for the consumption of our goods and as a possible market for supplying us with foreign capital, is, firstly, not very great and, secondly, tends to decrease more and more, because in the general world economy the role of Europe among the bourgeois countries is increasingly falling, the percentage of its production in world production is decreasing, and instead the role and size of production of the United States of North America is increasing more and more.

I think this coverage is one-sided and therefore incorrect. The World Economy Sector of the State Planning Committee of the

USSR, at my request, made a comparison of the data available for all the countries of the world that maintain any kind of statistics, or at least some semblance of statistics, for a number of basic sectors of the economy. I did it not according to pre-war, wartime and first years after the war data, but according to data, firstly, relatively fresh (for 1924 and 1925), and secondly, embracing not some randomly snatched, separate three-four-five states, and about fifty states of the globe.

If wee looks closely at these data, it will turn out that the widespread idea of the ever-accelerating decline in the economic importance of Europe is a relic of the impressions that we had during the imperialist war and in the first years after it, when, indeed, the European economy, extremely disordered, bloodless, deprived of millions of workers, has fallen very significantly.

And its place, as a percentage of world values, was occupied primarily by the United States of North America. But it turns out that after tens of millions of people who were under arms before 1919 and partly in 1919 were demobilized and returned to work, it turns out that after that the European economy began to gradually catch up with the pre-war ratios. Catch up in the sense that the size of European production, participation in foreign trade, etc., is already approaching more and more the percentage that Europe accounted for before the war.

Of course, I do not set myself the task of assuring that the United States is a state that is not worth paying attention to, and that Their position has not strengthened compared to the pre-war. I want only to point out here the second side of the matter, namely, that in the last five years Europe has been gradually regaining its former economic positions of the former percentage in world production, of the former percentage in world foreign trade.

If before the war European foreign trade accounted for 630/000, now, according to the data of the last two years, on average, Europe accounts for more than half of world imports and exports. If we take the entire world trade turnover as a whole, it will be about 55 r/o, i.e. Europe "has already moved very close to the 63 r/o it had before the war.

In particular, for example, Japan is experiencing certain difficulties precisely because European industry has to a large extent won back its old markets in Asia, etc., where it previously dominated, and where Japan strengthened itself during the World War.

In 1920, the United States accounted for as much as 38% of world exports and 35% of world imports, and in 1924 only 23% of exports and 17% of imports.

Of course, when I talk about the significance of the current state of the European economy, that the European economy is gradually approaching the pre-war level, that if we take Europe as a whole, then gradually it restores those percentages in the total world production and trade that belonged to it before. "This should by no means be understood in the sense that, therefore, all hopes for the expectation of a socialist revolution in Europe are falling away.

On the contrary, the economic growth which, by and large, has been observed there in recent years, means at the same time the growth of the contradictions that are inherent in capitalism.

For it is known that as capitalist economy unfolds, develops, and grows, it also leads to the growth of the contradictions that are contained in it. The atom contains the general dialectical process of its development (complicated by the "special" circumstances of the post-war crisis of capitalism).

And, consequently, the possibility of the onset of the socialist revolution is due to the fact that a noticeable number of factories and factories have still been built in Europe; because France is now a much more industrial country than it was before the World War;

because Italy is a more industrial country than it was before the war; the fact that in recent years Germany has managed to cover itself with a network of power plants that did not exist before the war;

because England is also building huge electrical installations— from all this, the possibility of a socialist revolution in Europe not only has not diminished, but has even increased, since this leads both to an aggravation, a further deepening of those contradictions that are inherent in the capitalist system, and to the accumulation the sheer number of the proletariat, to the dissolution of those strata that stand between the proletariat and the bourgeoisie. We cannot and must not take the stand that the technical progress of the bourgeois states is their insurance against the socialist revolution.

This would be a completely misunderstanding of Marx's well-known remark that no society perishes without exhausting itself to the end.

If we understood this remark in this way and asserted that for the triumph of the socialist revolution it is absolutely necessary that the number of factories in bourgeois countries should decrease and not increase, that new ones should no longer be built, that the productive forces should not develop at all, then this would be wrong.

The development of the productive forces in America, Europe, Asia, and other places, generally speaking, far from being an obstacle to the social revolution, is a favorable condition for its

maturation, for it more and more strengthens and sharpens the contradictions inherent in the capitalist system.

All these discussions about the current economic role of Europe and that its importance in the world economy has not declined in recent years, but, on the contrary, is beginning to gradually recover, are necessary in order to emphasize the importance of the European bourgeois states, primarily as a growing import market for goods from the USSR and as a market for supplying us with capital.

After all, we are not setting the task of attracting foreign capital to the Soviet Republic for our further economic development, for our industrial re-equipment, for the construction of new factories and plants, not at all as a task of doing all this only or mainly by concession.

It is known from the decisions of party congresses and Soviet bodies that we regard concessions as a useful and necessary means, but only as an auxiliary means.

The main way to recreate Soviet industry does not go through concessions. Now our industry is not in short supply, the entire USSR is a very profitable enterprise, and there would be those who would like to take the entire USSR on a concession if we handed it over, but this probability does not exist, the USSR will not be handed over to a concession.

Therefore, the question of attracting foreign capital to us practically stands primarily as a question of such an organization of our "foreign trade" as a result of which we would be left in the hands of large and all the accumulated remnants of foreign capital transferred from abroad, which fell into our property, which we could then invest in the further equipment of our industry, transport, and agriculture.

If this is so, then the nature of the economy of Europe as a market, from where we must transfer this capital to us, i.e., whether the European economy is shrinking more and more or expanding, is of very significant importance to us. In fact, the totality of bourgeois European states is and can be:

1) an ever-growing market for the placement of Soviet goods and

2) a market of the kind in which we have and will have the opportunity through foreign trade to mobilize large capitals for our investment in our economy in general and in our industry in particular.

From this follows, along with other circumstances, first of all, the extraordinary significance of the level of precisely European prices for hre objects that we export abroad. Here we come to the chain of difficulties with which the 1925/26 financial year began (and which, in part, continued in the economic year 1926/27).

This chain of internal difficulties is still remembered by everyone. It began with the fact that in our country the procurement of items for export, primarily the procurement of grain and other items of agricultural production, stumbled upon high prices for them in our country and for an insufficient supply.

We could not deliver to Europe the quantity of goods that we wanted, and the very export of these goods to Europe had to take place under such conditions that their domestic prices did not correspond to the prices of the foreign market and there was not a sufficiently large difference left in our hands.

This led to further difficulties—to a decrease in our accumulation of foreign currency reserves, to a reduction in

connection with this program of importing raw materials and new equipment from abroad to us.

In connection with this, there was a certain reduction (against the planned) rate of development of our industry and the impossibility of taking on the full load of such a number of new workers that we wanted to employ (and had already hired).

And also the impossibility of introducing new machines for the construction of further factories and factories and for the improvement of existing ones in such a size as was originally planned.

At the same time, high prices on the domestic market led to a reduction in the amount and mass of commodity circulation in the country in general, and thereby to a rise in the price of gold coins on the domestic market, which created, as stated in the resolution of the last party congress, "a threat stability of the red ruble", i.e. created very significant difficulties, which led to the well-known contraction of credits, and this, in turn, hit the further expansion of industry and agriculture.

This whole chain of economic difficulties began, therefore, if taken in chronological order, with the fact that prices on our home market are too high for our agricultural export items per dranitsa, i.e., for items of peasant production. .

These prices, in turn, were, as you know, a response to the high retail prices of industrial products that the city delivered to the countryside.

If we say that we have a significant convergence of industrial price indices and agricultural commodity price indices compared to what it was in 1923, then this is fully true only for the city.

In the countryside, this distance remains very large at the present time. In March 1926, the Trade and Industrial

Newspaper published a calculation of the ratio of indices based on the materials of the People's Commissariat of Trade in the provinces of three regions: flax-growing, potato-growing, and dairy.

Here we take the ratio of the index of goods sold by the peasant economy of these regions to those goods of industrial origin that the peasants buy.

It turns out that as of January 1, 1926, for the flax-growing region in the countryside, this ratio was only 66%, for potato iodine, 66%/r, and for dairy, 79%/r. Here are taken the provinces: Tver, Samara, Novosibirsk, in a word, provinces from different parts of the country.

The reason for the large difference between the prices of our industrial products in the city and the prices of these same industrial products in the countryside is that, while the average markup of co-operatives, according to the Central Union, on October 1, 1925, in the countryside, in rural cooperatives was 47% over wholesale factory industrial price - for private retail rural traders it was at least 100%, and sometimes increased for some types of goods and higher.

These extra 50 per cent, which the private trader added to industrial goods when they were sold in the countryside, first of all created high prices for industrial goods there, to which the peasant responded with high prices for his grain.

For, as we have seen, two-thirds of industrial products are obtained by the peasants from private hands. Especially large are the capes in that greater part of the villages where there are no co-operative shops which could compete with the private trader.

After all, even in cities where there are competing cooperatives nearby, a private trader has a much larger cape than a cooperative one.

According to a report by Comrade Mikoyan in February 1927, in 25 provincial towns, the cape on chintz in co-operatives is 15%, and in a private trader, 73%; salt from a private trader is 38% more expensive than from cooperatives, nails are 22% more expensive, etc. in cases where it has no competitor in procurement in the person of state agencies and cooperatives. The review of the People's Commissariat of Trade for the first quarter of 1926/27 of the financial year cites the state of the procurement market for raw hides and skins in Siberia as an example of such relations (p. 12).

All this expresses the participation of our bourgeoisie in the distribution of the national income. It must by no means be thought that the entire sum that private merchants earn in the countryside is the property of these village merchants alone.

Quite often they act under the leadership of the larger bourgeois merchants of the city, they are, as it were, their "independent" clerks, and, perhaps, the lion's share of the income goes right into the pocket:

the urban bourgeoisie, which supplies them with urban goods and buys rural goods from them.

The very organization of trade for private traders, as a survey of the People's Commissariat of Trade has shown, costs no more than cooperation. If the private trader overpays a little in taxes (we shall see in the section "Private Capital and Taxation" that not so much as is sometimes thought), he gains a great deal in the absence of the cumbersome apparatus that cooperatives have.

He also benefits from the absence of those waste and theft that exist especially in the grass-roots cooperative organizations in the countryside, because the private merchant is not stolen from the side, but he puts it in his own pocket. Therefore, if cooperation is limited to a cape of 47% and makes a profit, then a private merchant for his business, considering normal profit, needs no more. The remaining 50%, which he spends in the countryside on industrial products, and in the city on food products of agricultural origin (since he throws only 100%), remains a net surplus income, super profit, the share of the commercial bourgeoisie in the national income of the CCCP.

Here we come, in my opinion, to a point which may shed some light on the social root of some of our economic difficulties. In the USSR there is now a cohabitation1 primarily of two economic forms: on the one hand, the private commodity economy of the bourgeoisie and the peasantry, and on the other, the planned economy of the proletarian state, albeit in commodity forms.

With the cohabitation of these two species, we have in one region a commodity economy, so to speak, to the marrow of the bones - this is a bourgeois and peasant economy; and on the other hand, an economy that is essentially planned (socialist planned), but in commodity forms (state).Here we have sufficient data to enable economic crises to occur in general, arising from its commodity nature in one part and the commodity forms in which another part of it proceeds.

If our economy as a whole were (non-commodity) of the same type, i.e., if it were entirely the planned economy of a proletarian state, then one could consider that ordinary commodity crises cannot and should not occur in our country, that here there can only be errors in plans, "miscalculations", etc. However, since we are now dealing with an economy of the current transitional type, crises in a commodity economy (of the

European type) may also occur in our country. But once in 1925/26 there were no data that would make such a crisis necessary.

Such data can be searched in three directions. The connection between our planned economy and the commercial, unplanned economy of our countryside is the first source that can introduce confusion into our planned economy and create crises in it. Secondly, we must take into account the connection between our state economy and the economy of the foreign bourgeoisie.

If our country is noticeably connected with the economic situation abroad by a number of economic threads and trade relations, then a change in the situation in the foreign market, a strong change in prices, the volume of trade, the onset of a crisis or prosperity there—all this will also affect us through foreign trade. , and we will experience some of the impact of all this. And finally, the third line along which economic difficulties and upheavals can set in is the inconsistency within our planned economy, i.e., those "miscalculations", mistakes, etc., which we usually talk about. But precisely with regard to all these three ways in which an economic crisis can come to us, in the financial year 1925/26 things seemed to be more prosperous than before. If we take relations with the countryside, then the level of well-being of the countryside, the level of its possible demand for industrial products, the level of its own production, was, as is known, much higher than in the previous year. If we take our relations with the bourgeois economy abroad, they have not acquired such a scope as to be decisively reflected in the conjuncture of our economy.

For example, even the unprofitability of various types of exports, etc., could not stop the development of our economy. We are just entering into a relationship with the world economy, we are only in the process of entering, but we have

not come close and closely so that the world crisis will spread to us directly and in the same size. In general, I think that thanks to the peculiarities of our system, world crises in general will affect us more weakly—precisely due to the centralized planned character of a significant part of our country's economy.

And finally, on the third point, regarding the inconsistency in our own plan, then in 1925/26, in general, if we compare them with our usual practice, they turned out to be even more perfect than before. A good example is the state budget.

At the beginning of the economic year 1925/26, with good prospects for that year, a state budget plan was drawn up for 4,000,000,000 rubles of income and expenditure per year. Then, after numerous checks, doubts, etc., the budget was only fulfilled by about 100 million rubles less. If we consider this reduction by 100 million rubles. error in the original budget plan, it is only 2.5%.

This is such a mistake that no one would have mentioned or noticed two or three years ago, everyone would have thought it was a typist's misprint.

In the same way, if we take the development of industry, it was supposed to develop industry by a little more than 40%. As a result of the curtailment of plans that was made in some branches of industry in connection with the reduction in imports of raw materials and equipment from abroad, the deployment turned out to be somewhat less. Still, the industry grew by almost 40%. The mistake is also not God knows what compared with those that happened in previous years. In terms of planning errors and miscalculations, with the exception of a number of preparations, the situation was better than we had been accustomed to in previous years.

Thus, it is necessary to look for explanations of the current economic difficulties not only in miscalculations, and not in the upheavals of rural production, and not in the reflection of the influence on the Soviet economy of the crisis that has engulfed some foreign states. And if these difficulties are not a sign of a general, ordinary crisis of the commodity type, then, then, they must be explained by some peculiarities of our Soviet economy and the current transitional period.

The main feature of the economy of the transitional period, as is well known, is that we are running a proletarian state economy in the presence of a link with the peasant economy, to a large extent through the commercial bourgeoisie. Here I am looking for explanations for a number of our difficulties and discrepancies. It is not necessary only to understand these things somewhat one-sidedly.

It may be appropriate to make the reservation that when I speak of the role of the internal bourgeoisie in our economy as the carrier to a large extent of the commercial bond between town and country, this does not mean that with the presence of this economic role of the bourgeoisie, further industrial development is impossible in our country.

This does not mean that in this situation it is impossible for us to further accumulate socialist elements in our economy and increase their preponderance over non-socialist elements. It only means that, given the role of the commercial bourgeoisie in our country, the growth of the socialist elements in our economy is proceeding at a slower rate and will proceed at a slower rate than if we had the opportunity and would devote more attention and resources to reducing the role of bourgeois trade in our country and to oust it by co-operative and state trade.

Peasants, selling the products of their farm, are considered:

1) with the amount of taxes that they must pay, and

2) with the number of industrial products that they can buy with the proceeds from their products.

When we have such a correlation that the price index of agricultural commodities in the countryside for a number of important items is only two-thirds of the index of industrial prices in the countryside, then the selling part of the peasants must draw from this the two conclusions that they did: on the one hand, limiting in every possible way the consumption of expensive industrial products only to the most necessary minimum, and on the other hand, into a sevenfold inflation of prices for their agricultural products, for grain, etc. Such is the reverse side of the broad participation of the bourgeoisie in trade with the countryside and in trade within the village).

The bourgeoisie, by its participation in trade, participates in the division of the "national income", the rest of which goes to the peasants and workers. This "participation" is thus the main reason for the high cost of goods in the countryside, which far exceeds its level in the city and in rural, but cooperative trade. The task of making manufactured goods cheaper in the countryside, therefore, is not a task of a technical nature, but a social task, the old question of a more complete transition of the commercial link between town and countryside from the hands of the bourgeoisie into the hands of a worker-peasant agreement.

So far, the cooperatives have not been able to replace private retail trade in the countryside, since there was nothing to replace the significant circulating capital invested by the bourgeoisie in this business. In order to make the private trade supply of the countryside unnecessary, the state (and the peasantry) would need to invest hundreds of millions of rubles more in consumer cooperatives (and strengthen the

cooperative distribution network). The state has not yet been able to allocate such funds for a long-term loan to the cooperatives, and hence the high cost of manufactured goods in the countryside, with all its economic and political consequences.

It is a matter of means, not of any innate, irremovable advantages of private trade. Vladimir Ilyich's well-known remark that the proletariat will have to undertake the financing of the co-operative system in which it is interested relates directly to this. The slowdown in the rate of economic growth in 1925/26 in comparison with what was expected emphasizes the importance for us of the practical conclusions from this remark of his:

"If we now grasp this link firmly enough, we will certainly master the entire chain in the near future" (Lenin).

The peasantry responds to the high prices of manufactured goods in the countryside with high prices for the products of the peasant economy. This, firstly, reduces procurement against the plans desired by the state, secondly, it makes export abroad unprofitable, and thirdly, it compresses trade in general.

Peasants buy fewer industrial goods for a smaller quantity of agricultural products than they would if the prices of both were lower. Part of the grain, etc., remained unsold, and if to some extent it was used to increase livestock (fattening young animals), then to a sufficient extent lay just "dead capital" instead of being turned into tractors, into iron and other items necessary for the development of rural economy.

Industry, in turn, could not employ as many additional workers as it would have if the lower price level of urban and rural goods had helped to increase their quantity in trade.

And a quantitatively compressed (in terms of the number of items) trade turnover is inevitably accompanied by a rise in prices in a vast area of private non-planned economy (and, reflected, also in the state planned economy, insofar as it is supplied from the private sector with certain types of raw materials, foodstuffs, etc.).

This circumstance, while lowering the purchasing power of the ruble, leads to a significant increase in the difference between the purchasing power of the red ruble within the USSR and the purchasing power of foreign currency (dollar, pound) abroad in relation to the corresponding pre-war purchasing power of gold. Due to this, exports would probably become unprofitable or very little profitable, even if! for other reasons, domestic prices for agricultural products did not soar in our country above the foreign level.

For abroad, the real purchasing power of a dollar is about two-thirds of the pre-war purchasing power of an equal amount of gold, while here the real purchasing power of a rupee ruble (due to excessively high retail prices) is only about half the pre-war purchasing power of an equal amount of gold.

The ratio in the case of the rupee ruble is thus a full quarter less than in the case of the dollar, while the amount of gold in the rupee ruble and in the dollar is the same as it was in the ruble and dollar before the war. In order for the export to be profitable for the peasants, it is necessary, therefore, to accept at the expense of the state the difference between the purchasing power of gold at home and abroad.

This means either selling abroad at a loss to the exporting state agencies, or giving them a bonus from the state budget to cover losses during export (the same applies to the export of timber, etc.), so that they can pay the peasant the full "internal" price, although it is higher than the border. According to the estimates

of the People's Commissariat of Trade, out of all the exports that we produce in 1926/27, 448 million rubles are profitable. and for a loss-making 345 million rubles, including a heavily unprofitable about 235 million rubles. In 1926/27, bonuses alone to cover losses, according to Gosplan estimates, require about 50 million rubles. '

It is known that since the time of the monetary reform (winter 1923-1924) there has been a free exchange of the red ruble for gold. This was carried out, however, not in such a way that each person could come with his chervonets to the cash desk of the State Bank and receive an equal amount of gold by weight. This was done in the form of exchange of chervonets for dollars at parity (that is, according to the pre-war ratio of the weight of gold in the pre-war ruble and the pre-war dollar) legally allowed by the government and carried out by the State Bank.

And the dollar is gold. You can now get the same amount of gold for a dollar abroad as before the war. This means that since 1924 we have had an exchange of chervonets for gold, and we stabilized (established) during the monetary reform the chervonets at a level that corresponds to the average world purchasing power of 'gold, i.e. gold, which were in the pre-war ruble. Meanwhile, due to high retail prices, our real purchasing power of chervonets is a quarter lower than the average world purchasing power of gold (in relation to the pre-war one). For the stability of the currency, we must now maintain the "parity" exchange rate of the chervonets in one form or another, firstly, within the country, either by achieving a general reduction in prices, or by continuing to exchange it for gold or dollars at parity, i.e., passing off not a 33 dollar for a chervonets as it should! would correspond to the actual purchasing power at retail prices, and 5 dollars, as follows from the ratio of the weight of gold. This means overpaying out of pocket Ü/i! dollar, i.e. 2-2 rubles per chervonets.

Such a path, of course, is unprofitable—a pure loss, and it took a lot. Secondly, we must maintain a parity ratio in the foreign market by exporting at unprofitable export prices for us (with the payment of certain premiums at the expense of state funds to those state bodies from which we receive products for export, or at a loss for the state in the person of these exporting government agencies themselves).

Consequently, the chain of events was as follows: a higher level of retail prices in the countryside for industrial products caused the countryside to a higher level of prices for agricultural products. And the increase, therefore, in the general level of retail prices meant a decrease in the purchasing power of gold in chervonets. In other words, the role of the commercial bourgeoisie in the distribution of the national income (by organizing a trade link between town and countryside) actually leads to the necessity of measures of little benefit to the state to maintain the parity rate of the chervonets both in foreign relations and within the country, which costs the national economy a certain amount.

Otherwise, it is not possible, under the present situation, to make the sale of agricultural products for export to the peasant equally advantageous as their sale to the home market. But buying the same bread, flax, etc. at two different prices, of course, is impossible. To compel the peasant to lower the prices of agricultural products by 250/0 in general is not a pony; and the size of his expenses for the payment of purchased manufactured goods and the taxes levied (which he must produce on the proceeds of his products), it would be very difficult.

Even if the peasants were forced to such a unilateral reduction by any measures of pressure, the result (at the current retail prices in the countryside for manufactured goods) would inevitably be a major reduction in the peasant demand for

manufactured goods, with all the economic difficulties that follow from this for industry and for the state. and political complications.

Refusal, under conditions of peaceful construction, to maintain the parity of the ruble ruble, i.e., the rejection of a stable ruble, would bring enormous harm both to the proletariat in particular and to the state economy as a whole and would be a heavy political blow to us. Again, a systematic, continuous depreciation of wages would begin, the impossibility of stable economic accounts, etc. Therefore, such a path is unacceptable. And then, with the existing retail prices for manufactured goods and agricultural products in the countryside, we are left with (since the rejection of all exports and the desire for complete economic isolation of the USSR is also unacceptable for us) or none of the costly systematic payment by the state of these two benefits and, firstly, export and, secondly, by supporting the parity exchange of the dollar and chervonets on the domestic free market, or to achieve a reduction in the general level of retail chains in the country by about 20% against their level in 1925/26.

It is easy to understand that the cost of these two bonuses essentially means a completely unproductive pumping out of a significant part of Soviet funds for a double premium of the bourgeoisie - external (taking on the difference in the purchasing power of gold) and internal (maintaining the exchange rate red ruble on the internal free market).

The role of spending on both bonuses will thus approach that of the payment of interest on state loans in the pre-war budget.

We canceled the loans, and now with these premiums, although in a smaller amount, in a different form, we are paying tribute to the bourgeoisie (in addition to the indemnity that it itself takes from our national income by concentrating in its hands,

on the one hand, the sale in the countryside of a certain part manufactured goods, and on the other hand, buying up the products of the peasant economy in the same place).

Both types of bonuses socially strengthen our opponents. There would be no prospects here if the rural trade remained for many years predominantly in the hands and under the leadership of the bourgeoisie, and therefore the present level of retail prices were maintained. In order to ensure the possibility of export (necessary for obtaining certain types of raw materials and equipment) and to ensure the stability of the chervonets inside the country, we would then endlessly have to pay both these bonuses to one degree or another or incur corresponding losses, which would become more and more significant absolutely as absolute growth of our economy. It is much more expedient to use these same funds for the cooperative mastery of the retail trade in basic commodities and in this way to lower the general level of retail prices in the country.

Serious financial assistance from the state of cooperation through large long-term loans to its fixed capital will give it the means to replace private trade in basic manufactured goods in the countryside and private buying up of basic peasant products. It is possible to reduce the village retail markup, as compared with the present markup of village private traders (and the city markup on the sale of foodstuffs by private traders) to such a level that prices will fall on the average by 20o/o, when this trade passes to co-operation, it is possible without prejudice to co-operation. The calculation is simple.

The wholesale factory price of manufactured goods is 100%. The private trader makes a cape of 100%. It turns out the village price of 20%. With a decrease in the level of retail prices by 20%, the price of manufactured goods in a non-cooperative village will remain at 160% of the wholesale factory price. At the end of 1925, the cooperative cape was 47%, and in the spring of 1927

it was reduced relatively easily to about 35%. It means that there would be a surplus of up to 20-25%. This surplus can be used to accelerate the repayment of state loans by the co-operatives and in this way to place them in industry.

A drop in the level of retail prices in the country by 20 per cent is nothing but an increase in the purchasing power of the rupee ruble to about 60 per cent in relation to the pre-war purchasing power of an equal amount of gold. And since the purchasing power of gold (dollar) in the world market is 67% of the pre-war value, that's it! rapprochement would thus provide a solid basis for the stability of the exchange rate of our ruble. The difference of 70/0 is one of those that, without much sacrifice on the part of the state, can be covered by the difference in the costs of producing export raw materials from a producer in the USSR and abroad in Europe.

Such a difference in our favor, if we exclude, from our internal price, the price of 25 r/o, which reflects the decrease in our purchasing power of gold against the world level (due to the indemnity imposed by the bourgeoisie through trade and buying), there is such a difference in our favor, even more than 7%, as all pre-war experience shows.

But now it is completely extinguished by these 25% of the foreign exchange difference turned against us. And when the difference in currency (due to a decrease in the level of retail prices in the country) reduces to only 7%, then the difference in our favor in real production costs will certainly cover not only these 7o / o and overhead costs - for export, but also leave a profit to the state, t i.e. make export profitable.

On the contrary, even a significant increase, for example, in the price of bread in Europe due to temporary (special conditions, which, without the current currency difference, would create a serious enrichment for the USSR, due to this difference can only

barely balance the unprofitability of exporting wheat, etc. And not to export impossible, since that would mean leaving the peasants without selling the products of their economy, and leaving the workers' state without foreign currency to buy foreign raw materials, which are necessary for the operation of a number of our factories, and without foreign machines for them.

The unprofitability of our exports has led to a contraction in imports of raw materials and equipment, to the need to slow down the rate of expansion of current production in comparison with the technically possible (the experience of 1925/26) and to restrain the program of new industrial construction.

Our mastery of the retail trade in the basic commodities in the countryside by lowering the price level, strengthening the currency, ensuring the profitability of exports, and increasing the demand for industrial goods in the countryside (thanks to their cheapening there), would both make it possible and necessary to increase the development of industry, both current and capital.

On the same basis, the question of a further increase in wages lends itself partly to resolution. If we leave the greater part of the commercial super-profits which now remain with the bourgeoisie, after the transition from rural trade in basic industrial goods and the rural buying of basic agricultural products to co-operatives, in the pockets of the peasants, then from the other part the share of the working class in the distribution of the national income can be correspondingly increased.

Of course, in the coming years we can talk only about trade in basic goods with a gradual coverage of various areas and branches of trade as the state invests new funds in this business.

The question of the sources of these funds can be fully resolved with a firm consciousness of the seriousness and significance of the question. Here we have the prospect of how to move towards bringing the level of purchasing power of our chervonets into line with the world level of purchasing power of gold.

This requires a general lowering of the level of retail prices, and this lowering of the level of retail prices is possible by excluding that share which constitutes the excess profits of the commercial bourgeoisie. The bottom line, therefore, is to reduce the indemnity that it imposes on all of us and thereby makes our chervonets to be below the average height of gold in the whole world and our exports to be unprofitable and our industry to be unable to develop at such a pace as this. it would be possible for her, but it also leads to other difficulties.

The solution of all five main Immediate tasks of our economic practice, therefore, rests on one and the same thing. First, making our exports profitable; secondly, the stability of the red currency, raising it to the world level; third, the expansion of industrial output; fourth, the provision of new capital equipment at the required pace; Fifth, a sufficient absorption of the unemployed cadres and ensuring the growth rate of wages—these are the tasks.

I will not dwell here in detail on wage growth, but it is obvious to everyone that wage growth does not miraculously occur, but can occur either through the redistribution of national income or through the creation by the working class of such additional values with helping to raise labor productivity, which will create an opportunity for this.

As for the increase in labor productivity, it is known that at the present time it rests mainly on the need to improve technology, to improve the condition of our technical equipment and to

introduce new machines, to restore old ones, etc., to the insufficient qualifications of our workers, i.e., in the lack of funds for their education, in improving their conditions of existence, so that they could better master the art of work, and finally in the waste of labor (not only absenteeism, but also due to poor lighting and other [irrational aspects of labor organization).

In carrying out long-term work to increase labor productivity, it is necessary to fully take into account the immediate possibilities that the redistribution of national income in this sense can open up.

The transitional period in which we live in the USSR is distinguished by the fact that the class struggle is already being waged under the dictatorship of the proletariat. But our very class struggle against the bourgeoisie for socialism continues, it is not over yet, the division of society into classes has not yet disappeared, the economic role of the bourgeoisie and its economic opposition to the building of socialism have not yet been abolished in the USSR.

The forms of this struggle have changed, but in itself each step forward in the cause of socialist construction is set by life definitely as a task of class struggle in new forms, a rte as a simple technical task of successful planning in a society homogeneous in social structure. This must be kept in mind with complete clarity.

Ensuring the current and capital development of industry, the profitability of exports, the stability of the red currency, the growth of wages—all this, in the conditions of our transitional epoch, is the task of class struggle, only struggle in new forms: not by strikes, as before the revolution, not by arms, as during the revolution, not by arrests and, as in the era of the civil war, but by the economic ousting of the bourgeoisie from the trade

position it has seized. For such a substitution, money is needed (as for any war), funds are needed to replace with them the capitals of the bourgeoisie invested in trade. If, on the other hand, bourgeois trade is "forbidden" without replacing its means with its own means and its activity with its own activity, then this would mean only c. corresponding part to stop the course of economic turnover in general.

It is precisely the role of the bourgeoisie in the business of selling and buying up the basic industrial and agricultural goods in the countryside that we run into. This is precisely the class position of the enemy, which can neither be bypassed nor bypassed, and without first taking which it is impossible to fully and at the necessary pace solve the question of the further industrialization of our country, i.e., the whole set of questions about the profitability of exports. , about the stability of the currency, about additional investment in the capital expansion of industry, etc.

Therefore, one of the most basic moments in our economic plan should be the allocation and search for funds for state assistance to the cooperatives with a view to a much more complete coverage of the rural market (both buying and selling), than is the case at the present time (and connected with this is the organization of the sale of peasant products in the city).

The plan would not have been sufficient if it had forgotten about this task, precisely about the task of "financing" the cooperative system, which V. I. Lenin emphasized with particular force in his last articles, which have the character of a political testament.

This clause of the testament, to which the testator himself, as is well known, attached increasing importance to the transformation of our economy under present conditions, must be carried out with ever-increasing energy, with unflagging

firmness. Using the example of difficulties with the profitability of exports, the exchange rate of chervonets, etc., it should become quite clear even to those who did not fully appreciate this before, how right Vladimir Ilyich was in recognizing this item as decisive in our conditions (i.e., with cash we already have the dictatorship of the proletariat and its nationalization of industry, transport, banks, and foreign trade).

When the country's state budget alone (except for bank lending) increases annually by about a billion, then it is so impossible to gradually find in a few years those hundreds of millions that are required to approach the problem of "crucial importance", if only this is its decisive importance, oh which Lenin said, should really be assessed properly.

I am not concerned here with the organizational aspect of the matter—the difficulties of a wider development of cooperative work in the countryside, for example,1 in the sense of selecting suitable people, in the sense of limiting abuses, etc. These difficulties are undeniable, but surmountable.

In the first place, even now our co-operatives, for all their disorder, trade in the countryside cheaper than private merchants. Secondly, if tsarism was able to organize the "state shops" that regularly traded in the villages, then there is no reason to think that we Bolsheviks will be able to organize in the end; our (cooperative) shops are even more successful than tsarism in the villages. There would be funds, and the rest is a matter of experience, study, and organizational skills. And the lack of organizational talent seems to be the only vice that our opponents have not yet attributed to us.

It may be that not all practical proposals for finding funds that can be put forward will be recognized by everyone as successful, but in any case it is time to raise this question practically on the proper scale, because with small handouts of

cooperation of tens of millions a year we are far from quickly solving the problem, let's move on. It is necessary to invest 200,000,000 rubles a year in this business through banking and budgetary means in order to replace frequent trade (and its absolute increase) in all the main vital branches (not only in the countryside) during the coming decade. Secondary industries can remain in private hands for a longer time.

The real way of finding funds now is the way of redistributing the national income. It seems to me, however, that in this area the line of least resistance should run not in the direction of claims against the average rank-and-file peasantry, but in the direction of a decrease in the share of the merchant bourgeoisie and an increase in the share of workers.

All five of the immediate tasks I have indicated related to resolving the issue of the level of retail prices (exports, gold coins, industrial output, capital equipment, wages)—these five points taken together make up the bulk of what we mean by ensuring growth. industrialization of the USSR, than we solve the problem of the rural poor for more than half.

After all, the growth in the number of workers means nothing more than the pulling over of a certain number of the rural poor from the unfavorable conditions of beggarly existence in the countryside under conditions of a more human existence as a worker in industry, transport, etc. In recent years, we have had the following: in 1924/25, approximately 1% of the total population was transferred from the agricultural population to the non-agricultural population, and in the 1925/26 business year, approximately 1.5%. This pace, if we supported it, would be the actual social essence of our country's economic development plan for the coming years. Maintaining this rate for another 10 years, and instead of 20% of the population, which are workers and employees with their families at present in the USSR, in 10 years we would have at least 30%, which, of

course, would greatly increase both the strength of our regime and our role in the future world battle for the triumph of the socialist revolution.

The task of replacing the bourgeoisie by us, especially in rural trade, is thus far from being of secondary importance. To a large extent, the question of the rate of our economic development rests on it. If we don't take it seriously enough, then we won't care too much about solving it. We will consider that for us the main thing is only large-scale industry, banks, foreign trade, wholesale trade, transport, and rural retail trade is, they say, not a commanding height.

In reality, however, trade in wood is one of the Commanding Heights in our economy, and the experience of 1925/26 sufficiently illustrated this significance.

It must be understood that the solution of the fundamental questions confronting us requires, as a preliminary condition for accelerating the pace of our development, the solution of the problem of conquering this commanding height, the last of the major commanding heights (which still remain in the hands of the bourgeoisie. Therefore, by the way, are especially unacceptable there were proposals from the opposition (Comrade Pyatakov, Comrade Smilga, and others) to withdraw Soviet funds from trade.

Annual additional leave but 200 million rubles. to win this commanding height instead of such a "withdrawal"—of course, such things are not done so quickly, experience must first be accumulated more, thought out, generalized, digested. Immediately, this, with lightning speed, is not done.

But the task itself must be set. Without setting this task, without drawing public attention to it, without understanding that it is not only a matter of miscalculations that the level of retail prices is a task of paramount importance, that it can be solved not by

technical, but by solving a social problem—without this we will not speed up the pace of our industrialization.

It does not follow from all this, however, that without the replacement of the private owner in the countryside by cooperation, our industrial development will generally be over, that it will only go through a stump.

Such panic would be inappropriate. The fact is that in Soviet economic development there are so many conditions of power, which we quite often underestimate, that even with an insufficiently clear understanding of this immediate task, with insufficient concentration of our attention on it, even with further leaving retail trade in the hands of the bourgeoisie and for the next for a number of years, nevertheless, we have undoubtedly been assured of even faster growth (industry than is currently assumed by planning bodies, judging by the "five-year plan" of the Supreme Economic Council, discussed at a meeting of industrial planning bodies in June 1927, and according to " Materials "of the State Planning Committee of the USSR for the five-year plan, published before.

Let me remind you of one prediction that I allowed myself to make in 1922/23. Then we were in the second year of economic development after the end of the war.

In 1921, the Congress of Soviets adopted a plan for the restoration of the economy, the so-called GOELRO plan, based on the fact that the pre-war level of our industry would be reached by 100% only in ten years, by 1931. Then, in 1922/23, On the basis of the analysis given in the report, if I am not mistaken, in the Business Club, I pointed out that, given the state of our economy and the objective possibilities that lie in it, we (in the absence of a new war) will reach 100% of the pre-war level of industry and wages, not in 1931, but four or five years earlier, i.e., approximately in 1926/27.

Now we know that the level of output of our industry in 1926/27 is by no means less than the 100% that I foresaw at that time; poshest to this level and salary.

Meanwhile, when I made these "predictions" (for example, when I wrote about wages in Rabochaya Gazeta, etc.), a number of comrades were greatly affected by this and spoke of "fantasies and castles in the air."

Since these castles turned out to be from such “air” that can serve as a reliable building material (for we reach 100%! Not in 1931, but really in 1926/27), since I am now with even greater confidence—because now our economic life has been much more studied—I can expect that the growth of the output of our industry will be ensured even more than expected by the planning authorities (in the absence of war) even in the event that rural procurement and the supply of village manufactured goods remain in the hands of private trade to the present degree still for a number of years.

Consequently, we will not perish, we will not perish, the process of industrialization will not stop unless private trade is driven out of the countryside with lightning speed. But we will increase the rate of our industrialization and its security, we will strengthen our economy, we will make unnecessary expenditures on covering the unprofitability of exports, on maintaining the exchange rate of the chervonets, etc., we will make all these conditions more favorable if Let us devote more attention and resources to the task of winning the position of the retail trade, to wresting it from the bourgeoisie in favor of the co-operatives. By the way, industrialization itself will become cheaper then, by the way. Meanwhile, a lot depends on the pace of development and its security.

If the process of industrialization does not stop in our country, provided that the bourgeoisie participates significantly in trade

with the countryside, then the rate of growth of this industrialization will still lag behind what is possible if the bourgeoisie is forced out of this position.

We sometimes—precisely due to the prevalence of the misconception that Europe is in a state of increasing decline in its economy (while Europe, on the contrary, is in a state of gradual development, considering that it is not particularly important, we have developed by 5% or 10% per year. In this respect, Comrade Bukharin recently stressed with particular energy that the questions of tempo are questions for us, the importance of which almost no other can compare with. I have taken the rate of our economic development over the past five years and, on the other hand, the average rate of economic development of the bourgeois states over the same years. Our pace is relatively faster, but our absolute values are negligible.

Therefore, if we look at what our share in world output will be in another five years, while maintaining the pace that both we and they have, it will turn out that) our share in world output, it is true, will increase, double, but on a number of important points will still be extremely insufficient. In the extraction of electrical energy, for example, in 1925 we had 1% of world production, and five years after that we can have up to 2.5%. In terms of the number of cars, we will have 0.26%, i.e., an increase of 2% times against (the current one, absolutely very large (all according to calculations made in the Gosplan's sector of the world economy), but much less than would be desirable.

After all, our (USSR) population is almost 8% of the world's population.

In order to be able in the future to provide major active assistance to the European and world proletariat in those great battles and wars that will confront it over the next ten to fifteen years with perfect historical inevitability, in order to provide it

with the greatest guarantee of rapid success, we need to increase the pace in every possible way. our economic development. And in order to speed up the pace of economic development, we must remove from our economic body that thorn in it that now exists in it in the form of bourgeois trade, sitting between the peasant countryside and the proletarian city. Private capital, on the other hand, should be used in other areas of the economy, in house-building, etc. (since it will not be placed at the disposal of the state by tax authorities). You can also freely leave in his hands some secondary branches of industry and trade, new concession enterprises, etc. (see the section on industry), but not retail trade in basic goods and consumer goods (and even more so, of course, wholesale purchase of these items and their supply).

There are assertions that, given the current size of industrial production, high prices in the retail market are inevitable, because consumers are willing to pay more if there is a shortage of goods. But those who uncritically, without any reservations, thus transfer onto the economy of the Soviet system the economic rules and laws inherent in the bourgeois system are judged incorrectly, too simplistically, and even flatly even.

Such a vulgarization is precisely the idea that, given the disproportion (in the sense of the country being less saturated with manufactured goods than with agricultural goods), the prices of manufactured goods in the countryside must necessarily be very high, which is why it is hopeless to strive "to achieve a serious reduction in prices there until industry develops additionally very significantly.

This means a complete disregard for the existence in our country not only of the private bourgeois, but also of the state-cooperative system of exchange and distribution. And the latter gives the full possibility of limiting prices within its limits below that exploitatively elevated level, which they achieve in

conditions of insufficient supply when it is concentrated in the hands of the bourgeoisie or with the leading significance of its practice in the market. But in order to put this limitation into practice, in order to use the possibilities which the Soviet system provides, this sector of the trade front must be taken into Soviet hands and these hands (co-operation) themselves must be well organized at the same time. The intensification of the economic struggle to replace the bourgeoisie on the main lines of the trade link is the key to resolving a number of our difficulties, a necessary prerequisite for more successful industrial and socio-political construction.

Dynamics and activities.

The main thing in the dynamics of private trade in the USSR over the last five years (1922-1927) is that during this time the share of all goods passing through it from the composition of the total commodity mass of the country has significantly decreased. Not only did its share in the total turnover of goods (i.e., in the sum of all transactions, including repeated ones—according to Narkomfin's tax data) decrease, but the relative share of all products passing through it also decreased.

If we take the total, what part of all industrial and agricultural/ household goods together (except for intra-peasant turnover) the population received through private retail in 1922, then this share will exceed 80%. Meanwhile, in 1925/26, as we have seen, it was already only about 50%. This difference can be used to measure the success of the state and cooperation in replacing the intermediary role of a private trader with their activities. The successes are exceptionally large for one five-year period, if we remember that they were achieved in the

main not by prohibition, but by economic substitution, by the economic victory of private trade.

Accordingly, the role of private wholesale trade also increased in the sense of reducing the share of the total mass of goods that passed through it.

Of course, that part of the taxable commodity turnover (the amount of transactions, including repeated ones), which fell to the share of the private trader, also decreased.

In only two years, from 1923/24 to 1925/26, this last figure (according to Gosplan's Control Figures, p. 374) fell from 59% to 39% for private retail trade and for private wholesale trade. —from 22% to 9.4%.

It has already been explained in detail above that these figures do not in any way coincide with the percentage, which shows what proportion of all goods goes through private trade (15 percent must be thrown in to paralyze the influence of the abundance of repeated transactions in state and cooperative trade).

But they give an idea of the trend, of the direction of development. For both a few years ago and now in the structure and functions of state trade there were the same features that create a discrepancy between the percentages in the sum of turnovers and the percentages in the mass of goods. But besides this, there is also the direct information cited above about a decrease in the share of private traders in the very mass of all goods carried through trade, including those specially on the broad market.

This retreat of private trade in the face of the growing economic power of the state was, of course, neither uniform in all parts nor continuous. Such complex economic processes do not occur in such a straightforward manner. The retreat itself took place, for the time being, not by reducing the absolute value of private trade (the number of goods, the amount of turnover), but by reducing its relative share with absolute growth. This means that with the general upsurge of the entire economy of the country, with the general growth of all trade, state and cooperative trade grew faster than private trade.

Five years of experience gives a rather impressive reverse result in the form of a serious relative decrease in the role of private trade in the country. And in modern times, the time will come for an absolute decrease in the number of goods passing through it and the amount of its turnover.

The uneven retreat of private trade before us was manifested in its unequal absolute growth in three different directions. These data show, at the same time, which areas of activity it clings to most stubbornly and where our efforts should primarily be concentrated.

First, in terms of the absolute sum of turnover from the first half of 1923/24 to the first half of 1925/26, private trade in the countryside more than doubled, while in the city it even decreased slightly, by 8% (p. 21 of the collection of the People's Commissariat of Trade "Private Trade of the USSR").

Secondly, in general, the rate of absolute growth of private wholesale trade is much greater than that of retail trade. I already cited from Gosplan's Control Figures (p. 374) that from 1924/25 to 1926/27, in two years, private wholesale turnover increased by 80%, and private retail turnover only by 33%.

Thirdly, in the trade in state products, the absolute turnover of private trade fell, while in the trade in non-state-made goods (peasant, handicraft, capitalist), on the contrary, they increased significantly (the exception is the procurement of grain, where the share of capitalist buyers has decreased). The decrease in the absolute size of turnover with state-produced goods occurred in connection with the almost complete displacement of the private trader from mediation between individual state enterprises (very common at the beginning of the NEP) and in connection with the recent significant increase in the transfer of manufactory and some other state products through cooperation.

As regards the lack of continuity in the pace of ousting private trade from the country's commodity circulation, one moment of the most energetic pressure can be established (after the crisis of 1923/24, which led to an accelerated decrease in the share of the private trader by 1924/25) and one moment of relative stabilization of private trade. networks and trade itself (this was observed in 1925/26, when the percentage of the network and partly of turnover attributable to the private trader increased). In the aforementioned collection of the People's Commissariat of Trade, ed. comrade Zalkind developed

the relevant data of Narkomfin's tax information, from which we take the main illustrations (pp. 160-163) of the indicated movement. Firstly, the dynamics of the urban network. The share of private traders among the total number of trading establishments of the corresponding categories was:

	1st and 2nd	3rd, 4th and 5th grade
July-October 1922. . .	99.3%	83.5%
October 1924-March 1925	94.4	65.8
April-September 1926. .	96.5	66.2

Second, the dynamics of the rural network. The share of private traders among the total number of trade establishments of the corresponding categories was:

	1st and 2nd	3rd, 4th and 5th grade
July-October 1922. . .	97%	65.2%
October 1924-March 1925	93.5	32.1
April-September 1926.	97	38.9

We divide all the data into two groups: capitalist trade (3rd, 4th, and 5th digits) and non-capitalist private trade (1st and 2nd digits—pedlars and kiosks). However, for each individual category in particular, the same dynamics is obtained, with the only exception for only one half year for only one fourth category (p. 160 of the collection).

A similar movement—a rapid fall from 1922 to 1925 and a significant slowdown in the fall and a partial increase in 1925/26—we have in terms of total turnover in private

trade. Reporting data about them for; 1922-24 are available in the collection of the People's Commissariat of Trade (p. 163) and for 1924-1926 - in the review of the member of the Presidium of the State Planning Committee V Groman "Control "figures and reality" (in "Economic Life" of April 2, 1927). Unfortunately, these data are not disaggregated by categories and between urban and rural areas, but still give a sufficient idea of the general nature of the changes and their pace. All data are based on the tax reports of the NCF; therefore they are quite homogeneous and comparable. The share, i.e., the percentage of private trade turnover in the total trade turnover of the USSR, was, according to these data:

1922/23	55,9 %
1923/24	45,9
1924/25	29,6
1925/26	27,7

It should be noted that the reporting data for the last two years show some of our underestimation of the degree of resistance of private trade to its displacement. Between the control (i.e., supposed, design) figures of the State Planning Commission and between the reporting data (i.e., what then turned out to be in reality) turned out to be for; 1925/26 significant difference. The share of private trade in the total trade turnover for 1925/26 is:

According to "Check Digits". 24% reported 27.7%

I don't know how Gosplan worked out the tax reporting data of the NKF for 1924/25 and for 1925/26, which

Comrade Groman uses in his review. The immediate reporting data of the NKF for these two years, presented by Comrade Frumkin to the said commission, emphasize even more sharply the fact of the relative stabilization of the turnover of private trade in 1925/26 in comparison with the previous year.

According to these tax data of the NKF for 1925-1926 (corresponding to actual trade for the period from April 1, 1925 to April 1, 1926), the absolute growth of each of the three types of trade separately amounted to:

Cooperative.....+14.1%

State ....+14.8%

Private..... +43.7%

In other words, the growth in the turnover of private trade in the last accounting year—for the first time in a number of years—was faster than the growth in cooperative and state trade, three times faster. Due to this, according to the same NCF data, over the same year, the share of cooperation in the total trade turnover of the country decreased by almost 1-2/3%, the share of the state also decreased by almost 2-1/3% (and is 50.8%) , while the share of private trade, on the contrary, increased by almost 4%.

The relative stabilization (according to Gosplan) or the relative growth (according to Narkomfin) of the turnover of private trade in 1925-1926, which distinguish this year from previous ones (and correspond to the character of the

change in its network described above), is explained by two circumstances.

Firstly, 1925/26 was a year of marked increase in the gap (distance) between state industry selling prices and private wholesale and retail prices in the direction of increasing the private owner's income. The private trader could use market conditions and therefore tried in every possible way to increase his turnover, especially since taxation, as we will see below, was not in this respect, for him, such a great obstacle as is sometimes thought (see the section "Private capital and taxation").

Secondly, in 1925/26 the process of shifting capitalist trade into the buying up of handicraft and peasant products and into trade in them and products of private industry developed especially intensively (which continued into 1926/27 as well). The relative revival of handicraft and capitalist industry this year also had an effect here (in the section on industry, the Supreme Council of National Economy provides a report on the growth of 65% per year in the private licensed and concession industries taken together).

As for 1926/27, tax reporting data on turnover cannot yet be available. We can expect the same processes to continue this year, i.e., on the one hand, the closure of private firms that legally trade in state-owned manufactory, and the further significant expansion of private trade in so-called "perishable" food products (vegetables, meat, butter, eggs etc.), timber, building materials, handicrafts, and similar non-state products. Separate indications already available regarding 1926/27 seem to confirm this.

Thus, “Materials for the report of the State Planning Commission in the STO” on the economic situation (state), published monthly in “Economic Life”, report that in February 1927, compared with January 1927, private retail trade grew faster than state and cooperative; that in March 1927. compared with February, it again grew faster (private grew by 11.8%, and state and cooperative only by 8%; see Economic Life, April 30, 1927); that in April 1927, compared with March, it again grew faster than the state and cooperative (which grew by 4%; see Economic Life "of May 31, 1927). In particular, according to the RSFSR, according to the data of the People's Commissariat of Trade of the RSFSR, "in April there is an increase in the turnover of urban and rural retail trade", and "the turnover of state and cooperative trade has decreased", and along with this "a significant revival of private trade is noted" ("Economic life").

Especially noticeable is the slowdown in the growth of cooperative trade compared to private trade—as in 1925/26—in the countryside. Thus, according to the report of Comrade Lyubimov, Chairman of the Centrosoyuz, at the All-Union Conference of Workers' Cooperatives, during the first half of the 1926/27 financial year, the turnover of rural cooperatives increased by only 9%, while that of urban cooperatives by 33%, i.e., approximately in step with the general the growth of trade turnover in the country ("Economic Life" of May 8, 1927).

Incidentally, even from some individual large urban centers one now comes across in the newspapers information about the relative stabilization of private trade in the current year 1926/27, and even sometimes about a slight increase in its share.

Here, for example, in Moscow, the “Control figures for the economy of the Moscow province” were recently issued signed by the chairman of the Moscow Council, comrade Ukhanov, in his brochure, which is called so.

There, on page 54, a certificate is given on the share of a private trader in retail trade in Moscow and the Moscow province and indicates that in 1924/25 it amounted to 33.4%, in 1925/26 it was already 36.0% and in 1926/27 it was even slightly higher—36.5%. Of course, Comrade Ukhanov could not yet know the results of the entire 1926/27. Obviously, this is a planned assumption based on preliminary tentative data. Nevertheless, it indicates that private retail trade is expected to be relatively stable (even with a slight upward trend) even in Moscow itself.

Another example. From Dnepropetrovsk, a large Ukrainian center (former Yekaterinoslav), there is a telegram in Pravda dated March 23, 1927, that there the share of the working budget covered by cooperation and state bodies has fallen from 38% last year to 35.4% this year. year and at the same time the proportion covered through private traders increased accordingly.

From the Donbass (Shterovka), a cable was sent to Pravda on April 2, 1927, that there the share of the working budget covered by state bodies and co-operatives had fallen from 47% to 38% in comparison with the previous year, and, on the other hand, the share covered through private merchants by the main way through agricultural commodities like butter, eggs, etc.

It can be assumed that the relative stabilization of private trade will end with the financial year 1926/27. This stems from two circumstances. First, in 1927, serious measures began to be taken in practice to reduce the gap between selling factory and retail prices.

As of June 1, 1927, compared with January 1, 1927, the general level of retail prices for industrial products had already fallen by approximately 6%, and this process will continue in the future.

Secondly, the changes that have taken place in the nature and direction of private trade in recent years are already being realized (a significant transition to trade in non-state products, the special role and importance of wholesale trade, the uncharacteristic nature of the closure of private manufacturing firms for judging the general situation of capitalist trade, etc.).

In connection with this, the comparatively unsystematic attack on private trade, so to speak, on a loose front, which has sometimes not given all the expected results, which has sometimes not yielded all the expected results, will be replaced by a more thoughtful, more planned, and more concentrated economic campaign on precisely those sectors of the front where at present The moment to focus attention is necessary. The improved financial situation of the state-financial economy makes it possible to provide the ongoing activities and the necessary funds somewhat better.

Based on our previous presentation, the essence of the measures that have matured and are planned for gradual implementation can be formulated approximately as follows:

1) introduction of a plan for the economic displacement and replacement of capitalist wholesale and semi-wholesale trade (establishing a priority order for the termination of its lending and supply in the relevant industries and regions, appropriate tax measures, etc.);

2) the reduction of commodity, money and advance credit provided by the state to capitalist trade, and the direction of this part of it for the development of cooperative procurement and cooperative supply;

3) strengthening state and cooperative procurement of the so-called "perishable" food products of the peasant economy (butter, vegetables, meat, eggs, etc.), and ensuring this work by

creating appropriate equipment (building refrigerators in large work centers, equipping special wagons for transporting etc.);

4) development of a state and cooperative organization for the sale (and supply) of handicraft labor industry;

5) ensuring the full actual observance of the greater favorability of consumer cooperation in comparison with the private owner (in particular, taxation), especially bearing in mind the importance of bringing industrial goods to the countryside precisely in a cooperative way;

6) more significant consideration in the plans of bank lending of the need to develop cooperative trade in the indicated areas than has taken place to date;

7) limiting the arbitrariness of private traders in setting prices by encouraging public control over them (up to a boycott for excessive price inflation) and creating a direct connection with a suitable part of the retailers to eliminate the influence of private wholesalers on them and to limit the level of their prices and incomes by relevant agreements; moreover, the share conducted in this way through private traders should decrease with the growth of organizational and other opportunities for cooperation.

It is not difficult to see that the totality of these measures should lead to a gradual actual limitation of capitalist and private trade in general only in capitalist products and direct sales by individual small producers to individual direct consumers. If we take, for example, the wholesale and semi-wholesale capitalist trade in industrial products for 1925/26. , then this would mean reducing it to only 11.7% (capitalist output) instead of the 28% of the total mass of industrial goods that actually went through it.

At the same time, as the domestic system of capitalist industry was "decapitalized", the part of the handicrafts that is now subject to capitalist industrial exploitation would still gradually be liberated.

And thus the share of the capitalists in the trade in manufactured goods would also fall significantly below 11.7% (because this also includes the products of the "domestic system"; see the section on industry).

If we take all private trade in agricultural and agricultural products (except intra-peasant turnover), then the gradual implementation of the planned measures would mean a decrease in the share of purchases by the urban population of foodstuffs of peasant origin from private individuals from 75%, as it was in 1925/26, only up to 30% (the capitalist part of the procurement would have disappeared).

As further prospects (in life they are carried out in parallel, only at a slower pace), one can outline the transition of private factories and plants to sales only to state bodies and cooperative associations, and in agriculture, such a degree of marketing cooperation of peasants, under which personal sales by them would also disappear. bazaars and were replaced.

sales to the relevant consumer cooperatives and economic agencies. It goes without saying that all this is not done all at once, it takes time, organization, culture, and funds. But the general line is moving in this direction, and the next regular measures on the planned path are already quite clear. The necessity and possibility of their implementation have been tested and proven by life experience.

Even with an unsystematic, dispersed attack on private capital in trade, we nevertheless managed to achieve over the five years of 1922-1927. to reduce its share in trade by at least half,

although not without difficulties, not without unevenness and interruptions in time.

Now, when the thoughtful experience of the past five years, the plan and new means are introduced into this matter, there can be no doubt that the coming five years will give us a no less rate of reduction in the share of private trade in the total mass of commodity output of the USSR.

Private Capital in the credit and money market.

1. The amount of credit capital

The most unexplored and even generally unexplored sphere of activity of private capital in the USSR is its size and operations in the credit and money markets. Meanwhile, it is precisely here that public opinion—and not without reason—sees one of the main centers of speculative activity and profit for the capitalists in the USSR. So far, there has been no even rough tentative attempt to estimate the size of the private credit market and characterize its connection with other areas of the private economy and its significance for them at least approximately. The attempt I am making now is therefore only the very first approximation to reality and, no doubt, will still need corrections and additions. But such an initial outline nevertheless gives an idea of the scale and role.

Even individual types of private credit capital have not been subjected to any coherent examination, except for the question of the participation of private capital in state loans. It cannot be said that in general there are not at least fragmentary and partial materials on questions of private credit capital, which, in their totality, can nevertheless give some idea of the matter (otherwise this section of this book could not have been written at all). But the attention of observers has hitherto been attracted more by private trade, with which the population has to deal directly, and partly by private industry. And the private credit capital standing behind them, which financed them, skimmed them off the foam and maneuvered them, remained in the shadows.

In our summary, we take into account the following types of private credit capital in the USSR (except credit capital in agriculture, which is discussed separately below):

a) pawnshop operations;

b) discount (in the order of personal usury);

c) contributions to mutual credit societies;

d) deposits in state credit institutions and savings banks;

e) funds linked in operations with foreign currency and gold;

f) purchase of government loans;

g) the balance of private financing of private trade;

h) the balance of private financing of private industry (including transport, construction, timber).

Lombard transactions mean loans secured by movable property issued by capitalists to individual citizens for their household or small business needs. For these operations, the state opens, among other things, state pawnshops (which already existed in some large centers before the revolution). Adjoining these operations is the accounting (discount) of consumer bills and the issuance of loans on them also for personal, family, or small business needs. For this purpose, by the way, a number of "savings and loan associations", "mutual aid funds", etc. organizations controlled by the state have already been established. Yet both of these operations—loans against household goods and loans against personal notes (not for the purposes of capitalist trade and industry)—are the favored branches of private usury. As indicated in the second section (chapter on foreign exchange transactions), there is information by regions (expert estimates of special observers), the summation of which for the USSR gives a value of up to 20 million rubles, private funds invested in this business. Usurers of this type are usually not very big capitalists. "In Moscow, private discounters usually own small amounts of 4-5 thousand rubles. The discount rate reaches 7% and (the loan) is issued

only against reliable security" (p. 33 of the Review of the People's Commissariat for October-December 1926).

It is possible, of course, that somewhat larger sums are actually circulating in urban personal usury, but there are no direct indications of this. The indications in the workers' budgets about the systematic private credit used by the workers should for the most part is not included in this figure. For the worker it is mostly interest-free small-shop credit or non-usurious loans from acquaintances.

Deposits in state credit institutions (except savings banks), as indicated in section two (chapter on state credit), amount to only 8 million rubles, if we count only capitalist firms, which themselves then use credit in our institutions. In addition, on the same date (October 1, 1926), these state credit institutions had more than 20 million rubles. deposits of small and medium-sized labor investors (freelancers, employees, etc.), whose deposits do not serve the purposes of any entrepreneurial activity, are of a consumer nature (put aside for a "rainy day", for old age, collects for treatment, etc.). etc.) and are not included by us in the credit capital belonging to the capitalists.

In savings banks, the contributions of non-working elements and "others" (under "others", one might think, they are modestly hidden) together amount to 14.5% of the total deposits (as given in section two, chapter on government loans). The entire amount of deposits in the savings banks of the USSR on June 1, 1927 amounted to 150 million rubles. ("Economic Life", June 24, 1927). Consequently, about 20 million rubles are accounted for by the capitalists.

In voluntary state loans, as indicated in section two, before October 1, 1926, according to the estimates of our financial agencies, private capital invested up to 18 million rubles. their

funds. Since then, this amount has increased to about 22 million rubles. by June 1, 1927, in connection with the autumn winning interest-free loan of 1926 and with a ten percent loan of 1927. The real investment of private capital in both loans is added about 9,700 thousand rubles. with a nominal subscription of 40 million rubles. (memorandum of the senior inspector of the Narkomfin comrade Fashinsky), and the funds invested by the capitalists by extracting them from previous loans are deducted (ibid.). By the way, in the part placed among the capitalists, both of these loans suffered the same fate as the previous voluntary loans of 1925 and 1926. That is, having removed the foam during the subscription period (ended on April 1), already in May, the capitalists "threw" themselves from the care of loans, throwing them back to the state by selling them on the stock exchange (where they were bought up, willy-nilly, by the State Bank and at the expense of the State Fund Office of Narkomfin). On the contrary, as before, the subscription of labor savers turned out to be quite stable. The significance of the collective subscription to the 1927 loan on the part of the working people came to the fore especially. By collective subscription of workers, employees, and handicraftsmen, the 1927 loan tickets were purchased by about a million people with an average contribution of about 25 rubles. (as detailed tables show for large centers, for example, for Kharkov, workers subscribed on average for about 20 rubles per participant, employees for 30 rubles, and handicraftsmen for 50 rubles). Of the private capital invested in government loans, according to the calculations of our financial agencies, up to 10 million rubles fall on Moscow, 2.5 million rubles in Leningrad, 1 million rubles in Kharkov, Rostov - 500 thousand rubles, Baku - 500 thousand rubles. etc. (Garnich, On Private Fund Capital, p. 5).

Capitalists' contributions to mutual credit societies amount to about 35 million rubles. Private credit capital in this single area

is openly coming out in large masses and makes it possible to get acquainted with it in more detail. The interest paid by the OVK on deposits (in 1925/26 it was about 40% per year) is quite close to the interest in the private money market and can be considered its lower limit. For if the difference is too great, then the private credit capital, instead of being placed in the OVK, will prefer to take the risks and inconveniences of individual, personal usury. The section for monitoring private capital of the GEM of the People's Commissariat of Trade of the USSR writes, for example, in its Review for the first quarter of 1925/26 the following: "In Leningrad, there is competition between usurious capital and the OVK. The first one lends depending on the provided accounting material and the solidity of the company, from 4-5% to 12-15% (per month) and reaches 5 million rubles in size. (Overview, Chapter "Private Money Market", p. 33).

In transactions with foreign currency and gold, an average of about 20 million rubles is linked. (as indicated in the chapter on foreign exchange transactions, see second section), and sometimes these amounts increase (an example is the period of the gold intervention of the Narkomfin from October 1925 to April 1926, see ibid.). These funds are not exactly "credit capital" as long as they are engaged in the speculative buying and selling of gold and foreign currency. But this operation itself is an appearance on the money market of private credit capital, from which this or that part is directed to this operation, depending on the totality of the conditions and the particular profitability of these operations at the given moment.

It should not be thought that these foreign exchange operations of private capital are taking place completely spontaneously and unorganized. In the second section (Chapter 10), I already gave an example of the operation in 1925/26 in Transcaucasia of special illegal private offices ("barat offices"), which developed

significant operations for storing, exchanging, and transferring Persian currency abroad. Similar offices exist within the USSR for Poland, etc. Private money capital, in the person of its chief movers, generally forms leading centers (not always opened by us), which then govern the petty speculators swarming on the "black exchanges". These centers coordinate accounting policy, the rate of interest in the private money market, etc.—generally "make the weather go there." Comrade Garnich, (an employee of Narkomfin) in his still unpublished "Essays on the history of the currency and stock market of our country" tells, for example, about the three years of 1921-1923. in Moscow, the following: “The stock exchange gatherings on Ilyinka in the mass consisted of relatively small businessmen, casual visitors, and agents of large tycoons of the then private stock market. The main and decisive part of the stock turnover, organized in an organized way, dictating prices (of securities), and artificially creating conjuncture in the manner of the usual technique of stock trading, was concentrated elsewhere. The central point of (decisive private) exchange meetings in the period 1921-1923. there was a Hermitage restaurant near Trubnaya Square, where the average daily attendance was over 100 people and there was a "committee" of several people elected by visitors, active businessmen. The "Committee" had the rights and authority to resolve all disputes and cases arising in business practice. This "committee" made decisions binding on the parties. In relation to these regular meetings (“stock exchange” of private capital), the rest of the “street” (black exchanges on Ilyinka, in Bogoyavlensky Lane, on Karuninskaya Square and in adjacent branches and other places of gatherings of smaller and less qualified businessmen) should be considered as would be a "backstage" or a natural appendage to the main exchange" (Garnich, pp. 4-5 "Essays").

But at the present time private capitalist trade and capitalist industry are the main area for investing private credit capital.

In the section on trade, we saw that, taking the smallest of the existing data and estimates of the placement of private credit capital in it, we have to come to the conclusion that in the summer of 1927 (by the end of the 1926/27 financial year) it amounts to about 200 million rubles here. . And here we have in mind, of course, only the balance, that is, the preponderance, the remainder of the debt of merchants to private individuals over what private individuals owe to merchants.

As for the capitalist industry, then, according to the calculations of the Narkomfin questionnaire (the second, more complete and reduced development by P. Kutler in December 1926), by October 1, 1925, the balance of debts to private individuals for private industry should have been about 135 million rubles According to this calculation, by October 1, 1927, this value should have reached 200 million rubles. But we believe that P. Kutler's development did not sufficiently take into account the mutual connection between private trade and private industry and, therefore, obtained an exaggerated result. With an appropriate correction, we now obtain a balance of debts to private individuals for capitalist industry (including transport, construction, and timber) of only 100 million rubles. by the end of the 1926/27 business year.

Summing up all the above values, we get up to 450 million rubles on October 1, 1927. And for 1925-26, on average, the calculations of the Commission of the Council of People's Commissars of the USSR on the severity of taxation (made at the beginning of July 1927) give a value slightly more than 400 million rubles .

The Size and net accumulation of private capital in general

All private credit capital in the money market (except agriculture), according to sufficiently cautious and reasonable calculations, must now be counted (at the end of the 1926/27

financial year), in this way, as shown in Chapter One, to approximately 450 million rubles. As we saw above, for the same period (approximately October 1, 1927), based on the calculations of the People's Commissariat of Trade, Gosplan and Narkomfin, the capital of bourgeois trade should be calculated up to 700 million rubles, and capitalist industry, as follows from the calculations of the Supreme Economic Council and CSB - up to 450 million rubles. (including fixed and current assets together). The total private capital (without private small non-capitalist economy and without agriculture) thus amounts to about 1,600 million rubles. Moreover, up to 400 million rubles are in circulation and at the disposal of private capitalists (except for agriculture). state credit funds: about 350 million rubles in trade, procurement, construction, and forestry, and about 50 million rubles in capitalist industry, transport, and stock transactions (loans against government loans). In general, therefore, private capital in the USSR is currently operating with its own and state funds to the tune of approximately 2 billion rubles (of which 20% is Soviet credit, cash and in kind, state, and cooperative credit).

If we compare it with what happened six years ago, in 1921, in the first year of the New Economic Policy, then we can assume that at that time private capital operated approximately one billion. Including their own funds at the beginning of 1921, there were about 150 million rubles. (see section two of this Book), and the rest was a variety of state loans (mainly commodity).

Thus, in the past six years of NEP, the entire direct economic base of private capital has absolutely only doubled. Meanwhile, the state economy expanded at a faster pace: the output of state industry has quadrupled in this six years, almost the same applies to the work of state transport and the state budget.

Owing to the fact that the absolute growth of the state economy was faster than the absolute growth of capitalist activity as a whole (to say nothing of the private labor economy), this was the reason for the relative growth in the importance of socialist elements in the country's economy.

At the same time, a significant regrouping took place in the sources of funds for capitalist operations.

The state, thanks to the growth of its own economic organization, managed to get rid of the need to provide its funds to the capitalists in relation to more than half of the funds provided to them in 1921 (reducing the total of Soviet loans to capitalists from 850 million rubles to 400 million rubles).

Only if we turn a blind eye to this major success of ours can we, as the opposition did, try to create an incorrect, artificial idea that capitalist economic activity as a whole, gradually overtakes state economic activity during the NEP period, overwhelms state economic activity as a whole.

Because then it is not the actual means at the disposal of the capitalists (a billion and two billion) that are compared, but only that part of them which was the legal property of the capitalists, and the result is supposedly a faster rate of development of the capitalist economy than the rate of development of the state economy.

Meanwhile, in fact, the totality of capitalist operations developed more slowly, and in the process of this slower development, only the share of the capitalists' own funds increased due to a decrease in the state funds previously provided to them.

This decrease occurred, of course, in connection with the development of state procurement, state and cooperative sales of state products to the population, state trade links between

state agencies for the movement of raw materials, fuel, semi-finished products, materials, tools of production.

The bulk of the accumulation of capitalist property falls within the first three years of NEP (1921-1924); thereafter, its rate of growth slowed noticeably. First, slower growth in recent years compared to the first three years of NEP. This is due to the development of grossly predatory methods of increasing private capital, described in the second section, in the early years, which were then subjected to ever more serious restrictions.

Secondly, a gradual increase in the importance and share of credit capital in the total mass of private capital in recent years has been firmly established. This is primarily due to the partial displacement of private capital by the state and cooperation from certain areas of trade. That is why the new accumulations that had settled in the hands of the capitalists, which only partially found a way out in the capitalist organization by the same entrepreneurs in the handicraft industry, in increasing procurement and trade in meat, vegetables, butter, etc., were looking for applications in the money market. And the development of the industrial and procurement activities of the capitalists in these areas (handicraft, food, etc.), in turn, made it possible to place an ever-increasing mass of credit capital there.

This was also facilitated by the appearance on the money market of voluntary state loans, partly legal sales of foreign currency and gold (see above about "gold intervention"), etc. However, state pressure (including through cooperation) on private capital, which drove it into an increasing share in the money market, led at the same time to such a significant result as a decrease in the level of interest in the private money market. According to the data of the branches of the State Bank (summary of the market subdivision of the FEB dated February 23, 1927), one can compare the private interest on the

accounting of bills in seven cities for March 1926 and for January 1927. For these ten months, in the amount of monthly interest on the capitalist money ("free") market has undergone the following changes:

	March 1926 (in %)	January 1927 (in %)
Moscow.	7-18	4-5
Leningrad	8-12	3.5
Arkhangelsk	7-10	
Kyiv	4-15	2 3/4 -3 1/4
Poltava	6-12	3-4
Samara	12-15	5-8
Minsk	8-9	4-6

Incidentally, this shows that the payment of interest on private credit capital for the year in 1925/26 cannot in any way be considered less than 60 per cent per annum. This is also confirmed by the data of the branches of the State Bank for those cities for which it is impossible to compare with March, but there is information for some month of the second (calendar) half of the year 1926. Here are the data (according to the same report):

	(In percent)
Novgorod.	3-7
Vologda.	5-8
Tula	8-10
Morshansk	
Kaluga	5-7

Kharkiv	7-8
Zinovievsk	
Pervomaisk.	8-10
Saratov	6-8
Chernihiv	
Samarkand	5-8
Simferopol	7-8

Thus, the average interest on the capitalist money market (considering the importance of the various centers, the gradual lowering of the level of interest towards the end of 1926, and the need to calculate compound interest) in 1925/26 cannot be considered less than 60%.

Meanwhile, the net income of private commercial capital, according to the definition of the People's Commissariat of Trade, is about 32%, and capitalist industrial capital (including fixed and circulating capital together), as indicated in the section on industry, even only 17%. The gradation of net profitability thus corresponds to the widespread opinion that the most profitable for capitalists are money speculations (credit capital), then trade, and then industry.

But one may ask, if there is such a large difference between the profitability of the various branches of activity of private capital, how can it be that some capitalists agree to engage in trade and others in industry, instead of all striving to withdraw only into money speculation? The answer to the question lies in the fact that in reality there is no such division: in the overwhelming majority of cases, the same capitalists are both merchants and financiers, merchants, and industrialists, etc. Here we are mainly dealing not with the exploitation of the merchant and industrialist usurious financier. Here we are

dealing mainly with such a maneuvering of the bourgeoisie with their capital that the largest possible part of the real income on it remains outside taxation (the income of private credit capital to this day almost completely eludes taxation in our country, since our tax system knows almost no external signs of for them (catching).

Only by clarifying and understanding this for oneself can one not exaggerate the real net accumulation of the bourgeoisie and obtain the figures indicated by us in the sections on industry and trade; the income from money and credit transactions goes mostly to the same family treasury of the commercial and industrial capitalist and enables him, having provided for the expenses of the family, to have (together with the income from trade and industry) a certain net accumulation. The materials allow us to give an appropriate approximate calculation.

The private capitalist maneuvers his means in the most varied ways. Today he trades in manufactory, tomorrow he goes into grain or other procurements, then he takes on state loans, begins to speculate in gold, grabs at the capitalist exploitation of handicraft industry, etc. turns its funds to finance, for example, the private industry of vegetable oils or capitalist trade in those areas where there was no particular displacement (meat, vegetables, firewood, etc.).

One and the same capitalist not only alternately, but simultaneously, invests his capital in different branches of activity.

He considers this as an obligatory insurance against changes in the degree of always possible (in his opinion) pressure from the Soviet government in one direction or another, and also uses all these methods of temporary changes in the situation and provides himself against its fluctuations.

When a capitalist closes a textile store, this usually does not mean at all that he has gone bankrupt. Usually this means only that, given the position, he finds another use more profitable for his capital and transfers it to the appropriate branch of activity.

In general, such a practice is very widespread when a capitalist has a clearly existing not particularly large industrial or commercial enterprise (even not particularly profitable) - only as a legal cover for his existence and operations, and allocates most of his capital to other operations (financing of cottage industries, private blanks, etc.), which remain uncontrolled and unknown to the tax authorities and for which his apparently existing enterprise serves only as a legal hook, cover or disguise.

These three features of the contemporary activity of private capital in the USSR are: 1) the variability of the occupations of one and the same capitalist;

2) the simultaneous placement by him of different parts of his capital in different areas and;

3) the prevalence of cover-up of the main occupation by some secondary, from the point of view of the capitalist himself, legal enterprise—these three features in their present development are the consequence of what capital takes for itself out of the existence of the Soviet system.

Of course, to a certain extent, all these features also existed under the rule of capitalism, but in a much weaker form compared to the current state. The fact of the existence of the Soviet system, on the one hand, creates a tendency for private capital to extremely increase its maneuverability in the three directions indicated, and on the other hand, it facilitates the implementation of this mobility itself in comparison with pre-revolutionary times.

Before the revolution, factories were owned, but now they are often rented, etc., which makes it easier to extract investment funds if necessary. It does not require any explanation why the presence of the dictatorship of the proletariat in the country arouses in the capitalists an increased desire for insurance in the event of all sorts of political and economic conjunctures and combinations. From this follows the well-known phenomenon that the growth of private capital invested in industry (if we discard concession capital) is much slower than the growth of private capital in general.

On October 1, 1924, out of 300 million rubles. private capital in industry accounted for (according to the CSB tables) only 13 million rubles of concession capital, or about 4%. And on October 1, 1927, yes, 450 million rubles. of private capital in industry, concession capital accounts for 47 million rubles, or about 10% (I take the figure for concession capital as of June 1, 1927, according to a report to the Council of People's Commissars of the USSR).

Thus, the "internal" private capital in industry (without concessions) has grown from 287 million rubles over the past three years. only up to 403 million rubles, or only 40% (which, by the way, lags behind the growth rate of Soviet funds in industry). And in its other forms (commercial and credit together), private capital grows over the same three years from about 500 million rubles. up to 1,050 million rubles, i.e. by 110%. A sufficient illustration of the well-known fact that the internal capitalists in the USSR are not particularly eager to invest their capital in forms of activity that bind it firmly and for a long time. And in industry itself, “internal” private capital exists partly in a hidden form (false artels), partly in the form of financing the domestic system of capitalist industry, partly in the form of working capital with rented factories, etc.—in a

word, for more than half of the comparatively easily extractable form.

The class distrust of the capitalist in the regime of the dictatorship of the proletariat is quite understandable. The foreign concessionaires feel protected by our interest in economic relations with the bourgeois states from which they come to us. The internal capitalists, on the other hand, have only the completely correct conviction that we are carrying out NEP not for their fair eyes, but because we need it, and in those forms and to the extent that, again, we need it.

Moreover, questions about all the details (whether to let private capital into grain procurements in a given year, whether to let it into the leather industry, etc., etc.) - we decide all these questions ourselves, unilaterally, without any negotiations and agreements with private capital.

Under such conditions—although we have established the New Economic Policy in earnest and for the long haul—the capitalist prefers to keep his capital as mobile as possible.

Indeed, the New Economic Policy will not disappear if we impose very high taxes on private commodity mills, tanneries, and oil mills.

But the domestic capitalist, who has not protected himself with a special concession agreement, is not inclined to build a new factory at his own expense, not knowing whether in five years the tax and other policy regarding private industry in this particular industry will change (carrying out a sustainable differentiated approach for a long period, may influence to some extent in this regard).

From all this follows a change in the very type of capitalist activity in the USSR in comparison with pre-revolutionary Russia.

Before the revolution, the capitalists had been divided into quite distinct groups, each with a special range of occupations: bankers, manufacturers, domestic wholesalers, exporters, etc. a financier, and a wholesaler, and an overt or covert organizer of industrial products. When a lawsuit allows one to penetrate into the essence of the totality of the operations of a large capitalist, we almost always face a kind of maneuverable "combine" (like the one cited in the second section of the example of the Leningrad capitalist Legach, who immediately had a small water fleet for transporting goods, shot Pargolov several thousand acres of forest for development and trade in it, rented a plant and was engaged in money speculation).

The peculiarities of the Soviet order, as indicated above, even make it easier for the modern capitalist to increase the mobility of his capital and the ease of extracting it from business in comparison with the pre-revolutionary capitalist.

Before the revolution, the store was often in its own house— now in rented premises; before the revolution, the plant was owned - now, often, rented, etc.

Since basically the same persons are both capitalist merchants, and owners of credit capital, and organizers of capitalist industrial production, the total number of all capitalists in the USSR (except agriculture) should not exceed those almost 180 thousand people, which are, according to tax statistics, average: and large private merchants and industrialists (including about 170 thousand merchants, starting from the third category, and about 10 thousand industrialists, in whose enterprises more than three persons are employed, counting the owner and helping family members). Actually, their number is not 180 thousand, but less.

The tax statistics for the period April-September 1926 actually show almost 180,000 private commercial and industrial patents

(starting from the third category, that is, except for pedlars and stalls in trade, and except for those with less than three persons in the enterprise, in industry). But it happens that one owner owns several trading establishments or both a trading and industrial establishment—then a special patent is chosen for each one.

On the other hand, there may still be several thousand capitalist financiers who (or whose family members) do not choose a single patent. Although, by all accounts, there are hardly many such cases, income tax statistics certainly show that there are fewer capitalists than there are corresponding patents. Thus, if we accept the existence of 180,000 capitalist families in the USSR, this would be an exaggeration rather than an understatement.

In their hands is concentrated all the private capital established by us (except agriculture)—commercial, industrial, and credit capital, totaling 1,600 million rubles. as of October 1, 1927. Almost as many capitalist non-agricultural families (170 thousand) were determined for 1925-26 by the calculations of the Commission of the Council of People's Commissars of the USSR on the severity of taxation (July 1927).

Roughly indicative order, one can give approximately the following scheme of the totality of their total income, including net accumulation for the last financial year. According to the Narkomfin questionnaire developed by P. Kutler (second development, according to complete personal data, p. 9, No. 5 of the NKF "Finance and National Economy", December 1926), for the in trade and industrial enterprises amounted to about 490 million rubles.

By net profit here we mean the amount of profit received by the owners of enterprises, minus the payment of interest on invested and borrowed capital and minus all taxes, except for

income and housing, but without deducting the living expenses of the owner's family. Over the next two years, private capitalist turnover, according to the official data already cited, increased by more than half against 1924/25. Therefore, for 1926/27, the value of net profit in the indicated sense for private commercial and industrial capital can be taken to be about 750 million rubles. To this we must add the net profit on credit capital, which amounted to about 60% per year with a value of more than 400 million rubles, which gives about 250 million rubles. net profit of private credit capital.

In sum, we thus obtain for 1926/27 about 1 billion gross net profits of 180,000 capitalist families from the exploitation of the working population by their capital (in other words, about 4% of the national income).

To get net savings, you must deduct, firstly, living expenses, and secondly, income and apartment taxes. We consider it possible to take an average of 300 rubles for living expenses. per month. Of course, many live longer (even according to income statistics, there are several tens of thousands of payers with an income above 400 rubles per month).

But there are many more such owners of small shops, especially in the provinces, who live on less than 300 rubles. Indeed, the figure of 180 thousand owners also includes the owners of all permanent retail stores, since only a trading establishment is really a shop, and not a kiosk (a kiosk, according to the law, is a booth where no one except the seller can enter). If we assume that the expenditure budget of 300 rubles. per month (above income and apartment taxes) is taken below the actual average, then the number of 180,000 capitalists, on the other hand, is almost certainly taken more than the actual one (according to the peculiarities of our tax statistics), so that in any case the possible underestimation of the average capitalist expenditure budget will be balanced (necessarily also take into account the

residence of a number of people in their own houses and dachas, in apartments at their enterprises, etc.).

With a conditional average monthly expenditure per family of about 300 rubles, about 650 million rubles must be deducted from the gross net profit of the capitalists for 1926/27 for the living of capitalist families. Income and apartment taxes, together with the capitalists, according to the budget for 1926/27 with local allowances, amount to about 100 million rubles. Thus, out of a gross profit of 1 billion as a result of 1926/27, all the capitalists together (except agriculture) are left with only about 250 million rubles. per year of net savings.

This amounts to about 20% per year for all private capital (by the beginning of the financial year 1926/27, about 1,300 million rubles, excluding agriculture). Less than 10% of the entire accumulation of the country is obtained.

If we approximately distribute credit capital between the owners of commercial and industrial capital (allocating a small part, as personal usury for consumer purposes, etc., which is usually delimited from the activities of capitalists engaged in trade and industry), then it turns out that in In 1926/27, merchants accounted for about 150 million rubles from net accumulation. and for industrialists, about 75 million rubles, and the remaining 25 million rubles. fall on the representatives of pure money capital, who are not involved in the organization of either trade or industry.

Of course, this calculation is only schematic; we only want to emphasize here that without taking into account income from credit capital (not taken into account by the statistics of taxation of trade and industry), it is impossible to explain not only that large net accumulation, which follows from the calculations of the People's Commissariat of Trade (Comrade Dvolaytsky), or accumulation, which follows from the calculations of the State

Planning Commission (comrade Strumilin), but even that smaller net accumulation, which follows from this book.

For its entire size would have to be absorbed by the cost of maintaining a family, and it would still not be enough—unless we assume that the average and large Nepman live approximately within the budget of a factory worker. But such an assumption, of course, is clearly absurd and contradicts the evidence that stands before everyone's eyes.

It can be assumed that out of the entire credit capital (about 400 million rubles, except for a relatively small part really separated from trade and industry), the overwhelming majority is in the hands of those capitalists who officially act as wholesale and semi-wholesale dealers.

There are only less than 25,000 of them, and they finance, firstly, the entire average private trade, secondly, handicraft and partly capitalist industry, and thirdly, preparations (to which they are sometimes transferred personally).

They, by the size of their funds and commercial level, can and are able to play on the stock exchange, speculate in participation in government loans, etc. e. As we have seen, on October 1, 1926, the so-called "own capital" of private traders (including smuggling, etc.) amounted to 550 million rubles, and in industry about 400 million rubles. ., and credit capital (except for the agreed small, limited part) amounted to about 350 million rubles.

We believe that it will hardly be a big mistake if we distribute it among the owners in such a way that the total capital of the “merchants” (trade and credit) is about 850 million rubles, and the total capital of the “industrialists” (industrial and credit) is about 450 million rubles At the same time, reality brings these categories even closer, and many "merchants" are at the same time "industrialists" (for example, the organizers of the

domestic system of capitalist industry among handicraftsmen). If we were to start singling out purely industrial capitalists in the USSR, then, apart from foreign concessionaires, it would be unlikely that any significant part of private capital would come to their share.

From this follows the incorrectness and insufficiency of the method common among us of considering the private capitalist only as a merchant or only as an industrialist, and, moreover, confusing him in one case with beggar peddlers, in another with handicraftsmen, and in all cases without taking into account what is in his property. credit capital, which plays a major role in the entire private economy.

My specific calculations, despite their caution and the choice of smaller values when it is impossible to choose, may require further refinement and improvement, depending on the accumulation of new data and their better elaboration. But the very necessity of approaching private capital with more serious and careful assessments, with greater regard for the uniqueness, totality, and internal coherence of its forms under the conditions of the Soviet system, I think I have shown enough.

For a preliminary numerical concrete orientation, in our work we have used, summarized, compared, and evaluated everything significant that we currently have on this issue.

According to the calculations of the Commission of the Council of People's Commissars of the USSR on Gravity (Taxation (July 1927), the average income of 25,000 big capitalists for 1925/26 was determined at 16,000 rubles per owner, i.e., more than four times the average annual income medium-sized capitalists (about 150,000 people).

With regard to private credit capital in agriculture, given the present state of information, we can only say that its role is

great. But there is almost no data for the digital expression. Its main types:

1) money loans from the capitalist kulak elite to the poor and middle peasants,

2) loans to the poor with draft animals (and sometimes inventory) on extortionate terms. A study of the size of the first type of private credit in agriculture should establish the CSB by means of a more massive collection and corresponding development of peasant budgets (middle peasants and poor peasants).

Judging by all the reports of individual village observers and the peasants themselves, the results should be significant. If the data of about 10,000 peasant budgets of the CSB (see the section on agriculture) were extended to the entire village, then the amount of intra-peasant money credit would be about 300 million rubles. But we doubt how legitimate such distribution is. In-kind loans to the poor in working cattle and implements by the kulaks must be distinguished from the cases described in the third section, when the kulaks are formally "hired" to the poor with their livestock as "piecework workers."

In the latter case, we are dealing with the organization of capitalist production in a disguised form, i.e., with productive private capital in agriculture. This must be distinguished from private credit capital in kind in agriculture. These are the cases when the kulak himself does not hire himself as "piecework worker", but only lends the poor in kind seeds for sowing or a horse or implements and materials on enslaving conditions.

The prevalence of this type of credit—maliciously exploitative type of credit—is confirmed by all observations, but digital study of it is entirely in the future. Until now, in our statistics (insofar as one can judge from the editions published up to the current 1927), the populist tradition of considering the village

as a single whole has been alive. Hence the extreme paucity or implausibility of the data as soon as one raises any question of class relations in the countryside (labor laborers, credit exploitation, distribution of income and real tax burden, etc.).

Here is a complete parallel with the reactionary traditions of populism in agronomy. For the populist, the "peasant" was depicted as the leader of the obligatory consumer economy, which sows bread for family consumption - and that's it. Connection with the market is something terrible, abnormal, capable of destroying the labor system of farms and leading to stratification. The most that can be allowed is to sow for export (in order to pay taxes) the same "holy bread".

We are now reaping the fruits of this reactionary Narodnik tradition in rural statistics and agronomy. In statistics, there is a lack of information about interclass relations, which is necessary for the practical policy of the proletarian state.

Sometimes you have to act simply by touch, by eye (and even then “indicative”). In agronomy, the inert relation of fairly wide layers of the agronomic environment to the vitally necessary reduction in the role of grain crops in agriculture, to an increase in the marketability of the peasant economy, to a much more intensified transfer of it to the production of drought-resistant fodder plants for the development of cultural animal husbandry, to the transition to the cultivation of agricultural raw materials for industry, etc. Again and again, under the guise of "six-fields," we are presented with traditional grain farming, designed primarily for the subsistence system of family farming, as it was portrayed by the apologists of Narodism and as portrayed by its epigones.

Only very recently—under the influence of the pressure of the Soviet government and in particular the People's Commissariat of Agriculture of the RSFSR—is this inertia of the agronomic

environment saturated with populist traditions only beginning to move a little from the dead center. It is one of the essential factors in the delay in the progress of our agriculture and in the failure to obtain the full possible effect from additional funds invested in it (including through state credit).

Breaking to the end this tradition, this legacy of the backward past, whose ideology has outlived it and hinders the development of new practice, is equally necessary in statistics and agronomy.

It is to be hoped that the new generation of workers, who are now growing up and being trained in special universities, is sufficiently consciously imbued with the importance of this task before them.

Private capital and taxation

Private capital in national property and annual accumulation.

Private capital in national property and annual Accumulation.

All the property of our country, private and state, for 1926/27, according to the calculations of the State Planning Commission, is about 54.5 billion rubles (p. 313 of the Control Figures). Here, all material values are taken into account - all buildings, livestock, inventory, equipment, etc., except for commercial capital only (and apart from consumer goods that are in the personal use of residents, such as furniture in apartments, etc.). By commercial capital we must mean mainly commodities of all kinds that are in the process of circulation: the grain that has already been sold by the peasant, but has not yet turned into a roll already bought by the city dweller; that matter that has already been released from the factory, but has not yet turned into clothes for the consumer, etc. The Narkomtorg estimates the amount of the country's trading capital at least 5.5 billion red rubles (see above, in the section on trade). The entire amount of national property is thus estimated at about 60 billion chervonny rubles. (except for consumer goods already in use by residents).

The value of private capital, including, as already indicated, must be distinguished from the value of all private property. The latter also includes the property of non-capitalist private economy (middle and low-power peasants, handicraftsmen, liberal professions, peddlers selling from kiosks, small house owners, etc.). We do not include all this in the calculation of private capital. The calculation includes only the definitely capitalist part of the peasants (about 450 thousand families, or 1.56% of the population of the USSR, counting 5 souls in a

family) and the capitalist commercial, industrial and money bourgeoisie (about 180 thousand families, or 0.5% of the population USSR, counting 4 people per family according to the coefficient of the 1923 city census for this group). Thus, in total, almost exactly 2% of the population of the USSR belongs to capitalists of various sizes, including family members (about 630,000 people in total).

The average size of the capital of these capitalists is rather modest in comparison with foreign capitals. The capital of non-agricultural capitalists is (as of October 1, 1927) about 1,600 million rubles, or about 4.5% of the country's non-agricultural property. The capital of agricultural capitalists is about 2 billion rubles. or about 8% of the country's agricultural property (I take the figures for the country's property from the "Control Figures" of the State Planning Commission with the addition of trading capital according to the calculation of the People's Commissariat of Trade). In general, therefore, about 2% of the population now owns about 6% of the national property. It goes without saying that there is not a single state in the world where the capitalists would own such a relatively small part of the national property.

The average size of capital and the average size of the annual net accumulation for 1926/27, as shown in the previous sections of this work, can be roughly taken in such values:

a) for non-agricultural capitalists (commercial, industrial, and monetary bourgeoisie) - an average capital of about 9 thousand rubles. per owner and annual net accumulation of about 1400 rubles. per owner, or 15.5% on capital on average;

b) for agricultural capitalists (the kulak part of the prosperous peasants), the average capital is about 4,500 rubles. per owner and annual net accumulation of less than 300 rubles, or about 6.2% of the average capital.

Of course, such comparatively modest figures are obtained only if we take capitalists, both small and large, together. The memorandum of the Narkomfin on the state of taxation cites, for example, the distribution of taxable income to the commercial and industrial bourgeoisie (of course, without concealed income from private capitalist credit, from currency speculation, pawnshop operations, etc.—see the section of this book "Private capital on money and credit market). If we take only the circle of owners that I include in the composition of the capitalist stratum (i.e., without the first and second tax categories for merchants and industrialists), then the tax data of the Narkomfin, according to p. 37 of his memorandum, give the following result:

	Number of owners	Taxable income
1924/25	170 thousand	438 million rubles
1925/26	174 thousand	630 million rubles

But including the small upper group (24 thousand people in 1925/26) in the first of these two years accounted for 24% and in the second even 31% of the income taxed by the Narkomfin of this commercial and industrial bourgeoisie (the same report, p. .37). If we also recall that virtually non-taxable income from private credit capital is also concentrated mainly in the hands of the same upper group, then from the "statistical" figure of the "average" capitalist with a capital of 9 thousand rubles. it will be possible to approach a more realistic picture of those about 25,000 Nepmen who have one more annual income and who in fact are the main owners, collectors, and managers of the country's non-agricultural private capital (and some of the threads - through procurement, etc. - extend from them to agricultural entrepreneurs). According to the Commission of the Council of People's Commissars of the USSR for the study of the severity of taxation (working in June-July 1927, consisting

of M. Frumkin, L. Kritsman, Yu. Larin, S. Strumilin, etc.), in 1925/26 in the USSR about 25 thousand large capitalists received about 400 million rubles. income (in excess of expenses for their enterprises), that is, more than 16 thousand rubles. per family per year.

It should be noted that the greater profitability of exploiting non-agricultural capital compared to agricultural capital (an average annual net accumulation of about 15% and about 6%) is not a new or unexpected phenomenon. Capital circulates much more slowly in agriculture than in other branches. Therefore, despite the much more significant exploitation of hired labor there (compared to industry), the percentage of annual capital accumulation turned out to be lower in agriculture than in industry, and in pre-revolutionary Russia (for more details, see my book - "The Economy of the Pre-Soviet Village", M., 1926, chapter on “Wage labor in agriculture”).

Here, in the post-revolutionary USSR, both of these phenomena have been preserved. Firstly, the lower annual return on private capital in agriculture compared to its “urban” occupations (from this follows the tendency to grow into non-agricultural capitalists—the organization of rural processing industrial enterprises by the kulaks, usury instead of developing their own agricultural products, etc.).

Secondly, there is a greater exploitation of wage-workers in capitalist agriculture than in capitalist industry (hence the necessity of intensifying our attention to the protection and organization of labor precisely in agriculture).

In the section on industry, we saw that wages in private industry are even somewhat higher than in state industry (the intensity of work is also higher).

But if we compare the rate of growth (rate of increase) of nominal wages in private agriculture and in state industry, a

great backwardness is revealed not only in absolute, but also in relative growth, even in comparison with state industry, to say nothing of private industry.

In No. 5 of the Statistical Review for 1927, data are compared on the growth of wages among agricultural workers hired by peasants on a daily basis (according to reports by about 30,000 local correspondents of the CSB) and the wages of industrial workers. With daily wages, according to these data, the peasants hire an average of about 60% of farm laborers, and with haymaking, reaping and harvesting, even 72%.

According to these data, it turns out that when compared with 1923/24, over the next two years together (1924/25 and 1925/26), the nominal wages of industrial workers increased by 45%, and agricultural laborers only by 34%. (p. 47, ibid., article by comrade Kizyaev).

The Gosplan defines the entire net annual accumulation of the country for the last year at 2,100 million rubles. (p. 313 of the Control Figures), again without the accumulation of commercial capital (state, cooperative and private). With him, this value should be taken up to 2,700 million rubles. The entire net annual capitalist accumulation, as we have seen in the relevant sections, amounts to about 125 million rubles in agriculture. and in other industries about 250 million rubles, and in total about 375 million rubles. This amounts to 13.9% of the country's total annual net accumulation, of which 4.6% is accounted for by the peasant kulaks and 9.3% is the participation in the "nationwide accumulation" of other capitalists.

As a result, we get that about 2% of the country's inhabitants (the capitalist part of the population) own 6% of all property, almost 10% of all income, and collect almost 14% of the total balance that the country accumulates as a result of its annual

labor. Such is the material basis (basis) for the taxation of private capital, to which we must now pass.

Of course, there is nothing surprising in the fact that the capitalists, having only 6% of their property, collect twice as much of their annual accumulation—that's why they are capitalists. Even if income were distributed according to the property of each class of the population, the share of capitalists in net accumulation would turn out to be greater, because they are few in number. Therefore, an income proportionate to property would nevertheless enable them to accumulate a greater percentage. This should be all the more so when the property of the capitalist brings him a relatively greater income per unit, for he still uses his property for the exploitation of the labor of others.

Before the revolution, approximately 85% to 90% of the total annual net accumulation of what was then Russia went to the capitalists and landowners. We have already reduced the share of the exploiting elements in the national accumulation by six times. This tremendous achievement of the proletarian revolution in the USSR will be felt in practice to an ever greater extent in proportion to the absolute growth of our economy.

In the first years after the end of the war (i.e., starting from 1921), it did not make itself felt enough due to the fact that the country's economy by that moment had generally fallen extremely low under the influence of military ruin (up to 20% of industrial output and up to 50%, - in agriculture).

All funds were fully invested in filling the pits that had formed, and no special effects were yet observed in comparison with the pre-war economic level. The sixfold reduction in the share of the exploiters in the annual national accumulation had an effect in these years in a different way.

Namely, at a particularly accelerated rate of raising the country's economy to the pre-war level, which was not expected, not only by enemies and friends, but even by most of us ourselves. Now, after reaching the pre-war level in 1926/27, a sixfold reduction in the share of the exploiters in the national accumulation gives us the possibility of especially large and ever-growing gains over the pre-war level.

If we manage to avert for at least a few more years the danger of a war that is being prepared against us, led by conservative England, then our successes in technology, prosperity, culture, and power will far leave behind everything we have achieved. This, of course, is precisely what pushes the desperate leaders of imperialist capitalism into military adventures in which, we hope, if it comes to them, they will also find their own ultimate destruction. It goes without saying that any attempt on their part to extend a military "helping hand" to the chances of developing private capital in our country can only produce the opposite result. For the economic conditions of warfare in the present situation inevitably require more stringent planned regulation than peacetime relations. This has been confirmed by the experience of even the bourgeois states during the last World War (see my book, State Capitalism. The military economy of Germany in 1914-1917, M., 1927). This is all the more undoubted in our country because of the class characteristics of our economy and our state.

Now, in peacetime conditions, one of the main and fundamental ways of regulating the accumulation and activity of private capital is the imposition of taxes (including tax-like payments, such as higher rents for capitalists, etc.). The above net annual accumulation remains with the capitalists after all taxes have been paid. We must compare the amount of taxes paid by the capitalists and the ratio of these taxes to income with capitalist accumulation, and also dwell on those features

of taxation that require the adoption of appropriate measures. For all this, it is necessary, first of all, to give yourself at least a schematic account of the distribution: in the USSR, according to the social classes of the population, income, and taxation in general.

Classes, incomes, taxation.

The latest summary of available and conjectural data on the distribution by class of population, income and taxation is the work done in the Narkomfin for 1925/26, published in large extracts by Comrade Rzhevussky in Nos. 4 and 5 of the Economic Review for 1927 and which is a memorandum on the severity of taxation. According to these data from the Narkomfin, the entire amount of taxation of the population for 1925/26 is about 2,330 million rubles. This includes all the budgets of the USSR, the Union republics, and localities, including village councils (minus non-tax turnover receipts, for example, railway fares), all so-called voluntary fees, the entire tax part of tax-like payments (for example, apartment and school fees from the highest ranks, rent for commercial premises from private traders, etc.), peasants' insurance payments, etc.—in a word, everything.

At the same time, excises, customs duties, trade tax and various other payments, which are usually transferred by payers to buying consumers, are spread out among all segments of the population in proportion to their consumption. I consider it possible to use this calculation of the absolute amount of taxation as the most complete and most verified, despite some of its obvious shortcomings, which exaggerate the real taxation of agriculture against reality.

So, firstly, the agricultural tax is assumed to be completely non-transferable to the consuming population. This, of course, is not true. Since the peasants sell about a quarter of all agricultural

products to the towns (see Section Three of this booklet), a quarter of the agricultural tax is also passed on to the townspeople in the price of the products sold. In addition, another quarter of agricultural production is sold inside the village by more prosperous groups of peasants to less prosperous ones (see ibid.).

Finally, for some reason, the comrades who drafted the Narkomfin report included voluntary fees for hiring a village shepherd, for a public producer for herds (a bull), for a public gorodbo of fields.

All this (unlike some other "voluntary" fees) is not taxes at all, but the normal costs of running a household. In addition, part of the excises and other imposed taxes is incorrectly attributed to the taxes paid by the agricultural population (by about 30 million rubles). It is precisely their share that is paid by part of the rural handicraftsmen and summer otkhodniks (water workers, builders, etc.).

This is that part of the handicraftsmen and otkhodniks who derive the greater part of their family income not from agriculture, but from their trades, and who spend most of the year (and in particular the summer) not in agriculture, but in industry, construction, and transport. Together with family members of this population, there are up to 7 million people. (of these, about 2.5 million people should be counted among the non-agricultural working population, and up to 4.5 million people should be counted among the non-agricultural petty bourgeoisie, i.e., the non-agricultural private labor economy).

Accordingly, instead of 115.2 million people. agricultural population adopted by the Narkomfin for 1925/26, in fact it should have been only 108.25 million people. In addition, out of the total taxation of 2,330 million rubles, according to the Narkomfin, about 160 million rubles. falls on the "socialized

sector", that is, on taxes from various government agencies (and partly from cooperation).

This amount was not distributed by the memorandum of the People's Commissariat of Finance among the classes, which is wrong. For taxes from state bodies in favor of the state have the character of only a redistribution through the budget between state bodies of funds essentially collected from the population.

Therefore, these 160 million rubles. we distribute between the agricultural and non-agricultural population in accordance with the data of the Narkomfin on the sources of their receipt.

Making an allowance for the correction of the size of the agricultural population, for the transfer of a quarter of the agricultural tax to the non-agricultural population, for the exclusion from the tax collection of the above expenses for the shepherd, bull and gorodba, and for taking into account the corresponding part of the "socialized" 160 million rubles, we get the entire taxation of the agricultural population about 830 million rubles instead of the 930 million rubles calculated by the Narkomfin. Accordingly, the total taxation of the non-agricultural population is about 1,500 million rubles. Thus, out of the total real taxation of the population in 1925/26, agriculture accounted for about 35.8% and for those employed in other industries, about 64.2%, almost two-thirds.

As regards the distribution of the population into social groups (social classes), in addition to the above amendments, two more must be made. Firstly, I also count among the proletariat the unemployed, daily workers and domestic servants registered in the cities (these groups are shown in the Narkomfin summary report in the rest of the urban population, "but, according to the materials kindly delivered to me, they can easily be singled out and ranked among the rest of the non-agricultural workers and employees). In this regard, the

average annual income of all workers and employees, accepted by the People's Commissariat of Finance for 1925/26, was 318 rubles. per one consumer (counting those who work with their dependents), should be reduced to 275 rubles. per capita (this means a real taxation of 14.8% instead of 13%, calculated in the People's Commissariat of Finance without this amendment and without an amendment for the transfer of a quarter of the agricultural tax). The number of the entire non-agricultural working population of the USSR turns out to be about 24 million people.

The second amendment relates to the size of the non-agricultural petty-bourgeois population. From other categories I transfer here, firstly, as already mentioned, 4.5 million people. rural, predominantly commercial population, for which the occupation of any of the family members by agriculture, when it takes place at all, has the value of only an auxiliary, secondary source of income. Secondly, according to the detailed calculations of the Narkomfin report delivered to me, I transfer to this group from other groups of the Narkomfin also merchants of the first and second tax categories (pedlars, kiosks), small homeowners, pensioners, non-employed persons of free professions, beggars and generally declassed, etc. The total non-agricultural petty-bourgeois population will thus amount to 10 million people, with an average income of up to 350 rubles. per year per capita (taking into account, among other things, ancillary natural and other income from agriculture for those partially engaged in it). The severity of taxation here reaches almost 10% of income (more precisely, 9.7%). The redistribution of various groups of rural handicraftsmen, summer otkhodniks, the unemployed, small merchants, servants, day laborers, homeowners, freelancers, etc., between various social categories (proletariat, petty bourgeoisie), which I accept, has already been approved on July 1, 1927 by a government commission on verification of the

severity of taxation, formed by the Council of People's Commissars of the USSR.

The capitalist non-agricultural population is about 700 thousand people. (180 thousand families, with an average family size of this category of 4 people, according to the city census of 1923). Their average income, as is known from the preceding sections, is about 1,400 rubles. per capita per year, but only about a billion, including the cost of family life, taxes, and net annual savings. The entire taxation of these capitalists, according to Narkomfin, amounted to 180 million rubles. for 1925/26 (perhaps the calculation is somewhat exaggerated). The total non-agricultural population of the USSR in 1925/26 amounts to 34.75 million people, or 25.3% of the total population of the country.

As for the agricultural population (108.25 million people, or 74.7% of the inhabitants of the USSR, including a small part living in urban-type settlements), the report of the Narkomfin does not give a breakdown into groups at all. I divide it into four parts: the farm laborers; the poor, managing without working livestock; middle peasant; capitalist layer. The number of each of these layers can be easily determined from the data given in the third section of this book. Only 5 million people belong to the labor force population. All state farmers, foresters, etc., are also placed in the farm labourers' part of the agricultural population.

The small number of "farm laborers" in comparison with the number of all hired workers in agriculture (and forestry) is explained by the special composition of the farm labourers' family. Almost everyone often serves here: teenagers as shepherds, girls as nannies, women are cowherds, etc. Therefore, for one hired worker in farm labor families, there is an insignificant number of completely unemployed dependents - from half a person to two-thirds of the average

person, mostly small children. As indicated in the third section, according to the incomplete accounting of the CSO, in agriculture and forestry in 1925/26 there were 2,200 thousand employees, but according to the estimate of a special commission, 3,000 thousand people. and for Vserabozemles - 3,600 thousand people. Even if we take the average estimate of the special commission, then, with their dependents, we get at least 5 million people. farm labor population.

The average per capita income here, like that of the poor, is about 75 rubles. (perhaps a little more; here it is necessary to take into account for many employment not for a full year and the presence of a large number of teenagers among the workers). For comparison, it can be said that according to the development of the CSO, about 10 thousand (recognized by him as typical) peasant budgets collected in 1926, in the entire lower group (sowing up to 2 desyatina) of one cash income account for an average of 76 rubles in the USSR. 23 kop. per capita per year (p. 13 No. 5 of the Statistical Review, 1927). This group predominates in money income, but it itself does not fully correspond to the totality of the circle of farm laborers and poor peasants.

As for the poor population, less than a third (30%) of all economic peasants (that is, of all except the labored population) fall to the share of the poor. This almost exactly coincides with the percentage of households without working animals (out of the total population of the village, 31 million people, the poor population is about 26%). The estimates spread several years ago, according to which the poor make up about 40% of the entire rural population, which were cited by the way and in my speeches and books of that time, are no longer correct. Because part of the then poor over the years moved to the middle peasants, and the other part completely stopped farming, became "pure farm laborers" or completely went to the city.

In the third section, we determined the size of the capitalist stratum of the agricultural population at 2,250,000 people. (about 450 thousand families) with an average annual income of 600 rubles. per capita for 1925/26 (that is, 3,000 rubles per household). Some indirect confirmation of this calculation can serve as the dynamics of the movement of cash income alone in peasant farms, sowing more than 16 desyatina each (according to the already mentioned development of the CSB, about 10,000 peasant budgets; see the article by Comrade Raevich - "The Monetary Balance of the Peasant Economy", p. 14, No. 5 of the "Statistical Review" for 1927). According to this development, the cash income of such an economy averaged:

In 1924/25 598 rub.

In 1925/26 1101 rub.

There are three amendments to this. First, the incompleteness of the data. It is unlikely that kulaks provide the Central Statistical Bureau with completely complete and accurate information about their income. They would be crazy if they did this, keeping in mind the end result in the form of the possibility of new tax measures by the Soviet government. The CSB itself constantly makes very significant estimates, for example, on concealing the area under crops when giving evidence about it. And the need for such an estimate is confirmed by all cases of on-site verification, when such a verification could be fully and accurately carried out. One might think that the concealment by the kulaks of their money income is still much higher in percentage terms than in the case of the sown area. At what prices did you sell, how much did you sell, etc., in general, it is still much easier to conceal the cash receipts in your pocket than the sown land in the field. However, in order not to go into the realm of perfect fortune-telling, we can limit ourselves, bearing in mind the data on the concealment of crops, to the assumption that only a quarter of

the money income is concealed. Then the entire monetary income of the kulak economy in 1925/26. will be up to 1,500 rubles.

But for 1926/27 we define the monetary part of the kulak income as 70% of its gross income (see section three). Given the rapid growth in the marketability of this farm in recent years, as shown by the above table of the CSB, it would not be an exaggeration to admit that in 1925/26 this marketability in it was only 50%.

Then it will be possible to approach the total annual income of 3,000 rubles, based on the CSB budget data on the monetary part of this income (with the above-mentioned correction for the incompleteness of the kulak budget confession).

In any case, no matter how the situation with the interpretation and reliability of the kulak part of the budgets of the Central Statistical Administration (the budgets of the poor and middle peasants are more reliable, since they have nothing special to hide), the fact remains that, according to data on production, the total income of the kulak economy (natural and money together) must be taken on average at 3 thousand rubles.

The middle peasants include the remaining 70 million people, i.e., 64.6% of the entire agricultural population (including farm laborers), or more than two-thirds (67.8%) of the economic part of this population alone (excluding farm laborers and their dependents). The annual income of the middle peasants per capita, as follows from the data we cited in section three, in 1925/26 was about 120 rubles. per year, or 600 rubles. per household (average composition of a family is 5 souls).

At first glance, this seems to be greatly underestimated compared to the CSO data on the peasant budgets of this group for 1925/26. (with an average family composition of 5 and a fraction of people), cash income alone averaged almost 350

rubles. But the economy of the middle peasant in 1925/26 was still almost 60% subsistence (see the data of the State Planning Commission in section three). It turns out as if the average is 900 rubles. for the economy. And for the upper groups of the middle peasants even more. For groups of sowers from 6 to 8 desyatina CSB shows only one cash income of 428 rubles. and for those who sow from 8 to 16 desyatina even at 578 rubles. for the economy.

By the way, these data show how fantastic and understated were the calculations about the average peasant income, made before the publication of these budgets by some comrades, who estimated the annual income of the middle peasant (in cash and in kind together) at about 400 rubles. per household for 1925/26 (including income from non-agricultural earnings). Such an underestimation of the national income of the USSR is especially dangerous, firstly, by distorting the picture of taxation. A tendentious idea is being created that the Soviet system imposes a much harsher tax on the countryside than is actually the case. Secondly, it reduces the idea of our possibilities in general, and thus may lead to a planned delay in the rate of economic development of the country in comparison with the actual possibilities.

The excess of these average budgets of the CSB over the income I determined of 600 rubles. on average, will not be so great if we pay attention to the role played in these budgets by factory employment and personal trade. In the budgets of the highest group (those who sow more than 16 dessiatines), both of these occupations together account for only 6.2%, i.e., they are of completely secondary importance (and are probably expressed in some business of an entrepreneurial nature or in the service of some or from family members in the factory as a clerk, technician, etc.). On the other hand, in the middle-peasant budgets of families sowing from 2 to 6 dessiatines, both these

occupations together give from 31.6% to 36.5% of the total monetary income. This clearly indicates a confusion in the tables of the CSO on the middle peasants of farms of two different types.

The first is the household of the handicraftsman or factory worker, for whom "agriculture" is simply a branch of family economics with no market value. Their so-called "agriculture" (a piece of vegetable garden, etc.) does not even cover for them the food needs of the family, and the same budgets show that they have to spend an even greater part of their budget on buying food than on buying industrial products.

The other type is the family of an agriculturist (and pastoralist), living on agriculture, for which the small and occasional earnings of one of the members of the family in a factory or in a personal trade are of third-rate importance, not at all sticking out in the budget. In winter, such a family in some localities sometimes earns a little at the factory, not in waste, but in handicrafts (about 6% of the cash income, according to the average budgets of the CSB for sowing from 2 to 8 desyatina). But in terms of the overwhelming amount of time employed and the overwhelming majority of their total income, such a family remains definitely agricultural.

Then the employees of the Central Statistical Service appear and put them into one table to get the “average”, firstly, a typical otkhodnik and a factory worker (who have retained some connection with the countryside, like millions of our proletariat in general) and, secondly, a peasant farmer (whose daughter entered for a while to a summer resident or went to the city as a servant to collect a dowry). Mixing the factory and the farmer in one statistical table then leads to such surprising results that the income (in cash and in kind) of the middle peasant already in 1925/26 exceeded an average of a thousand

rubles per farm (if we take into account the totality of middle peasant farms according to the budgets of the CSB) .

The grouping together of factory workers and farmers by CSO workers is another continuation of the old Narodnik tradition in our statistics. The Narodniks of former times considered the factory worker a kind of "spoiled peasant", almost a fiend.

They strove to show that capitalism in old Russia has no chance of development, is generally insignificant and cannot exist. Every person of peasant (according to the passport) origin was declared to be engaged in sacred agricultural labor, if only he lived in the village and planted potatoes for himself personally in his free time.

And the employees of our Central Statistical Administration (and the report of the Narkomfin borrowed this from them) cold-bloodedly counted into the agricultural population ("living almost exclusively on income from agricultural earnings," as the Narkomfin memorandum says), such "peasants" as factory textile workers, eleven months employed in a factory a year, but retaining in the countryside a crop of a quarter of a tithe per family, as construction workers and water workers, eight months of spring, summer and autumn working in their specialty, and appearing in the village for the winter, etc., etc. Suffice it to say that, according to dynamic censuses, the CSO has so far classified as landowning population any family that sows at least one tenth of one tithe per family, although the vast majority of income and time spent by such a family does not fall on agriculture.

In general terms, it is not so impossible to unravel the "statistical mess" of factory workers and otkhodniks, on the one hand, and of farmers, on the other, arranged by the Central Statistical Administration in the "middle peasants' budgets." One need only remember that factory workers and otkhodniks usually do

not have a monetary income from agriculture. For among them, the agricultural branch of housekeeping does not even fully provide food for the family. On the other hand, the middle-peasant agricultural economy usually has almost no appreciable monetary income from work for hire in the factory and in personal leisure trades. For the middle-peasant economy includes precisely those two-thirds of the farming agricultural village that almost never send workers from their families to hire them, and in turn do not hire them from outside (except in some rare, exceptional cases). Otherwise, they usually fall either into the category of poor families (semi-proletarians, low-powered, unable to cover at least a minimum of needs from their economy) or into the category of capitalist families (whose power makes it possible to exploit someone else's labor power). Of course, in practice (at the boundaries between adjacent layers, each layer only very gradually passes into another. But in general, in life there are definitely different types of poor peasants, middle peasants and capitalist farms, "distracted" from which (to mix factory and agricultural workers in one mess) is by no means recommended.

It is possible, therefore, from the cash income of the middle peasants' budget of those who sow from 2 to 6 desyatina (about 350 rubles, according to the CSB) to exclude the part attributable to income from factory work and personal crafts (not handicrafts), in order to obtain an approximate monetary income of the average peasant farmer. It will turn out about 240 rubles. And since the money income of the middle peasant is only about 40% of his total income, it means that the entire income is approximately 600 rubles. Of course, this calculation should be verified on several thousand genuine middle-peasant agricultural budgets, singling them out from the entire collection of factory, construction, water, agricultural and other budgets collected by the CSB, united by the passport origin of the respective families from the former “peasant estate” under

tsarism. Let's hope, that the CSO in its middle-peasant-budgetary practice will in the future move from class principles to social and class principles. So far, our attempt to reduce the exaggerated calculation of the CSO to the real one has only an illustrative and methodological value. The bottom line is that the income of the middle peasant farm, in accordance with the calculations on production, must be taken at 600 rubles. for 1925/26, and not more than 1,000 rubles, as would have happened according to the CSB. If the "middle-peasant budgets" of the CSB were to be accepted without criticism, then no agricultural products would be enough, no matter how generously they were evaluated. It would be necessary to add up to 6 billion rubles of production, for which there are no grounds, since no one has yet noticed such a huge excess of agricultural production over the values \u200b\u200bhitherto taken (including the CSB itself). By itself, one must also discard the caricaturally underestimated tendentious estimates of the total income of a middle-peasant family of only about 400 rubles. per year, which can serve only for agitation, how badly the middle peasants live under Soviet rule (supposedly worse than under tsarism), but by no means for any true depiction of reality.

It should be noted that when it comes to the income of the agricultural population, I use the concept of "income" in the same sense in which the CSB, Gosplan and Narkomfin use it. This means the price of all agricultural products minus the costs of their production (including wages to farm laborers), but without deducting the costs of family living and taxes.

To this is added, according to the same method, the products of forestry, fishing, and hunting, as well as from handicraft and other crafts, non-agricultural hiring on the side, etc., since all this for this family is a secondary source

of income, and not the main one (otherwise the family leaves the number of agricultural families).

In total, all this gives for 1925/26 about 12 billion red rubles. To this I add almost another 400 million rubles. wages of the laboring population, as subtracted from the price of production when determining the income of the agricultural population. The natural part of the income is valued at the same time "at producer prices", which, in fact, is not always entirely correct and underestimates the calculation of the budget of the economic peasant population.

It should be estimated at retail prices in the countryside for the same products for the part of the rural population that buys them for the purpose of personal consumption (laborers, the poor, handicraftsmen, etc.). But for such a revision, we do not have the necessary data.

To this amount of income of the agricultural population (12,400 million rubles), all its real taxation (830 million rubles) in 1925/26 amounted to about 6.7% (the Narkomfin report gave an exaggerated figure of 9% due to the lack of her amendments, which are discussed above). This calculation is confirmed, among other things, by direct data collected by the Central Statistical Office on the percentage of the agricultural tax to the monetary part of the peasant income. According to the data of the Central Statistical Bureau, the payment of agricultural tax on average in the USSR in 1925-26 took up only 4% of the entire monetary budget of all groups of peasants on average (according to the 10,000 budgets mentioned).

According to Gosplan's "Control Figures" we know that the average monetary part of output for all the peasants of the USSR is about 460/0 (and 540/0 in kind). Therefore, in relation to all income, the agricultural tax is only about 1.84%. And according to the report of the People's Commissariat of Finance, the agricultural tax is about 30% of the total amount of taxation falling on the peasants. So all of it should be 6.1%; to their income, based on the data of the CSO, that is, even a little less than what I get by direct calculation.

As we have seen, for the non-agricultural population, the average amount of income deducted from income by taxation is 13.6 % (about 1,500 million rubles out of about 1 billion rubles of income), or twice the percentage.

It is possible to give the following comparative indicative tablet on the results in this respect in 1925/26:

	Agricultural	non-agricultural population
Of the population of the USSR	74.7%	25.03%
the total income of the population	52.0,	48.0
the amount of taxation . . .	35.8	64.2

We shall touch upon the elucidation of this table when we give it a division into classes—without this it is too general. Let us only note that here, as elsewhere, we take into account only the income of the population, without the income of the state economy (which, according to the Iarkomfin and Gosplan, accounts for about 7% of the total national income). For we attribute all taxation, naturally, as indicated above, to the income of the population.

As regards the distribution of the severity of the taxation of the agricultural population among its individual groups, to establish this, one can use, firstly, the data of the Narkomfin reports on the composition of all this taxation, and secondly, the information of the Central Statistical Service (on peasant budgets), what percentage of the monetary part of the budget is the payment of agricultural tax.

The entire taxation is divided into two parts: built progressively (as an agricultural tax) and paid in proportion to consumption (as a shiftable part of excise taxes or! and trade tax).

The size and composition of each part are detailed in the report of the Narkomfin. The percentage severity of the agricultural tax separately for each group is given by the CSB. To distribute the part of taxes paid in proportion to consumption, it must be borne in mind that the consumption of the middle peasants almost exactly corresponds to the average peasant consumption (which was derived in the report of the Narkomfin according to the data and calculations of the Central Statistical Board and the State Planning Commission).

The per capita consumption of the capitalist group must be calculated in the countryside as an average: not less than three-quarters or twice as high as the per capita consumption of the poor farm laborers.

Under such assumptions, we obtain the severity of taxation, i.e., the percentage of withdrawals by tax payments from income: for the poor peasants and laborers group - 4.25%, for the middle peasants - 7%, for the kulak capitalist group - 9.3%, and on average for of all agriculture—6.7%.

Let us now compare the percentage distribution by classes of the population, the amount of income and the amount of

taxation separately for agriculture and for non-agricultural occupations. We get such results. For the total agricultural population we have:

Groups popul--From income- From the tax amount

(in percent)

Poor-Labor	33.3	21.7	14
Middle	64.6.8	67.5	71
Capitalist	2.1	10.8	15

For the non-agricultural population, the result is:

Groups popul--From the income- From the tax amount

(in percent)

Worker	69.2	59.5	65.3
Petty-bourgeois	28.8	3I.5	22.7
Capitalist	2.0	9	12

The **anti-capitalist character of our taxation** shows itself quite clearly in these tables. The capitalist group in both cases pays a part, not only a large share; in the population, but also a larger share of its income.

At the same time, the tables show that in itself the average severity of real taxation for both capitalist groups is rather moderate in our country (if we do not inflate the accounting of reality by deliberately shifting fees to others, such as rent for premises, etc., and do not focus on large tax rates for almost non-existent capitalists with hundreds of thousands of income, while for our urban capitalist a typical income is from 5 to 10 thousand rubles a year, and even less in the countryside).

However, the probability of some under-taxation of the capitalist group and the desirability of strengthening it were

already recognized by the decision of the Council of People's Commissars on the "Control Figures" of the State Planning Commission, published in the autumn of 1926. In the next chapter, we indicate what amendments have already been made in this regard to the practice of 1926 /27 of the tax year and what they managed to achieve.

If we compare the severity of the tax and tax-like burden (i.e., the percentage of withholding from income) for similar groups of agriculture and non-agricultural occupations, then by the nature of the materials it will be necessary to compare the entire group of poor peasants and laborers with a worker ("lower group"), the middle peasants—with the petty-bourgeois ("middle"), and both capitalist. The result is as follows:

Groups (in percent)	rural economy	non-agricultural activities
Lower	4.25	4.3
Medium	7.0	9.7
Capitalist	9.3	18

For all groups, the percentage of real taxation in non-agricultural occupations is higher than in agriculture. In general, for agriculture it turns out to be 6.7%, and for the rest of the occupations - 13.5% (before the report of the Narkomfin, both percentages were calculated slightly higher due to the above errors - for agriculture 9% and for other occupations 15,4%).

In both cases, the capitalist group is relatively heavily besieged. What is striking is the presence of a certain "re-taxation" of the worker-employee group in the city. This is explained by the fact that the proletariat, as the bearer of the socialist reorganization of society, consciously takes upon itself a relatively greater part

of the burden than it somehow imposes on its allies from the field of private labor economy (the middle peasant in agriculture, the handicraftsman in industry, etc. "simple commodity production"). This line of the proletariat finds expression, firstly, in the taxation of a significant part of the workers and employees with income tax, and secondly, mainly in the system of indirect taxes adopted by us on consumer goods of factory origin.

The latter explains to a large extent the difference in the severity of taxation between agriculture and other occupations. Farmers, instead of products subject to indirect and customs taxes, partly consume home-made products, and partly consume less of these products per capita in comparison with the rest of the population.

If we take as 100 the entire population of the country, all of his personal income and the entire amount of taxation, then for 1925/26 we get the following table (in percent):

Groups	Population	Income	Taxation
Bednyatsko-farm	25.1	11.5	5.0
Middle-peasant	49.0	35.7	25.9
Kulak-peasant	1.6	5-6	5.4
Worker - employee non-agricultural	16,8	28.0	42.1
Petty-bourgeois non-agricultural..	7	14.9	13.9
Capitalist non-agricultural	0.5	4.3	7.7

In the first group, the “laborers” part accounts for 3.4% of the total population of the USSR, and the poor—21.7%. Altogether, wage earners account for 20.2% of the population of the USSR, or about 29 million people. The agricultural farming peasantry

(without the farm laborers, that is, without hired workers with their families) accounts for 72.3% of the population of the USSR (before the war, the entire agricultural population of Russia accounted for 74%).

Both capitalist groups together (agricultural and non-agricultural) account for 2.1% of the total population, about 10% of the total personal income of the population (including net accumulation, of course), and of the total taxation, 13.1% (the share as we have seen, they are approximately the same in the country's net accumulation—about 13.9 percent.

At the same time, the under-taxation of the capitalist group in agriculture in comparison with the capitalist group outside agriculture is clear. It is enough to compare the percentage of income and taxation for both groups to be convinced of this.

If this ratio were fully equalized, in 1925/26 it would be possible to obtain about 30 million rubles a year more from the kulak-capitalist group of peasants. As we shall see, this possibility is taken into account by the agricultural tax for 1926/27. .7% of the total tax. For in it almost the same share of the income of the entire population falls on a much smaller number of persons.

Comparison of the amount of tax payments paid by the capitalist strata with the net annual savings remaining after that (and after covering all the expenses for their household and for the maintenance of their families) gives the following result.

The capitalists of agriculture pay 125 million rubles in taxes. and they accumulate 125 million rubles, which means they pay for public needs half of what remains after covering household and family expenses. The capitalists of trade, industry and the monetary market pay 180 million in taxes. rub. and accumulate 250 million rubles, which means that they pay for public needs only about two-fifths of what remains after covering the

expenses for the household and for the maintenance of the family.

Thus, although the capitalists of the "city" pay a larger share of their income in relation to the total of their income than the capitalists of the "village", they give a smaller part of the remainder (free after covering the expenses for family and farming) for public needs. So the well-known simple -r for increasing seizures remains here (see!, next chapter).

By bringing together all the proletarian and semi-proletarian strata (farmers, agricultural poor, workers, white-collar workers, registered unemployed, day laborers, otkhodniks of the proletarian type, servants), uniting together all small private farming of the labor type (agricultural middle peasants, industrial handicraftsmen, liberal professions, small house owners, pensioners, peddlers, etc.) and putting the two capitalist groups together, we obtain for the USSR as a whole for 1925/26 the following totals (in percentages):

Groups	Population	Income	Taxation
proletariat and semi-proletariat.	41.9	39.5	47.1
Private labor economy. . .	56	50.6	39.8
Capitalists.	2.1	9.9	13,1

This table shows that the exploitative income of the capitalists in the USSR, in general, is obtained mainly through the exploitation of the private, labor economy, and not of the proletariat[1]. This is not surprising, if we recall the main directions of the procurement, trade, credit, and industrial-organizational ("domestic system") activities of the capitalists, illustrated in our previous statement.

The proletarian revolution dealt a decisive blow to the exploitation of the workers by the capitalists (so far, in the main, only a few branches of the commercial supply of foodstuffs to the workers, 2 a small comparatively capitalist industry, the exploitation of rural farm laborers, have remained).

The question of overcoming the sprouts of capitalism within the USSR is now primarily a question of abolishing the dependence of private labor economy on the capitalists and replacing it with a link: with the state economy in order to draw private labor economy into the general channel of socialist development.

1 If we compare the taxation not with income, but with net annual accumulation (remaining after paying taxes and covering expenses for the family and household), then it would turn out that such a labor economy is taxed more than the capitalist stratum. Of the total annual net accumulation of the country (2,700 million rubles) and of the entire mass of taxation (2,330 million rubles), the share is:

From taxation From the accumulation of private labor economy. 39.8% 19.5% capitalist groups. . 13.1" 13.9"

The rest of the taxation falls on the worker-employee group, while the rest of the accumulation falls mainly on the proletarian state (with cooperation) and in a certain secondary proportion on the worker-employee group, dispersed among families.

2 Incidentally, private trade is now exploiting another 150,000 wage workers in private trade itself, which, together with family members, adds up to 400,000 people.

As the table above shows, the per capita income of the capitalist strata is, on average, about five times higher than the per capita income of the proletarian and privately laboring population (moreover, this ratio turns out to be quite consistent both

among the agricultural and non-agricultural population separately).

To a certain (albeit relatively modest) degree, this inequality is mitigated by the totality of our tax measures. So, for one percent of his income (out of the total income of the population), each class pays the following percentage of taxation (out of the total amount of tax payments):

Private labor economy 0.8%

Proletariat and semi-proletariat 1.17%

Capitalists .... 1.3"

Attentiveness to allies (lowering for them the relative burden of taxation by almost a third against their own burden) and pressure on the capitalists (increasing the relative burden for them by one ninth) are the main features of tax policy, as they are characterized by a study of the experience and real results of 1925/26. In the following year, 1926/27, the pressure on the capitalists was somewhat intensified.

The government directives published to this effect allow us to expect a further development of this process as we study the state of private capital, the circumstances and extent of its accumulation and the weaknesses of our tax legislation, insofar as they can already be clarified by experience. It is to the latter that we now turn.

Taxation and opposition.

After the opposition was excluded from participation in the leadership of the central economic bodies (STO, Narkomfin, Gosplan, Narkomtorg, etc.), the party began to study more closely the practical line pursued in these bodies and its actual class results. A number of points revealed that glaring contradiction between "anti-bourgeois" phrases and between

the practical line concessive to private capital, which was generally characteristic of the opposition (cf. the explanation of this contradiction in my work, The Social Meaning of the Party Opposition, in Pravda. for October 1926). This contradiction turned out to be especially evident in tax practice.

Of course, the main principal lines of tax policy were decided by the Party. Therefore, in politics itself one cannot find perversions of our program and common line. But the practical subtleties of all sorts of extensive, multi-section tax "regulations", "rules", "decisions"—all this was already worked out and carried out by the apparatuses under the direct leadership of the opposition. Suffice it to recall that the most responsible representatives of the opposition at the same time included the People's Commissar of Finance; member of the Board of Narkomfin in charge of the Budget Department; Deputy Chairman of the State Planning Committee in charge of the economic and control plan; Chairman of the Budgetary and Financial Section of the State Planning Commission; coordinating the issues of private taxation, the people's commissar of trade, and earlier the chairman of the STO, etc. In a word, all the detailed study and preliminary coordination of tax bills was carried out by apparatuses headed precisely by the opposition. It goes without saying that the basic directives of the Party always remained in force—we have always taxed the capitalist on a larger sum than the worker, and the kulak was taxed on a larger sum than the poor, etc. But within the framework of these directives, it turned out that detailed practical measures, which in their totality meant a relative favor for large private capital, which weakened the useful effect of the adopted political directives. The passage in the Soviet order of these multi-paragraph tax laws through the Council of People's Commissars and the Central Executive Committee did not help the matter enough, because attention was focused there on the main lines, and not on an infinite number of tax

rates in the appendices (components, for example, an entire pamphlet on agricultural tax). And the speed of passing through the meetings of the CEC and the Council of People's Commissars generally excluded the possibility of a detailed check of all individual rates. And the practical trend of these rates, as it later turned out by experience, could not be assumed without becoming acquainted with them in detail. It so happened that the tax practice developed and led by the opposition in a number of points diverged from the directives of the party in the direction of favoring private capital. The respective leaders of the opposition are primarily responsible for these practical perversions and for the direction that the bureaucratic apparatus, which was under their close leadership and control, was able to pursue in this regard. The Party then had to and still has to gradually study and correct these opposition-bureaucratic perversions.

First, we have a completely definite line that the agricultural tax should be harder for the kulaks than for the middle peasants, and even easier for the weak. Meanwhile, the already mentioned memorandum of the renewed Narkomfin (developed under the leadership of V. Rzhevussky) established that, in fact, the rates were developed in a way that led in practice to the opposite result. As a result of checking what turned out to be in fact in 1925/26, the People's Commissariat of Finance on page 92 of the report gives a table showing throughout the RSFSR as a whole the severity of the agricultural tax on each group of peasants. The burden of taxation refers to the percentage of agricultural tax withdrawal of funds from the income of the peasant economy. All farms are divided into groups according to the average income in rubles per capita of each family member (in order to receive family income, this value should be multiplied by five. The result of the check turned out to be the following for the RSFSR:

Groups by income per capita	Withdrawal percentage
From 60 rub. up to 80 rubles	4.9
From 80 rub. up to 100 rubles	4.9
From 100 rub. up to 150 rubles	4.1
From 150 rub. up to 200 rubles	3.7
Over 200 rubles.	2.8

In other words, the more prosperous the peasant, the easier it was to calculate tax rates for him. While the party gave the directive to press the kulak and lighten the middle peasant, the apparatus, headed and led by the leaders of the opposition, for which they bear full responsibility, pursued a sharply sustained line of relatively favoring the more powerful economies in the development of rates. For the poorest group, according to the same report, the size of the withdrawal in the RSFSR turned out to be up to 10.1% of income, i.e. three and a half times more difficult than for the most prosperous.

In the publication of the People's Commissariat of Finance of the USSR, published in 1927, "Agriculture according to the agricultural tax for 1925/26" p. 21 of the "Introduction" (in Comrade Lifshitz's article) provides a clear illustration of the methods used to achieve this result. The government gave a directive to reduce the agricultural tax in 1925/26 by 30% against its total value in 1924/25. The People's Commissariat of Finance complied with this directive, but distributed the reduction in separate categories in such a way that the kulaks received a discount more than the middle peasants and the poor peasants, and for the poor peasants the rates taxes were partly even increased. Thanks to this, in contrast to the entire Soviet tradition, during the period when the opposition was in charge of the tax business, that unsightly picture was obtained, as evidenced by the above official table.

Comrade Lifshitz gives such a clear example. For the purpose of imposing the agricultural tax, the peasants are divided into nine groups (the least sowing and least arable is the first, the most arable and the most sowing is the ninth). Within each group, tax is levied at three rates:

1) for the first half a tithe per consumer,

2) for a portion above half a tithe to one and a half tithes per eater,

3) for a portion above one and a half acres per consumer.

It turns out that in establishing these detailed rates for 1925/26, compared to 1924/25, a combination was made, which can be illustrated by the following table of results for the Tula province (from p. 21 of Comrade Lifshitz's "Introduction" mentioned above). A minus means a decrease in the rate as a percentage against the previous year, and a plus means an increase.

Groups	First rate (in %)	Second rate (in %)	Third rate (in %)
First (lowest)	-40	-14	+15
Ninth (highest)	-53	-35	-15

It was necessary to use the entire reduction in agricultural tax (about 100 million rubles) to alleviate the situation of the poor and middle peasants, in order to give them the opportunity of as much as 100 million rubles. invest in improving your business. For this, the state made such a sacrifice as reducing the agricultural tax by 100 million rubles, despite the general strain on the state budget and its insufficiency to fully satisfy all needs. And the apparatus of Narkomfin, led by the opposition, used this to reduce the taxation of the kulaks as much as possible, not only due to a general reduction in agricultural tax, but even due to an incidental partial increase in tax rates for the lowest group. The theoretical substantiation

of such a line of "assistance to the development of the productive forces" can be found in some of Comrade Sokolnikov's speeches, for example, in his speech at the December Party Congress of 1925, not speaking, however, directly about the agricultural tax and about the application of this theory to the tax business in general. And what it means in practice, we are now examining this gradually, only as we really study the tax practice that was inherited from the comrades who carried it out with distortions and deviations from the fundamental directives of the Party.

It goes without saying that during the implementation of the agricultural tax in the next 1926/27, these distortions were corrected. The severity for the poor was lowered, the severity for the upper groups was increased. The following year, 1927/28, this correction of perversions was further aggravated. But even the reporting data on the completed collection of the agricultural tax for 1926/27 clearly indicate that a sharp change in practice has come about the return of the renewed financial agencies from oppositional perversions to Soviet traditions, to actual observance of fundamental party directives. I will cite as an example (from p. 93 of the mentioned memorandum) data for three districts: Valdai district, Starorussky district, Omsk district. These data show the percentage of agricultural tax withdrawals from the incomes of peasant families, divided into groups according to profitability per consumer (p. 273).

Comparison of this tablet with the previous one can serve as an excellent illustration of the question of the real social meaning of the exclusion of the opposition from participating in the leadership of the main government bodies. Marx taught that the highest criterion of theory (the yardstick for its evaluation) is practice. Lenin added that the idiot is the one who believes in the word. The practice of agricultural tax, as well as further

points of this chapter can help guide those who wish to understand the words and deeds of the opposition.

Groups	1925/26	1926/27	Plus or minus (in %)
Omsk district: a) the lowest group	4.1	2.4	-40
Omsk District: b) the highest group	13.5	16.2	+20
Starorussky district: a) the lowest group	2.8	2.0	-29
Starorussky district: b) the highest group	5.6	15	+167
Valdai district: a) the lowest group	2.1	1.9	-10
Valdai district: b) the highest group	6.8	14.3	+110

The second essential directive of which we now have to speak—and which has never been rescinded by the Party—is that taxation should be more favorable for co-operatives than for private enterprises. Meanwhile, the verification of the "inheritance" showed that, in fact, the comrades from the Narkomfin were bending the line to reduce the burden of taxation for private traders and to increase the burden of taxation for co-operatives. This, of course, fully corresponds to the principled line of a number of prominent leaders of the opposition, who recommended that state capital be withdrawn from trade and thereby, therefore, that co-operative trade be replaced by private trade (in the name of accumulating additional funds for the construction of new factories at the moment). But this, no doubt, should come as a surprise to party public opinion, which has a completely different attitude. The report of Comrade Grossman, inspector of the NK RKI of the USSR, agreed with the Narkomfin (February 1927), compares the change in the severity of the trade tax (equalization fee with offset of the patent fee) for cooperation and for private traders in the period of interest to us. The severity of the taxation is

expressed here as a percentage, which is the taxation in relation to the turnover of the co-operatives separately and private traders separately.

Months	Cooperation	private traders
April-September1924	0.6	1.3
October1925–March 1926	0.8	1.2

Thus, the severity of taxation for cooperatives increased by 33%—by a third, while the severity of taxation for private traders, on the contrary, decreased by 8%. Private traders were taxed in April-September 1924 heavier than cooperation by 116%, and in October 1925-March 1926 only by 50%. Thus, the poor private traders, whose net savings are already determined by the People's Commissariat of Trade for 1924/25 at 30% for capital, were given the opportunity to put into their pockets an additional difference from the reduction in taxes for them (up to 20 million rubles). And it was difficult for the cooperatives to oust the private owner and reduce the cost of goods. For the "oppositional" Narkomfin covered the shortfall from the reduction in the burden of taxation for the private trader by increasing the burden of taxation for the cooperatives. This is not quite like the financing by the proletariat of the cooperative system it needs, bequeathed by Lenin. This is more like financing the capitalist economy through cooperation[22].

22) A situation has arisen, writes Comrade Grossman, that "in almost all branches of trade (with the exception of trade in furs, oil products, manufactory, pharmaceutical and perfumery goods, and factory equipment) the percentages of taxation of private trade are the same as the percentages of taxation for state and cooperative trade (p. 10 of the report to the said commission). Therefore, the need to review the situation for each branch separately is clear.

In order to correct this distortion, after a proper assessment of the "legacy" left by the opposition, the Soviet government, already in 1926/27, put into effect an increase in the trade tax for the capitalists, in conjunction with a special tax on commercial excess profits. For 30 gubernias there are already reports from the Narkomfin on the results of taxing private traders in 1926/27 under the new law on trade tax (reported by Comrade Frumkin). It turns out that taxation has increased by an average of 46% against the previous year; but since the turnover of private traders increased by 38%, the actual severity of their taxation under the new law increased by almost 6% already liquidated.

First, it turns out that in our country large merchants are taxed relatively lighter than small ones. Secondly, a detailed analysis (analysis and evaluation) of tax rates, as they were developed at one time by the Narkomfin apparatus and still exist today, shows that their nature, as Comrade Grossman puts it in his report, “does not correspond to the main direction of our policy in with respect to private capital: its transfer from trade to industry” (p. 10 of the mentioned report). In most branches of trade, the rates of taxation of capitalists are equal to the taxation of state and cooperative trade. And in almost all branches of private industry they are, on the contrary, higher than in state and cooperative industry. This creates easier conditions for private capital to compete in trade than in industry. It is, as it were, deliberately diverted from the organization of the production of new useful objects to the organization of speculation with already existing objects. In the section on industry, it has already been pointed out that, for tax reasons, it is more advantageous for the capitalists (where technology permits) to organize a "domestic system" of capitalist exploitation instead of directly opening workshops and factories. The question of changing taxation towards less stringent conditions for private industry (except for its

undesirable branches) than for private trade is currently on the agenda. Thus, this perversion of tax practice will also be eliminated. where technology permits) to organize a "domestic system" of capitalist exploitation instead of the direct opening of workshops and factories. The question of changing taxation towards less stringent conditions for private industry (except for its undesirable branches) than for private trade is currently on the agenda. Thus, this perversion of tax practice will also be eliminated. where technology permits) to organize a "domestic system" of capitalist exploitation instead of the direct opening of workshops and factories. The question of changing taxation towards less stringent conditions for private industry (except for its undesirable branches) than for private trade is currently on the agenda. Thus, this perversion of tax practice will also be eliminated.

As for the taxation of large traders lighter than small ones, here we have a semblance of the same inverse progression that we saw above for the agricultural tax in the RSFSR in 1925/26. The People's Commissariat of Trade of the USSR in table No. 13 of its report of December 1926 (see also the publication Narkomtorga "Private trade in the USSR", M., 1927) provides relevant detailed information on the taxation of private trade for 1925. Private trade for taxation purposes was divided into five categories (lower, peddlers - first; highest, largest - fifth). For cities, the People's Commissariat of Trade has developed and given information starting from the second category (the second is mainly kiosks, the third is ordinary retail shops, etc.). All figures in Table 13 show the percentage of taxes in relation to the sales turnover of private commercial enterprises of each category. Here, first of all, data on

2nd category 0.85, 3rd category 0.42, 4th category 0.30,

5th category 0.19.

The picture is perfectly clear. The larger the private trader, the larger the amount the private trader sells, the smaller the share of the turnover in the form of a patent fee was taken from him by Narkomfin at the rates worked out under Comrade Sokolnikov. I have already pointed out and I emphasize again that it is absolutely impossible to hide behind the formal approval by the authorities of the corresponding "regulations", "instructions", etc. of tax regulations. The Party and the Soviet government have never given directives to tax large merchants more easily than small ones. Vice versa. When draft laws were submitted for approval to the relevant authorities with tables of different rates, etc., it could not occur to anyone that if all these rates were suspected and deciphered, then there would be more relief for the kulak compared to the middle peasant. and for a large merchant a relatively lighter taxation compared with a simple kiosk or with a street peddler from the unemployed. The text itself did not hint at anything of the kind, and Comrade Sokolnikov never warned in his numerous reports that such a picture would turn out in practice.

This applies not only to the patent fee, but also to the totality of all taxes. The People's Commissariat of Trade in the indicated table No. 13 also provides a certificate on what percentage of the sales turnover for private trade was the total of all taxes (including income, trade, stamp, etc., including all local):

2nd category	5.02
3rd	5.05
4th	4.00
5th	2.47

Sometimes rumors are spread that payments for rent of premises and similar tax-like collections are allegedly especially capable of hurting precisely the big capitalists.

Therefore, the People's Commissariat of Trade also provides information on the amount of taxes, along with rent and other "tax-like" payments. Result (percentage):

2nd category	7.81
3rd	7.00
4th	5.07
5th	2.87

The result is exactly the same for private trade in the countryside. For the village, Narkomtorg gives (in the same table No. 13) data on all five categories. I will give only a general result, including all taxes (patent, equalization, income, stamp, etc.), all fees, rent and other tax-like payments (as a percentage):

1st category	10.81
2nd	8.45
3rd	6.07
4th	4.31
5th	3.55

Consequently, a large private merchant in the countryside, in relation to the amount of his sales, is taxed (including rent, etc.) three times lighter than a street peddler. We have almost the same difference in the city between a large merchant and a kiosk. Meanwhile, the net accumulation of the big (the capitalist) is large, while the street and kiosk stores have almost none or none at all. It may occur to anyone that since wholesalers are placed in the fifth (highest) category, they should be taxed lighter, otherwise they will shift the increase to retailers. But why, then, should a larger retailer of the third

category be taxed lighter than a smaller retailer of the second category, and even more so of the first? There is no rational basis for this, but it is simply necessary to establish a distortion of tax practice in the direction of directing the main pressure not on the capitalist (as follows from the directives of the Party and the Soviet government), but in the direction of the private owner of the non-exploiting type, petty and minute. This is especially pronounced in the field of so-called "tax-like" payments (rent for premises, utilities). If, according to the data on the taxation of private trade in cities, we take the relative value of payments for the second tax category of private traders (kiosks) as 100%, then for much larger traders of the fourth and fifth categories, according to the same table of the People's Commissariat of Trade, we get: utilities). If, according to the data on the taxation of private trade in cities, we take the relative value of payments for the second tax category of private traders (kiosks) as 100%, then for much larger traders of the fourth and fifth categories, according to the same table of the People's Commissariat of Trade, we get: utilities). If, according to the data on the taxation of private trade in cities, we take the relative value of payments for the second tax category of private traders (kiosks) as 100%, then for much larger traders of the fourth and fifth categories, according to the same table of the People's Commissariat of Trade, we get:

	Taxes (in %)	Rent, etc. (in %%)
2nd category	100	100
4th	80	24
5th	49	15

Extreme unevenness, irregularity, and even reverse progressiveness take place, in particular, precisely in the payment of rent, utilities, etc. Therefore, at the present time, when we have sorted out the "opposition legacy", the question

of revising all these "tax-like "payments (like rent and utilities), firstly, towards lowering them for merchants of the first and second categories (for peddlers and kiosks) and for handicraftsmen who do not have hired workers, and, secondly, towards bringing them into line with the principles of taxation (which means an increase for large traders compared to small ones).

The fifth perversion of the party line by tax practice in the same year of the leadership of the oppositionists in the financial apparatus consists in a peculiar, quite definite shift in the tax burden within the non-agricultural population. We have seen above what happened during this period with the agricultural tax and how the party later had to correct the distortions committed in this respect. We also saw the manifestation of certain corresponding tendencies in the taxation of private trade. Now the People's Commissariat of Finance of the USSR (see his same report) has compiled data on changes in the taxation of income tax in 1925/26 on various parts of the non-agricultural population in comparison with the previous 1924/25 (pp. 44-45 of the report). As is well known, no income tax is levied on peasants; agricultural tax is taken from them. Percentage of income tax withdrawal of funds from the income of each group of the population, set by the Narkomfin for 1924/25, we take it as 100% and then, using the same Narkomfin plate, we look at how many percent it increased (plus) or decreased (minus) in 1925/26 against the previous year. The result (as a percentage) is:

1.Working	+28
2. Employees	+45
3.Personal trades (labor)	+1
4. Homeowners (small)	+9

5. Merchants and entrepreneurs:

a) small	-6.0
b) average	-2.5
c) large	-3.8
6. Pensioners, fellows, etc.	no change

This table fully explains why for the next year, 1926/27, a new income tax law was issued. For the latest creativity of the apparatus headed by the opposition, which existed in 1925/26, meant, as we see, a noticeable increase in the burden of taxing workers and employees with income tax, a certain increase in the burden for small private economy (labor trades) - and along with this a decrease in the burden for all merchants and capitalists (including industrial ones). Party and Soviet directives in this manner to calculate and set tax rates were put on the head. They had to be put on their feet. To this end, in the new income tax, adopted "after the opposition" (which came into force on October 1, 1926), workers and employees receiving up to 100 rubles are exempted from income tax. per month (previously it was up to 75 r. —and despite the unanimous desire of the CEC commission to raise the non-taxable minimum to 100 rubles. already in 1925/26, Comrade Sokolnikov then insisted on not approving this decision), and the income tax rates for the capitalists were raised. Certificate No. 19 to members of the Budgetary Commission of the All-Russian Central Executive Committee (dated July 3, 1927) summarizes the changes in connection with this distribution of income tax in the RSFSR in 1926/27 compared with the previous year. At the same time, the tax from all individuals and private legal entities is taken as 100% (that is, the tax from state and cooperative enterprises is not counted). The result is as follows:) gives a summary of the changes in connection with this distribution of income tax in the RSFSR in 1926/27 compared

with the previous year. At the same time, the tax from all individuals and private legal entities is taken as 100% (that is, the tax from state and cooperative enterprises is not counted). The result is as follows:) gives a summary of the changes in connection with this distribution of income tax in the RSFSR in 1926/27 compared with the previous year. At the same time, the tax from all individuals and private legal entities is taken as 100% (that is, the tax from state and cooperative enterprises is not counted). The result is as follows:

	1925/26	1926/27
Workers and employees	15.4%	8.5%
Non-labor elements	65.7%	79.0%

The rest of the income tax from individuals fell on small private labor farms.

Of course, as has already been mentioned in relation to the entire taxation as a whole, even in 1925/26, despite all these distortions, the capitalists were taxed more heavily in our country than the workers. A different setting would immediately catch the eye in the text of any law, and no one would tolerate it or miss it. But the tendency towards opposite corrections in practice, through the corresponding "development" of detailed rates, is shown and proved by the above series of facts in full.

And, of course, it gave in practice its harmful results, which are characterized quite higher according to official data. Only after the oppositionists were removed from the leadership of the tax business was this “legacy” sufficiently clarified, and a review and correction of the observed distortions began, which continues to this day.

The fact that all these perversions are directed only in one direction may not be characteristic of the practice of those

figures who, like Comrade Kamenev (then chairman of the STO), Comrade Sokolnikov (then Narkomfin), Comrade Smilga (then the de facto head of the State Planning Commission , first deputy chairman of the ailing), led the development and implementation of all this practice, and now they are not averse to declaring themselves especially "left" and almost former "forever left."

The sixth point in this practice, to which special attention will need to be paid, is the almost complete lack of development of measures for taxing private credit capital. We have seen above its dimensions and significance for bourgeois accumulation. Public opinion quite rightly recognizes the monetary and credit operations of the capitalists as the most profitable branch of their activity.

And it is precisely these operations that remain in our allotment almost completely without taxation, while capitalist and labor private industry and trade are taxed. The main difficulty here is the absence of such brightly conspicuous external signs as are to some extent in trade and partly in industry. But this difficulty is not insurmountable.

We saw above (Section Six) that two-thirds of private credit capital is invested in capitalist medium and large-scale industry and trade. The number of all such enterprises is not immensely large, only about 180 thousand, and their business books (which they are obliged and should be obliged to keep) are controlled by financial inspectors.

The data of these books and the balance sheets drawn from them contain, as we saw from the Narkomfin questionnaire, information on very large amounts of private credit capital, hundreds of millions.

It is possible to establish, for example, the imposition of a certain percentage of all credit turnover of a given commercial

or industrial enterprise (with the adoption of measures to attribute this taxation due to a corresponding decrease in interest on these credit transactions, etc.).

You can outline some other clues for solving the same problem; this is not the place to enter into technique, but the task itself must be set practically, in contrast to the almost complete tax laissez-faire in the revenues of the capitalist monetary market, which has existed until now. The lack of energy in this regard, although unconscious, can be put in some kind of internal connection with the initial calculations on the role of capitalists for the formation of an internal stock market, where government loans could be placed.

We have already described the change in orientation that took place in the Narkomfin in this respect after Comrade Sokolnikov, and its correctness has been shown.

In connection with the question of the taxation of private capital, two more circumstances must be noted. First, about a year and a half ago, the calculations of some workers of that time about an unheard-ofly huge taxation of private capital were circulated among us. It turned out that not only could there be no significant accumulation, but in general one was left to wonder how these sufferers still exist. It turned out that taxes and tax-like payments should absorb from private entrepreneurs 70 and 80 and even 91% of their entire income (minus the costs of the operations themselves, but without taxes). It remained a mystery why these selfless people are still engaged in trade, if it is unlikely that for the rest it is possible to provide the family with at least the standard of living of a low-skilled worker?

The tendentiousness and agitational striving of these calculations were clear even then. Their task was to create the impression of such an allegedly existing, extreme over taxation

of private capital, in order to prepare the ground for that policy of more favoring it, which was simultaneously carried out by the same apparatus by modestly developing and conducting various complex, long, and confused tables of rates and salaries that were attached to the corresponding ordinances and rules. Let us not forget that all these calculations were made, published, and advertised at the very time, about which now both the People's Commissariat of Trade, and the State Planning Commission, etc., on the basis of all the surveys carried out later and the materials collected, established that one net savings from private traders then amounted to at least 30% per year for capital.

Now the secret of these statistical tricks is fully revealed. "The casket just opened." It turns out that tendentious propagandists in favor of private capital—some probably consciously, and some, presumably, out of ignorance or lack of a sense of responsibility for their speeches—applied such a device. Everyone knows that if a trader pays rent for a commercial premises, then he includes it in the price of those goods that he sells in this premises. The same applies to the payment of trade tax, etc. So, the statistical conjurers made an assumption, which they modestly did not emphasize in their speeches, that the merchant does not include in the price of the goods sold either the rent for the premises or the trade tax, etc. Good-natured merchant in the USSR —unlike merchants all over the world— as if he did not pass on to the consumer all the costs that are necessary for the sale of goods.

Now, in the report already mentioned, the People's Commissariat of Finance of the USSR has developed data on the actual taxation of private capital, taking into account the transferable and non-transferable part of taxes, rent and other payments up to and including "voluntary fees".

If we take the entire income of the bourgeoisie (with income, from credit capital, smuggling, etc.), without even taking into account the incomplete calculation of transferability, then the real burden of taxation for private capital in 1925/26 will turn out to be even only about 18% of its income. But in any case, 26% according to the Narkomfin calculation, or 18% according to my calculation, which more fully takes into account income, all this is extremely far from those fantastic 70, 80 and even 90% that more than once walked through the pages of our press.

If the pictures that were painted to us about the complete unbearability of taxes for the capitalists were correct, these same capitalists would have closed their wholesale enterprises long ago. But, as we have seen, taxes were really heavy not for them, but for the very small ones - peddlers, small retailers, etc., for whom the burden of taxation is three times greater than its burden for the largest merchants (see above). These petty people did sometimes go bankrupt (especially handicraftsmen, etc.), while the big capitalists usually only diverted their funds from the trade in textiles to buying up handicrafts, etc.

The second circumstance on which it is necessary to dwell in connection with the question of the taxation of private capital is the question of the connection between the amount of taxes and the present high cost in the USSR. Private merchants and their ideologists (as well as elements susceptible to their influence) usually try to shift the responsibility for the high cost of goods in private trade onto the Soviet government: it allegedly imposes too high taxes.

In fact, the entire severity of the taxation in relation to the price of goods, and especially the difference in this severity between the taxation of private and cooperative trade, is so small that it is absolutely impossible to explain the high cost of goods in private trade compared to cooperative trade by it. A much more significant role is played by the increased profit of the private

trader in comparison with the level of cooperative profit. The absence of a decisive significance of our level of taxes for the modern high cost of private trade has been proved twice in recent years by experimental means (experimentally). The official figures have been cited above, showing that in 1925/26 the severity of the taxation of private trade was lowered. And the high cost of private trade, as the indices show, has increased this year. On the contrary, in the following year, 1926/27, the burden of taxing private capital was increased. And for the first time in a long time, the high cost of private trade in industrial products ceased to grow, and in the first half of 1926/27 even somewhat decreased. Of course, it does not follow from this that it is worth raising taxes, as it is now, everything will become cheaper. But it follows from this that it is not taxes that are playing the decisive role in our country at the present time in the direction of the movement of high prices in the private market. And, therefore, all the nodding at the tax measures of the Soviet government as the root cause of the high cost of private traders-have no basis, contradict the facts and are the implementation of an alien ideology or an ignorant capitulation to it. that it is not taxes that play with us at the present time a decisive role in the direction of the movement of high prices in the private market. And, therefore, all the nodding at the tax measures of the Soviet government as the root cause of the high cost of private traders-have no basis, contradict the facts and are the implementation of an alien ideology or an ignorant capitulation to it. that it is not taxes that play with us at the present time the decisive role in the direction of the movement of high prices in the private market. And, therefore, all the nodding at the tax measures of the Soviet government as the root cause of the high cost of private traders-have no basis, contradict the facts and are the implementation of an alien ideology or an ignorant capitulation to it.

In "Economic Life" dated April 16, 1927, P. Kutler, an employee of the Narkomfin, compared taxes on private turnover, the amount of this turnover and the amount of retail capes of private traders on wholesale prices in Moscow for two years (half-year from October 1924 to September 1926). At the same time, all taxes, both non-transferable and transferable (without any deduction of the transferable part), are fully taken into account here. The result is like this:

Months	The ratio of taxes to the amount of turnover of private traders	Retail cape for wholesale prices
October 1924 - March 1925	8.9%	40.3%
April 1926 - September 1926	6.0%	47.5%

The severity of the taxation decreased, and the cape increased. The entire amount of taxation is several times less than the cape alone in retail. The private trader, taking advantage of his position in the market, not only pocketed the difference from the reduction in the burden of taxation, but also increased the capes.

And vice versa: cheaper prices can be achieved without reducing taxes on the private trader, but only by increasing Soviet intervention in the organization of the market, by increasing the share of goods sold by the Soviet way.

The state energetically set about lowering the prices of manufactured goods in its own and cooperative networks and increased the corresponding pressure on private traders. As a result, private traders also lowered prices somewhat, even with a simultaneous increase in taxes on private turnover. And vice versa: cheaper prices can be achieved without reducing taxes on the private trader—f by simply increasing the Soviet interference in the organization of the market, by increasing the share and goods sold by the Soviet way. The state energetically

set about lowering the prices of manufactured goods in its own and cooperative networks and increased the corresponding pressure on private traders. As a result, private traders also lowered prices somewhat, even with a simultaneous increase in taxes on private turnover.

Thus, the absence of a causal connection between our tax rates and the current high prices on the private market has been proven twice in recent years, both directly and inversely. The current level of profit of the capitalist merchants fully permits further continuation of the same line for a simultaneous reduction in the prices they collect from the consumer and an increase in returns- the state's share of their income.

Evolution of private capital

We have reviewed the history of the formation of private capital in the USSR, its current state and role in agriculture, industry, trade, and the monetary market (partly in transport), the dynamics, the relationship with private labor and the state economy in these areas, and some emerging they have perspectives, as well as the meaning and direction of the totality of measures of state influence.

In connection with this, four main features are outlined in the evolution of private capital in the USSR, as it took place during the six years of NEP (1921-1927) and how it can be foreseen for the coming years. These features are as follows: 1) the evolution from serving the state economy to the predominant concentration of operations in the field of non-state economy; 2) when private economy as a whole retreats from state (and cooperative) economy, within private economy there is a relative increase in the importance and share of capitalist economy; 3) the tendency of the capitalists to create a closed private capitalist economic circle, if possible, accumulation unregulated by the state; 4) the lack of solid ground for the long-term success of this trend and the undoubted failure of the capitalists' attempts at independent and independent economic maneuvering in the USSR.

The period of the initial formation of the bourgeois capital of the USSR (and the revival of the remnants that have been preserved from pre-revolutionary times and partly accumulated under war communism) is 1921-1923. At that time, more than 80% of private capital was occupied with the performance of all kinds of functions for servicing the state economy: trade promotion of state products between state production enterprises, trade, promotion of state products from state enterprises to consumers, all kinds of procurement for

government agencies and the execution of contracts for them . We saw above that at the beginning of this period, and of all the funds involved in private capital operations, up to 85% was accounted for by various forms of public credit.

Thus, both in terms of the nature of the means, and in terms of the sources of commodity supply, and in the direction of its activity, private capital at that time almost did not go beyond the framework of servicing the state economy. Performing some of the functions necessary at that time (for organizing trade in the country), he generously rewarded himself with a wide robbery of the state economy, various predatory means, pumping state property into his pocket.

By the end of 1923, however, the state had already managed to recover to a noticeable extent from the extreme decline to which the long and difficult war had brought the state economy by 1921 on the low economic base left as a legacy of tsarism. Labor productivity has risen, the size of agricultural and industrial production has increased, certain funds have been accumulated for the partial transfer of the organization of trade turnover into state hands, and it has become possible to lower prices for state-owned industry products. In this regard, private capital in 1924 and 1925. was pushed out of domestic circulation and partly from circulation between the state and consumers. According to the calculations of the State Planning Commission (pp. 190-192 of the "Control Figures"), the dependence of the "private sector" on state agencies in the supply of goods in trade amounted to only 40% in 1924/25. And addiction on vacation is even only 37%. In other words, the “private sector” of all the goods it bought from government agencies already bought only 40%, and of all those sold, it sold only 37% to government agencies.

This process of gradual displacement of private capital from the direct service of the state economy and its connections

continued in subsequent years. From the data given in the section on trade, it is easy to see that in the financial year 1926/27 now ending, all private trade as a whole, of all goods entering it, deals with goods of state origin (even if illegally obtained) by approximately 20% of all circulating goods. goods in it. This is instead of about 80% in 1921/22 and instead of about 40%, according to the calculations of the State Planning Committee, in 1924/25. This can be compared with the calculation already given in the section on credit capital, according to which now, in 1927, from of all funds with which private capital operates in industry, trade and in the monetary market, only about 20% falls on state funds.

Consequently, the gradual transfer of the center of gravity of private capital operations in the USSR from the sphere of the state economy to that of the non-state economy over the past six years can be considered a firmly established fact. In trade, this was reflected in the predominant development of operations with goods of non-state origin. In industry, in the more rapid growth of other types of capitalist production in comparison with leased industry. For private capital as a whole, in an increase in its share devoted to lending to the private economy, and in a decrease in the percentage of state funds in the sum of all funds available to the capitalists for their activities.

Such a transfer of the center of gravity of their operations, as we have seen, was forced on the capitalists. It was explained by the fact that the strengthened state economy was already able to a large extent to push private capitalists out of the area of their state economic ties (relations between individual government agencies, between government agencies and consumers, between government agencies and labor producers). The private capitalists thus lost the possibility of exploiting the former state economy of the proletariat. For it turned out to be

able to do without them in the predominant part of its relations and ties. But the state of the proletariat was not yet able to serve all the private labor economy.

Objectively, such a transfer of the center of gravity of the operations of the capitalists means, therefore, a transition from the predominant exploitation of the proletariat (through sucking in and sucking out the state economy of the USSR) to the predominant exploitation of the small private labor economy (peasants, handicraftsmen, pedlars, etc.). In the chapter on the distribution of the national income, the corresponding numerical illustrations have already been given. In the first six years after the end of the war and the introduction of NEP, the proletarian state succeeded in getting rid of the exploitation of the proletarian state economy by the capitalists to a very large extent. The task of the next period will be not only the complete completion of this process, but also the gradual liberation from exploitation by the capitalists also of a vast area of private labor economy.

Thus, in practice, we have already moved closer to the task ("who wins whom") that Comrade Lenin set in connection with the NEP—to the task of an economic competitive victory over the capitalists in organizing and servicing the economic ties of small-scale labor farming. The very social content of our economic struggle against private capital, from the color of self-defense (purging the area of economic relations and the ties of state production from the performance of certain functions by the capitalists), will therefore increasingly begin to be painted in the color of an economic offensive (won back from the capitalists their influence and importance in the field of private labor economy) .

Concentrating thus, of necessity, more and more within the sphere of private economy, private capital within it naturally increased its role at the expense of small-scale labor economy.

We have already seen above that not only private economy as a whole, but specifically the operations of private capital in this five-year period have grown more slowly than the state economy.

Suffice it to recall (see Section Seven) that the entire aggregate of means at the disposal of private capitalists, with which they carried out their activities in industry, trade, and the money market, from 1921 to 1927 only doubled—at that time how state industry has quadrupled during this time, as well as state transport, the budget, etc.

But if private economy as a whole retreated before the state economy, then within private economy the capitalist still triumphed over private labor economy, subordinated it to himself or increased his share at its expense.

In agriculture, this was manifested in the formation during the past period of relatively few capitalist elements (up to 2% of households), which concentrated about a tenth of the entire gross agricultural output of the USSR. While exploiting their neighbors as farm laborers in this part of their economic activity, at the same time this narrow circle of capitalist households developed the exploitation of economically weak families by means of enslaving credit, in cash and in kind. Both of these manifestations of capitalist exploitation during the period of war communism were many times weaker, so that here we have an undoubted increase in the share of capitalist elements in production and an increase in the economic dependence of less powerful labor farms on them.

In industry, at the beginning of the NEP, private production was overwhelmingly labor-based. During this period, private production in industry as a whole retreated quite significantly from state production. Instead of about 30% of the total industrial output of the USSR at the beginning of the period

(according to the calculations of the State Planning Commission, see the section on industry), it now amounts, as we have seen, to only about 20%. But within private industrial production, the same process took place during this six years as in agriculture. First, there was an increase in explicit capitalist production, which did not exist at the beginning of 1921 (leased, concession and own factories and plants). Secondly, private capital organized or subjugated a large part of small-scale labor production in various disguised forms (the "domestic system of capitalist industry" in handicrafts and false artels). As a result, instead of the former small share, the capitalists now directly dominate about half of the entire private industrial production of the country. It is characteristic that, according to the observations of the Supreme Council of National Economy (as comrade Zhirmunsky cites in the book cited above), the intensified organization of handicraft industry by the capitalists began in 1924, i.e., just from the time when the state achieved major successes in pushing the capitalists out of trade in state goods.

In trade we have already established in section five the same two-way process as in agriculture and industry. On the one hand, the share of goods passing through private trade in general has decreased (and not only if we take only the trade in state products, but also if, as it should, we take the entire trade of the country). The state economy (including cooperation) has achieved here a clear competitive success over private traders.

But within private trade over the same period (and especially in recent years) there has been an increase in the role of big capital. This includes, firstly, the faster growth of wholesale trade compared to retail trade (the organization by private capital of its own wholesale trade instead of the previous intermediary and commission transactions between state

bodies, etc., as Zhirmunsky showed, generally began on a large scale only from 1923).

Secondly, this includes the growing dependence of private retailers on the wholesaler as a source of supply of goods (because state supply has been significantly reduced). The same is finally manifested in the role of private credit capital in the financing of private trade and industry (which has replaced the more than halved state credit).

Capitalists (they are also owners of wholesale trade establishments, owners of larger industrial enterprises and organizers of the "domestic system") are beginning to invest an increasing part of their funds in credit financing of medium and small private industry, trade, and partly agriculture (through advances for procurement).

In this way, they ensure the alienation in their favor of a significant part of the profit that is extracted from the population by the enterprises financed by them. Here we can draw (with some simplification) an external analogy with the later emergence and then growth of the significance of finance capital under the dominance of bourgeois relations. But the existence of a proletarian dictatorship in the country, the impossibility of the functioning of independent private banks, etc., place rather narrow limits on this external analogy.

Being thus more and more ousted from the sphere of servicing the state economy, forced to shift the center of gravity of their operations to the sphere of extra state connections and relations, comparatively easily increasing their share and influence within the retreating private economy as a whole, the capitalists in a noteworthy trend. I wrote about it in the winter of 1926/27 in Pravda as a tendency to create a vicious circle of capitalist economy with accumulation, unregulated, if possible, by the state. Here is a kind of attempt to create an economic

"state within a state", to create such a chain of connections in which some economic processes, from the origins to final consumption, would be completely organized capitalistically. Nowhere to come into contact with the state, not to pass it through the state apparatus at any link in the economic existence of a given object—such is the “ideal” schematic formulation. In life, this scheme is by no means fully implemented in all cases, but within certain limits, sometimes quite large, it can be observed all the time. Some private traders produce some goods, other private traders buy these goods from them and sell them to the consumer, third private traders lend them. For example, the following chain is widespread: first, the procurement of raw materials by the capitalists; then processing it in capitalist factories or handicraftsmen, whom the capitalist supplies with raw materials; then comes the organization by the capitalists of trade in the corresponding articles. And at the head of all this is capitalist credit, which finances and plays a decisive role.

There are a number of examples of such a vicious circle. A review compiled by the Private Trade Section of the Economic Administration of the USSR People's Commissariat for October-December 1926 gives such examples. In the field of flour business (p. 38 of the Review of the Private Trade Market), the private harvesting of grain takes place first.

At the same time, private buyers often buy it from the kulaks, who hold the goods from delivery to government agencies in order to get higher prices from the private buyer. The middle peasant is not in a position to wait, because he is more in need of funds. This was observed, for example, in the Volga region in 1926. Then grain was transported there by private water transport. We apply the so-called economic regulation in transport, that is, we prevent private traders from transporting

their goods by rail, while they carry water on their ships; I gave data on this in the chapter on water transport.

The third stage is the grinding of grain in private commodity mills. The fourth is the sale to a private flour wholesaler, and then (fifth) to a flour retailer. The sixth is the supply of this flour to private bakeries and artels of bakers. The seventh is the sale of bread to the consumer.

To this must be added another eighth—the capitalist financing of this whole process.

A similar picture is observed, as reported by the same review of the Narkomtorg, for millet: a private trader buys up millet, sends it to a private mill, and then the private trader sells all kinds of cereals to the consumer.

In Moscow, according to the same review (p. 38), trading operations between private merchants and private manufacturers have begun to develop rapidly. This phenomenon has been noted by the People's Commissariat of Trade especially since the middle of 1926. Goods that were previously sold by private manufacturers directly to a provincial private trader now first fall into the hands of a Moscow wholesaler. Thus, a new wholesale is created, but only within the “private sector”. With his credit pressure on both the private manufacturer and the provincial trader, the Moscow capitalist, who is also a wholesaler, forces them to carry out transactions through him that previously did not go through his mediation in order to reward himself for curtailing the wholesale sale of state products through him.

We have already spoken about the prevalence of the same "closed chain" in the field of organizing the supply of production and marketing of the handicraft industry. This is also indicated by the "Review" of the People's Commissariat of Trade. The same applies to the procurement of livestock, to its

resale to private butchers and then to the trade in meat, etc. The number of such examples could be greatly increased.

The meaning of all these aspirations to go into the "own" closed capitalist circle is quite simple. The point is to move away from state restrictions on capitalist accumulation. If the capitalist based his operations on legally obtained state products, the state could put pressure on him with a certain price policy and thereby limit the size and rate of accumulation.

From a tax point of view, moving into an area where one does not have to come into contact with the state economy also makes it difficult to control and the ability to regulate and limit accumulation by taxes. In our state economy, we consciously limit accumulation so as not to impose too heavy a burden on the population. And the capitalists, settling in a "vicious circle", strive to secure for themselves a much higher and faster level and rate of accumulation.

Objectively, if such a line could triumph as something permanent, it would mean a continuous increase in the share of capital in the total property of the country at the expense of a decrease in the share of the proletarian state. The funds that the state does not take from the private labor economy in order to improve its situation would be siphoned off from it by the capitalists. This is the meaning of the tendency for the capitalists to create a vicious circle within private economy, which, if possible, does not come into contact with the economic activity of the state.

What pace capitalist accumulation can achieve in a “vicious circle” is shown by the examples cited by the same “Overview” of the Narkomtorg (on p. 26): “In Pskov, for two selected firms, the gross profit for the second half of the year and 13.07% of sales turnover; in Baku, firms received a net profit of 18.6% and 25.7% of the monthly turnover; in some cases, a private trader,

being a monopolist in the food and grain markets, "earned" on bread much more than 12-13% of the sales turnover. For comparison, we can say that for cooperation we consider the limit of one percent of the turnover, and here we are talking about 12-13% and even 25%.

The capitalist White Guards of old Russia, who have emigrated abroad, place great hopes in the creation of a "vicious circle", in a greater accumulation of private capital in this way in comparison with the state, and even in achieving in this way for private capital the opportunity to beat "state-owned industry". In Economic Life, on April 16, 1927, Comrade G. I. Lomov, in the article “The National Economy of the USSR in the Coverage of the Conference of Economists and Industrialists of Old Russia,” gives such details about this.

In December 1926, a meeting was held in Paris of large manufacturers and bankers who had fled from the USSR abroad, in which Ryabushinsky (“the bony hand of hunger”), Tretyakov, Asmolov, Glinka and others participated. The most prominent White Guard bourgeois economists, such as Struve, Gefting, also participated etc. The meeting discussed first a report on the "current state of industry in the USSR" (it was decided that the noticeable success "has been achieved in spite of the Soviet regime" thanks to the self-acting work of "the vital forces of the powerful economic organism of Russia"), and then the report of V. Gefting - on the role of private capital in the economy of our country. In this report, Gefting promises that private capital will economically defeat the Soviet economy, and indicates the following path for this: “To the extent that the Soviet government tries to free itself from the services of private capital by creating a state-owned trading apparatus and stopping the sale of goods to private traders, the latter’s desire, by combining with its natural allies, to form a closed economic system, consisting of peasants, handicraftsmen, small

industrialists and a private owner, intensifies. The private trader relies on his own production base in the form of handicraftsmen and small industrialists, which means that his positions are being strengthened in the struggle against state and procurement agencies for buying up peasant raw materials. Private capital is leaning more towards its natural ally, the active top of the peasantry.

However, these bright hopes of the capitalist White Guards and their ideologists were not destined to come true. For they haven't seen through the little things—the same thing that our oppositionists don't see when they talk about the prospects for the degeneration of our economy and the Party, about the prospects of overflowing us with private capital and its political reflections.

Under a bourgeois dictatorship, as is the case in Europe, the small labor economy is left to its own devices. This means that all the power and all the resources of the state headed by it stand on the side of capital. And the small labor economy is doomed to disintegration, to subjugation to capital, it serves only to enrich and nourish capitalism. No other powerful force here takes and can take upon itself the defense of small private labor economy from exploitation and from its economic subjugation by capitalism.

It is a completely different matter under a proletarian dictatorship, as is the case in the USSR. The proletariat is vitally interested in preventing the firm subordination of small labor farms to capital and capitalist exploitation. On this depend on the strength of the power of the proletariat and the possibility of a firm advance towards socialism. Therefore, in the countries of the proletarian dictatorship, on the side of the small-scale labor economy against capitalist exploitation, the power, and resources of the state power, which has concentrated almost all the most important nodal points (commanding heights) of the

country's economy under its direct control and control, inevitably turn out to be. In such a country the attempt of the capitalists to create a "vicious circle" on the basis of small-scale private labor economy is doomed to failure in advance. It can have only transient, temporary success for that period of time, while the means and attention of the proletarian state were diverted to other tasks, even more urgent and even more urgent. This is precisely what took place during the first six years of NEP we lived through.

First of all, it was necessary to raise industrial production and transport to the pre-war level. This corresponded to the general interests of the country and the special interests of the bearer of state power, the proletariat, whose position, and consolidation depended on whether the industry and transport that already existed in the country would work in full, for the presence of which its very numbers were calculated. The rise of agriculture in terms of the sum of its production output was an indispensable concomitant condition for this and was supported and proceeded in parallel.

But the task of completely emancipating the small labor economy from the influence of the capitalist was not yet a priority in this period.

There were not enough funds for this yet. And during this period of time, the capitalist, ousted from the sphere of direct influence of state production, could not without success try to spread his elbows wider in the field of private labor economy.

But now the USSR has already reached the threshold of the pre-war level in 1927, stepped over it. The available funds and the accumulated accumulations—after the solution of the problem of ensuring productive labor for the entire available proletariat—allow us to set further tasks.

This is primarily the task of industrialization (and thereby expanding the number of the proletariat above the pre-war level) and the related task of removing the capitalists from the leading influence on the small labor economy.

This latter is required to make industrialization cheaper and to ensure its greatest pace. Supplying the developing industry with raw materials, supplying its workers with foodstuffs, etc.—all this rests on the task of reducing the role of the capitalists in this matter.

And since industrialization—after reaching the pre-war level—is the axis of the entire economic plan of the USSR, it is therefore inevitable that, in the period now beginning, significant funds and attention will be devoted to freeing the small labor economy from the exploitative influence of the capitalist. From this follows (unlike in bourgeois countries) the fragility of the economic base on which private capital in the USSR tries to organize its "vicious circle" (procurements and credit in agriculture, the "home system" for handicraftsmen, the supply of food to the labor consumer in cities and etc.).

Indeed, if we review the measures that have already been definitely outlined in this area, it will be revealed that they are of such a nature that they are capable of just "opening" the circle in which the capitalists would like to close small private labor economy with themselves, and thereby is capable of leaving the capitalists to maneuver only within the framework of direct capitalist production—without exploitative involvement in the area of their operations also of the products of small-scale labor economy.

In agriculture, one of the most basic directives of the state at the present time is the development of Soviet credit and the co-operation of poor and middle peasant production.

The development of Soviet credit will undermine the soil under the enslaving dependence of the poor on the capitalist elements, and co-production by increasing the intensity, profitability and labor intensity of the co-operative economy will put a limit on the transition of the present-day poor to laborers to the capitalist elite.

In industry, the task was definitely set by the state (by a well-known decision of 1927) of drawing handicraft industry into the state channel. Government decisions have already been published on including it in the production supply plan, on stepping up measures for real co-operation, on allocating funds to strengthen the organization of its supply and the marketing of its products. The gradual implementation of these measures should smash both the "domestic system" and the buying up by the capitalists of the products of unorganized handicraftsmen. By the same token, the production base of capitalist trade is also narrowed. In addition, a number of measures are being taken to reduce capitalist production in such branches of the direct processing of small-scale agricultural products as the flour-grinding industry, the leather industry, and the manufacture of vegetable oils.

In the area of special trade, the main paths are also very clearly marked. To wrest away the worker buyers from the capitalists, to wrest from the capitalists the main procurements of the products of small labor farms in the countryside, to wrest from the capitalists the entire sale of state-owned goods—these are, schematically, the main tasks of the competitive economic struggle for the next few years. Above, we have already given the result of an approximate calculation that in order to fully replace the capitalists in these areas, about two billion rubles (state funds and cooperative contributions from the population) would have to be invested in trade in the course of a decade.

The totality of all these measures in agriculture, industry, and trade (along with the organization of small credits for labor producers and the working population) inevitably creates a new situation for private capital in the USSR. There is nothing left for him to do but either submit to the direction of state-controlled industrial production and construction (with restrictions on exploitation and accumulation) or lie idle and try to flee abroad, emigrate, and be alienated by the state for complete parasitic uselessness.

The economic plan of the USSR for the next few years will undoubtedly include a shift by the state of private capital, from the field of trade and credit to the field of industrial production (and construction) in enterprises subordinate to the influence of state bodies and controlled by them. For what was useful in its time in the role of private capital in the organization of commodity circulation is becoming more and more obsolete. The totality of conditions develops precisely in such a way that private capital will be compelled to submit more and more to this guiding influence of the state, until the time comes for the final transfer of all capitalist enterprises into the direct control of working society.

General setting and final conclusions.

The transitional period to socialism and the sprouts of capitalism.

After the armed resistance of the capitalists and landowners is suppressed by the dictatorship of the proletariat, a comparatively long transitional period of economic preparation for building a complete socialist society begins.

In this transitional period, the form of economic connection between the various parts and units of the social economy is the method of trading, market exchange and settlement, in conjunction with the ever-increasing planned leadership of the proletarian state, i.e., that system of relations which in the USSR since 1921 received: the name of the "new economic policy".

Even after the defeat of capitalism by the proletariat, insofar as simple commodity production still occupies a certain place in the economic structure of every country (i.e., private farming of small proprietors of the labor type), if there is a trade-market method of economic relations from simple commodity production and on its basis continuously new capitalist elements must spring up and try to revive the shattered remnants of the former capitalist world.

The transitional period is thus turning into a history of the struggle of the ever-growing planned socialized economy of the proletarian state with those capitalist elements that inevitably arise on the basis of simple commodity production thanks to the commercial and market methods of economic connection and calculation that are necessarily applied by the proletariat. . This is how the famous question of V. I. Lenin is put on the agenda: “Who wins?” Capitalists or Us.

The mastery of the main economic key points of the country by the proletariat;

the unity of the proletarian economic leadership; the enormous power of the united economic complex, which is in the hands of the working class, among the smallest scattered individual labor farms and weak capitalist sprouts and survivals; the political dictatorship of the proletariat;

bringing to his side as a strong ally the vast majority of simple labor commodity producers and finding acceptable ways for them to restructure their economy in the direction of approaching the socialist system (Lenin's cooperative plan)

All this sufficiently ensures the certainty of the victory of the emerging socialist society over the dying and retreating remnants of the past during the transition period, and thereby the end of the transition period, the complete destruction of classes, and the cessation of the use of trade and market methods of economic communication.

Features of the USSR and the opposition.

In the USSR, the proletariat during the transitional period has to deal with additional difficulties. They stem, firstly, from the existence of the USSR as the only state in the world with a proletarian dictatorship in a bourgeois environment, which objectively and subjectively increases the resistance of capitalist elements within the country. They follow, secondly, from the peculiarities of the social structure of the USSR, where such a large part of the population is in the sphere of simple commodity production (the overwhelming majority of the peasantry) that the ground for the possibility of the emergence of capitalist elements is objectively quite broad.

The very competition between the proletariat building socialism, which applies trade and market methods in the transitional period, and between the capitalist elements growing up under the given structure, methods, and

surroundings, in the USSR, under such conditions, turns to a large extent into a struggle for the peasantry between us and private capital. In other words, in the struggle for how much more capable we will be, not only culturally and politically, but also economically, to satisfy, serve him and lead him by raising his standard of living and strengthening the economic security of such an increase.

The complexity of the work on the tasks facing us in the USSR is aggravated by the fact that in order to overcome these difficulties by the success of proletarian economic management, we have to overcome ours simultaneously and simultaneously, the proletariat of the USSR, lack of culture, low qualifications, poor armament with equipment, low productivity and intensity of our own labor and insufficient rationality. in all areas of its organization, largely filled with remnants of the past, which cannot be eliminated with lightning speed (like bureaucracy, etc.).

The totality of all these circumstances from the very beginning of the transitional period after the suppression of the armed resistance of the capitalists and landowners, i.e., from 1921, caused in the USSR in some, albeit small sections of the workers doubts and hesitations whether under such conditions the economic overcoming the newly emerging sprouts of private capital by the young and inexperienced proletarian economy, while the USSR continues to be alone among the world of states dominated by capitalist dictatorship. Each of the oppositions that have arisen in the party since 1921 and successively replaced and drawn closer to each other has been a reflection of these hesitations and doubts to one degree or another.

The proletariat of the USSR, led by its party, throughout the entire transitional period that began in 1921, waged a struggle against the emerging shoots of capitalist elements to a large extent by touch. There could not yet have been sufficient study,

nor sufficient experience in this respect, nor sufficient detailing of the general line of the Party for the utmost possible reduction in the role of exploiting elements in the economy of the USSR, while maintaining inviolability the commodity-market methods of economic connection with the planned leadership of the state carried out in their form. The lack of study of the issue, lack of experience and detailing of the practical line led to unevenness in its implementation in different segments, time to the possibility of sowing panic and discrediting rumors without objective grounds for this.

Now, six years after the beginning of the current transitional period, the USSR has approached the first significant milestone - in 1927, our country for the first time exceeds the limits of the pre-war economy and, thereby, from the predominant healing of wounds, is approaching the beginning of the predominant direction of those who are now beginning to gather above the pre-war level of accumulation to a new level. socialist building. That is why it was now timely and necessary to sum up the six-year experience of our relations with private capital in the USSR and observations of its role, and to give a summary worked out in particular, which would indicate the order and sequence of carrying out a common line in the fight against private capital in different areas, taking into account the uniformity and consistency in its practical implementation.

The results of six years of experience.

The predictions of the enemies and the fears of the friends regarding the overwhelm of the socialist elements by private economy and our construction have not been justified—such is the basic conclusion of the six years' experience, obvious to all, undeniable and illustrative. The role and importance of the private economy as a whole and in each of its main branches separately in the overall economy of the country have

noticeably given way to the leadership and role of the economy of the socialist state. Less in agriculture and the credit market, more in industry and trade, sometimes with temporary interruptions (as in the partial stabilization of private trade in 1925/26), but everywhere the relative and guiding importance of the socialized economy of the proletariat has increased over the past six years. This change in ratio is more significant which refers to the period of objectively most favorable conditions for private economy, because the sectors that were in the hands of the state (industry, transport, banks, foreign trade) entered the transition period at a much lower level compared to the pre-war state in comparison with the bulk of the country's private economies. During the past six years, the state economy, developing at a faster pace, has completely covered this difference and, therefore, is relatively much more powerful in the coming period than in the past first six years of the New Economic Policy (1921-1927).

Within the private economy as a whole, the inevitable emergence of capitalist sprouts turned out to be even less than the limits for which the public opinion of the party was prepared at the beginning of the NEP, and in no branch of the national economy did it acquire a threatening or, all the more, a decisive character. The share of private capital in industry is only about 10% of the output, in agriculture, and especially in trade and the credit market, a little more; in transport, it is absolutely negligible. Of the entire national property, private capital owns only about 5% of the annual accumulation, a little more, but all these shoots of capitalism are already beginning to feel the ever greater pressure of the growing state economy, which is capable of setting for the next few years the task of their complete planned subordination to itself.

Thus, the first result of the past six years is the fact that the inevitable emergence of the sprouts of capitalism and their

temporary absolute and partly relative growth took place in an environment of a general retreat of the share and importance of private economy over state economy.

The second of the most important results of the past six years is the fact that the sprouts of capitalism, even on a modest scale, appeared not as a result of a competitive victory over the corresponding state economy, but only where the state did not act as a competitor or itself found it expedient to plant them.

Thus, in industry, the production of private capital is concentrated mainly in the "domestic system", where the state almost did not act at all, and in leased and concession enterprises, where private capital was specially attracted.

In trade, private capital occupies a serious position only in the procurement and sale of goods that are not products of the state industry (while the sale of the latter in the overwhelming majority, especially in the city, has already been concentrated in the hands of the cooperatives and government agencies).

In the credit market, capitalist-exploiting sprouts are most apparent in agriculture (especially livestock loans), where state credit intervention is only in its very early stages of development. On the contrary, wherever the state acted as a competitor, private capital was defeated, as was the case in ousting it from grain procurements, from the wholesale trade of state industry, partly together with a retail network subordinate to this wholesale (which in the early years of the NEP was the main occupation of private capital) etc.

A further feature of the evolution of private capital during the NEP period was the circumstance that, pushed back, and partly outright driven out by the growing might of the state economy, private capital was increasingly compelled to seek employment in those branches in which the economic work of the state hitherto had little effect.

Thus, the center of gravity of the activity of private capital was gradually shifted from trade in the products of state industry to the production and trade organization of handicraft industry; in the procurement of those goods of peasant origin, such as meat, vegetables, firewood, etc., to which the work of the co-operatives has not yet reached the coverage; to the credit and in particular the money market and partly to local transport, especially water.

In agriculture, to this is added the transition to entrepreneurial lease, which, however, has not received, however, legally particularly great development, and trade relations with the capitalist of the city.

Forced to leave areas directly related to the state economy and its regulatory influence, private capital is trying to reduce the possibility of this regulatory influence by creating an uninterrupted economic chain of its own—capitalist procurement, financing, processing, and marketing, and partly even transport (water). These attempts are basically based simply on the use and temporary partial subjugation of simple commodity production (peasants, handicraftsmen), insofar as it has not yet been adequately serviced by the state. Therefore, in view of the forthcoming growth in such services, the attempt of exploiter capital to create for itself, as far as possible, a closed and therefore poorly controlled circle of accumulation unregulated by the state, cannot turn out to be a stable, lastingly successful attempt by exploiter capital.

The last main feature of the activity of private capital, as it has taken shape in the USSR at the present time, is the flow of a very significant part of it in hidden, disguised, or dispersed forms. In agriculture, usurious loans of cattle take the form of renting them out; the land economically rented by the entrepreneur is legally considered to be the actual farm laborer's own farm; even open farm work is sometimes masked by pseudo-

collective farms and temporary admission to the family. In industry, activity through "labor artels", which are in fact organizations covering the entrepreneurs, and the organization of capitalist production through its domestic system, masked by the selection of industrial patents by its workers as independent handicraftsmen, are developing significantly. In trade, the buying up of goods in Soviet retail through nominees, partly false cooperation (especially in the form of invalid and purchasing and marketing agricultural) and smuggling, import and export, are widely developed. In the money market, the operations of private capital almost completely escape the light, even in the form of such, however, rather rapidly growing organizations, as those provided specifically for the needs of the private economy of the Mutual Credit Society. The organization—instead of overt activity—of its hidden and disguised forms, partly the result of some inexperience and errors, tax and otherwise, of our legislation and practice, mainly serves the purpose of reducing control and getting away from those restrictions on the exploitation of labor and consumers, which the Soviet system imposes on private capital. The experience of accumulated observations should be fully used for practical measures in this regard in the future.

Practical setting for the coming years.

The common line must remain in full force. It consists in the possible complete replacement by the development of the socialist elements of the economy of those germs of capitalism which reappear under the conditions of our economic structure, bourgeois encirclement, and the necessary commodity-market methods of the transition period.

The limits and sequence of this substitution in each period of time are determined by the national plan for the development of the socialist economy.

In the coming years, along with the continuation of the policy of substitution in areas of particular socio-political and economic importance, the task should also be set of that share of the activity of private capital, which it is possible to maintain for this period, to put as an addition to the state economy, directed in accordance with the definitions of the state plan and moreover, subordinate in its main manifestations to state leadership and regulation, in particular in limiting the exploitation of labor and in protecting the interests of the consumer.

In agriculture, this means a significant increase in the replacement of exploiting elements in lending to the poor (especially through loan assistance to the collective mechanization and intensification of small labor farms) and in organizing the procurement and marketing of the main products of the middle peasant economy (especially meat, butter, vegetables, which are at the same time determining the real value of wages). , and industrial raw materials, with the intensification of agriculture, which constitutes an increasing share of its products).

The organization of open entrepreneurial agriculture with hired workers, carried out in some areas by a narrow capitalist elite of the peasantry, may not yet be suppressed by measures of non-economic coercion, but measures for the protection of wage labor must be strengthened, and taxation must be brought into line with the actual capacity of such farms in direction of its increase. In industry, this means a different (differentiated) approach to different industries in the coming years.

The activities of private capital should be directed towards liquidation in those sectors where there is a shortage of raw materials and for state industry, while in terms of its equipment it is capable of satisfying the needs of the population (tannery,

vegetable oil factories, etc.) and in those sectors where this is necessary for special economic and socio-political reasons (for example, the flour-grinding and cereals industry, the mastery of which by private capital would enable it to take away the entire increase in wages from the worker by raising the price of bread).

On the contrary, it is expedient to increase the investment of private capital in such branches—for example, the production of bricks, the building of new houses, etc., where the available state industry and the new funds invested according to the state plan cannot fully satisfy the needs of the country, and the availability of raw materials, etc. allows further development of production.

It would be expedient to increase the attraction of private capital to such sectors where there are significant unused natural resources, the possibility of developing which far exceeds the effect of new state investments, such as the extraction of gold, ore, coal, etc.

Finally, there are a number of industries, such as clothing and others, where the state is currently not interested in either increased substitution or increased attraction of private capital, and where the totality of measures in the coming years should be directed primarily to the transition from hidden forms to explicit, controlled, to a corresponding limitation of exploitation and to the gradual involvement, to the extent possible, of handicraftsmen in the mainstream of the state economy.

In trade, within the next few years, there should be a possible complete replacement of private wholesale and semi-wholesale by state and cooperative wholesale. It has been proved that it is precisely the large private trader, who keeps private retail as a dependency, who is the instigator of the rise in prices,

disrupting the real level of wages, harming the link between state industry and the peasant economy, shaking the purchasing power of the chervonets, and hindering the export and industrialization of our country.

The economy of the state and the co-operatives has already grown strong enough to complete this substitution in appropriate gradualness over the coming years.

As far as retail trade is concerned, here, of course, the main line of a steady gradual increase in the share of cooperation in the total retail trade should remain in full force by reducing the share of private trade. At the same time, to the extent that cooperative retail cannot yet fully master the turnover of goods and to the extent that it will be possible in practice to subordinate private retail to the regulating influence of the state on the side of lowering prices and limiting profit, it is possible to insert the task of directly supplying private retail in order to conduct through it the corresponding the parts of the commodity supply of the country with state-owned products are decreasing.

Exceptional attention, as already indicated, should cause the replacement of the private trader in supplying the main types of food to the working centers of the country.

The five-year program of consumer cooperation should be substantially revised in that direction. The state of the credit and money market in the country was studied and controlled less than other industries; related work and control should be strengthened. The same applies to the real results of taxation in their social context.

The taxation of private capital should favor private industry more than private trade, and more overt forms than disguised and dispersed ones. As applied to the capitalist elite in the countryside, the question of income tax must be raised. The

general line both in town and in the countryside regarding the taxation of private economy as a whole is in the direction of reducing the severity of the tax burden for small-scale labor farming at the expense of increasing it for the capitalist economy.

In order to improve lending to simple labor commodity production, the attraction of its own savings must be strengthened by more favorable conditions.

The practice of state loans should get rid of the pursuit of involving large private capital in them, as having not justified itself. Along with the intensification of repressions for currency speculation, smuggling financing, etc., in order to divert private capital from this area, its legal access to fairly profitable housing construction, the operation of newly built hotels, etc., should be expanded, and into those industries where its activity can be recognized as expedient or admissible for the forthcoming period. At the same time, the work of mutual credit societies should be streamlined with increased state control over its direction and with the concentration in them of all lending to the private economy.

In the field of general legal norms, it is necessary and timely to draw a distinction between private capital, which is able and willing to act under the control of the state in the areas allotted to it with a certain limitation of exploitation, and between that scum of the NEP, from which the key economic centers of the country and all state and cooperative bodies must be cleared.

The totality of a number of appropriate measures should put up in the future a barrier to the use of Soviet economic agencies for capitalist purposes and make it difficult to repeat the individual mistakes that took place in this regard.

July 4, 1927. Yuri Larin

(A unique book, recommended at one time by I.V. Stalin, which shows the dialectic of the NEP, how in practice the socialist way of economy destroyed the economically private-proprietary, capitalist way. In the post-Stalin USSR, it was kept in special depository, there was no free access to it. All the schemes that were then widely used by the new bourgeoisie during the period of Perestroika are described

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