

CHAPTER I

The Five Years' Plan

The Plan's aims¹ stated—The economic expansion involved—Condition of the people—The Plan increasingly based on forced labour—The British 'Blue Book' of 1931.

SINCE the Revolution of October 1917 Soviet Russia has been the scene of the most tremendous drama the modern world has known. Such glimpses as have been permitted by strict Government control of speech, Press, and intercourse with foreign countries, have shown that Russia has carried through revolution on a scale which knows no parallel, and which, even after thirteen years, is as ruthless as in its early days. She has undermined marriage and is rapidly breaking up family life. She wages ceaseless war on all religion. She is responsible for the most comprehensive and continuous experiment in the nationalisation of industry, banking and trade that has ever been seen. She is now endeavouring to restore¹ and develop her economic

¹ Professor Paul Haensel, D.L.L., who both before and after the Revolution was Professor of Public Finance in Moscow University, and from 1921 to 1928 was President of the Financial Section of the Institute of Economic Research attached to the Commissariat of Finance of the U.S.S.R., in a recent book entitled *The Economic Policy of Soviet Russia* (1930), p. 88, gives figures showing that Russia's *per capita* industrial production in 1927-8, the year before the commencement of the Five Years' Plan, had not yet been restored to the pre-war level, in spite of 'a greatly diminished import and increased demand on the part of a rising urban population.' The agricul-

system by a gigantic Five Years' Plan of productive expansion.

The aim of the Plan has been stated by one of its authors, G. T. Grinko, to be no less than the development of Russia's natural resources and industry to such an extent as to make her by the year 1933, 'as independent of the capitalist world as possible.'¹ But he also frankly tells us that considerations of 'national policy' and 'national defence' enter into this desire for independence.² National defence is to be promoted by developing the chemical and heavy industries, the bases of munitions of war. As regards national policy, he officially endorses the view that the 'Five-Year Plan is an important part of the offensive of the proletariat of the world against capitalism; it is a plan tending to undermine capitalist stabilisation; it is a great plan of world revolution.'³

The Five Years' Plan has been described in detail, not only by its authors but by others who have had access to official statistics, or who by visiting Russia have seen something of the Plan in actual working. It is unnecessary, therefore, to do more here than outline it briefly. It involves, it is said, the increase

tural yield *per capita* was also below the 1913 level (Birmingham University, Bureau of Research on Russian Economic Conditions, *Memorandum*, No. 1, May 1931).

¹ *The Five Years' Plan of the Soviet Union*, p. 305. Mr. Grinko is Vice-Chairman of the State Planning Commission (or 'Gosplan') responsible for the Plan.

² *Ibid.*, p. 311.

³ *Ibid.*, p. 30, quoting *Pravda* (*Truth*, the official organ of the Russian Communist Party), August 29th, 1929. As the Russian Press is owned by the Government and largely utilised by it, it is in effect official. All Russian newspapers quoted here, except those published outside Russia, are Soviet organs.

of new capital investments in Soviet Russia in the year 1932-3 by 328 per cent. as compared with 1927-8. The capital investments in electrification works are to increase by 465 per cent., the production of electrical power in general by 236 per cent. Other basic industries in the same period are to increase their production as follows: coal from 35.4 million tons in 1927-8 to 75 million tons; oil from 11.7 million tons to 22 million; iron ore from 5.7 million tons to 19 million; pig-iron from 3.3 million tons to 10; and super-phosphates from 150,000 tons to 3,400,000.¹

The projected expansion in agriculture, Russia's main industry, may appear less sensational, but it is none the less formidable. Over the five years it is hoped to increase output by 55 per cent., both in 'vegetable culture and animal husbandry.' Grain production is to rise 50 per cent., while 'industrial crops' (i.e. sugar-beet, tobacco, sunflower, flax and cotton) are to be doubled.² A serious consideration for other producing countries is the fact that after a period of years in which exports of grain from Russia have been uncertain, the Plan provides for the export of 8 or 9 million tons annually by the year 1933.³

This great increase in grain production is to be brought about by the creation of large farms, either state-owned or run on a collective basis, in which

¹ *The Five-Year Plan of Economic Development of Soviet Russia*, Vol. I, 3rd edition, issued by the Soviet State Planning Commission.

² Grinko, p. 175.

³ Grinko, pp. 175 and 306. Russia's grain exports of all kinds averaged 11 million tons in the five years immediately before the war. Wheat exports before the war averaged 4.5 million tons, barley 3.6, and oats a little over one million. Statistics of Soviet Customs, 1924.

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agricultural machinery will replace the primitive implements formerly used by the poorer peasants.

The Plan further provides for the development of Russia's vast timber reserves on a scale sufficient to enable her to supply the heavy internal demands caused by new factory and housing construction, and 'still to double or treble the present lumber exports'¹ during the five years.

Finally, the production of consumption goods such as yarn, sugar and rubber overshoes (an important article of wear in Russia), is to be increased over 200 per cent. above pre-war level. Woollen fabrics are to increase from 96,600,000 metres in 1927-8 to 270,000,000 in 1932-3, and cotton fabrics from 2,700,000,000 metres to 4,700,000,000.²

The gross production of all industry is to be more than doubled in value during the course of the Plan.³

To enable her to purchase the necessary machinery for this gigantic programme, Russia hopes to increase her total exports more than two and a half times by 1932-3. The 'major exports' are to be petroleum, lumber, flax and grain,⁴ but manufactures are to form an increasingly important part of her export trade. The Plan actually aims at converting Russia from an agricultural into an industrial country.⁵ By 1933 nearly half of her exports (49.5 per cent.)⁶ are to consist of wholly or

¹ Grinko, p. 114.

² Speech of Mr. D. V. Bogomoloff, Counsellor to the Soviet Embassy in London, April 22nd, 1931.

³ Dr. Calvin B. Hoover, *The Economic Life of Soviet Russia*, 1931, p. 308.

⁴ Grinko, p. 306.

⁵ *Ibid.*, p. 307.

⁶ A. Sandalov and L. Segall, *Soviet Union Year Book*, p. 291.

partly manufactured goods, whereas these only accounted for 30 per cent. in pre-war days.

As executions and other forms of rigorous punishment have left her insufficient technicians among her own people to direct this vast enterprise, she has called to her aid some thousands of foreign experts in various branches of industry.

Visitors to Russia have given vivid accounts of the vigour, and in considerable measure, the success, with which Soviet rulers, backed up by members of the Communist Party and of the Communist League of Youth,¹ are prosecuting this scheme. But the steadily mounting figures of production and exports given by them are in striking contrast to the picture they draw of the condition of the Russian people. Food is so short that rationing has been in force since 1929. Almost everything, they tell us, is scarce, except bread, and the steps taken to supply the cities with their scanty rations in many cases leave the peasants 'practically without grain or flour.'² It is evident from their accounts that the Russian people, under-nourished, ill-clothed, and miserably

¹ *Pravda*, May 1st, 1931, says that the Party numbers 2,200,000, but the members increasingly 'deviate' from its policy (Karl Kautsky, *Bolshevism at a Deadlock*, 1931, p. 21). Young Communists are said to be four millions strong (*Pravda*, July 1st, 1931), but resignations are frequent. In 1930 one million out of three millions resigned (Soviet publication, *The Young Guard*, No. 7, 1931). Kossarev, Secretary-General, has publicly deplored the leakage.

² Hoover, p. 329. Mr. F. Knickerbocker, in his book *The Soviet Five-Year Plan* (1930), p. 175, agrees with Dr. Hoover in saying that the condition of the people in 1930 was worse than it had been since the famine of 1921. The scarcity is greater now, and includes bread. See p. 167.

housed,¹ are toiling to make and export agricultural produce or manufactured goods they urgently need themselves.

What has not yet been made clear, however, is the fact that the Plan has been increasingly based on the use of forced labour. It is true that statements have recently been made both in the United States and Great Britain as to the use of prison labour under conditions of great severity in the Far North of Russia. Allegations to this effect made by escaped prisoners are substantiated by statements of British sailors on ships carrying the lumber from this area; but it has been denied by Premier Molotov, Chairman of the Council of People's Commissars,² that

¹ Although on a hygienic basis 8 square yards per person were regarded in Soviet Russia as the smallest possible housing space, by 1927 the average had sunk to 6·6, owing largely to lack of necessary repairs. In some districts, such as the Urals, the average space in March 1928 was officially stated to be not more than 4·1 square yards, and in the Northern Caucasus 5·2 square yards, for industrial workers and 3·6 for railwaymen (A. Baikaloff, *In The Land of Communist Dictatorship*, 1929, p. 125, quoting from *Trud* (organ of the All-Union Trade Unions), March 1st, 1928). In the mining area of the Donets district of South Russia the average is so low that Soviet writers refer to it as the 'coffin standard' (V. Höffding, "Labour Conditions in Soviet Russia," in *The Slavonic Review*, January 1929, p. 349). Mr. Höffding quotes the newspaper *Izvestia* as stating that in spite of housing programmes under the Five Years' Plan, 'a still further reduction of the housing norm' was to be expected in the next few years. Factory workers and their families are frequently herded together in barracks of which Mr. Baikaloff gives a terrible description (p. 136). So does a writer in *Trud*, May 22nd, 1931. The Plan, by increasing the influx of workers to industrial centres, has added to the previous congestion. Mrs. Grady, wife of an American mining engineer working in the Donets area, writes that she has visited many workers' houses in various parts of Russia, and that everywhere she found attractively constructed dwellings, 'but always overcrowding, chaos and misery within.' (*Saturday Evening Post*, Philadelphia, Pa., July 11th, 1931.) *Pravda*, August 11th, 1931, deplures the anti-sanitary conditions of workers' communal dwellings, factory canteens and other eating-places, all over the Soviet Union.

² This post most nearly approximates to that of Prime Minister in the United Kingdom, the Council of People's Commissars (i.e. Ministers)

'prison labour of any kind is used in the timber trade.' His further statements that 'In the Soviet Union labour is free,' and his references to the 'slandorous allegations' and 'lies' about forced labour,¹ appear to deny that such labour exists in any industry.

Yet in the early days of 1931 the British Government published a *Selection of Documents relative to Labour Legislation in force in the Union of Soviet Socialist Republics*,² which shows beyond shadow of doubt that Russian legislation has long allowed for the employment of the forced labour, not only of persons undergoing sentences of imprisonment, but of persons, both men and women, who have not incurred the displeasure of the law. The volume further makes it clear that the existing legislative powers to employ compulsory labour have been increasingly utilised since the inauguration of the Five Years' Plan on October 1st, 1928.³ It is the purpose of this book to make clear the contents of the official 'Blue Book' to those who may not have had time or opportunity to read it. An attempt will also be made to summarise the chief events leading up to the issue of the various decrees recorded.

corresponding to the Cabinet. But the real rulers of Russia are those who control the Central Committee of the Communist Party, and its inner circle, the Political Bureau.

¹ Speech to the Sixth Congress of Soviets on March 8th, 1931, *International Press Correspondence*, March 21st, 1931, p. 310.

² Cmd. (i.e. 'Command Paper') 3775 (1931).

³ The Soviet year ran from October 1st to September 30th, until January 1st, 1931, when a return was made to the ordinary calendar year.