

Regional Features of Nationalization Policy (1917-1921)

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Abstract: There are still plenty of “white spots” and misconceptions about historical events and processes that took place in the history of Russia in modern foreign and domestic historiography. The history of individual regions remains virtually unexplored. All this causes considerable interest in research on the history of Russia through the study of regional processes. In our opinion, the events of the first third of the twentieth century can be considered highly controversial. In a short time, a small group of people were able to change in the revolutionary way the social structure and traditions of the country that had been formed over centuries and eventually turned the country into a powerful state. The factor that contributed to the success of the Bolsheviks was the competently carried out economic activities, among which in the first phase of state-building, we can highlight the process of industry nationalization. The concentration of material and human resources in the hands of the state helped the Soviet regime to survive during the Civil War, which can clearly be observed at the regional level. In this regard, the subject of our research is the process of nationalization of industrial enterprises in Kazan province (the Republic of Tatarstan at present) in 1917- 1921.

Key words: Russia • Soviet Russia • Bolsheviks • Soviet power • Nationalization • Industry • Kazan province • The Republic of Tatarstan.

INTRODUCTION

Currently Russia is facing a difficult choice of the way to its further development. Catastrophic events of the twentieth century (wars and revolutions), supplemented by the difficult time of 1990-s – early 2000-s, led to a deep recession, a decline in living standards, morals and culture and as a consequence, to moral, psychological and physiological degradation of the society. Fortunately, nowadays, with the economic recovery and the political stabilization of the society, there is a need to rethink the country’s historical past; there are incentives to move towards the political and spiritual revival. This causes considerable interest of researchers in the past of the Russian state.

In this regard, the time when Bolsheviks came to power in 1917 is of particular interest for the study. In a short time, a small group of revolutionaries were able to change the social and economic structure

and traditions of the country that had been built over centuries and eventually turned Russia into a powerful state.

The relevance of the topic is enhanced for today there are few works that carry a detailed investigation of those events or some lesser known facts. In this regard, we are not to consider all the features of the formation and strengthening of the Soviet power, we shall single out only one factor that allowed the Soviets to retain their power. In our opinion it is doubtless a sound economic policy aimed at concentrating resources.

Transformations at the state level were preconditioned by the significant changes made at the regional level. It is here that the foundations were laid for the future Soviet economy. In this regard, the subject of our research is the process of nationalization of industrial enterprises in Kazan province (today Republic of Tatarstan) in 1917- 1921. The pointed out problems

have been partially analyzed in the article « Regional Industry in the Period of Nationalization: Based on the Materials of Tatarstan Republic (Russia) » by Gapsalamov A.R. [1].

RESULTS AND DISCUSSION

Let us begin with a brief historical background: in the early twentieth century Kazan Province was one of the provinces (regions) of the Russian Empire (now one of the leading industrial republics of the Russian Federation), agriculture being one of its important industries. In the prewar period (World War I) powerful industrial processes began here, the growth in some sectors was significantly ahead of the country's average indices. In 1914, there were 406 large enterprises on the territory of the province with a total value of the annual production of about 25 million rubles. In addition, there were more than 4 thousand small businesses with a turnover of less than one thousand rubles a year each [2]. Among large capitalist enterprises of the specified period were the Krestovnikov brothers' soap and candle producing factory, Alafuzov's textile factories and some others. Only the Krestovnikovs' enterprise that included about a hundred manufacturing and service buildings manufactured products up to \$ 5 million per year. The capital of Alafuzov's enterprises reached 4 million, which turned Kazan into a textile center of the Volga and the Urals regions [3]. Bondyuga chemical factories, producing oil of vitriol, alumina sulphate, sulfuric acid, etc., achieved impressive results.

The socio-economic image of the province was characterized by a concentration of plants and factories in several major cities (85% of total production). First in this series was Kazan (71% of total production), then came Chistopol, Bondyuga and Kukmor [4]. Up to 13 thousand workers were employed in manufacturing.

A significant role in the economy of the region was played by crafts, which employed about 36 thousand peasant households and those including women and workers - up to 60 thousand people [2].

There was observed in Kazan province some specific nature and speed of formation of the working class which was typical of the Middle Volga region at large. In the second half of the nineteenth century this region took the seventh place in the number of proletariat among the twelve major regions of European Russia, being significantly inferior to Moscow, Urals, Central

Agricultural and some other regions. Kazan province, in this regard, differed from them by the high rate of growth of industrial workers. During 1861 - 1900, their ranks increased by 14.2 thousand people, or 247.8 %. It far exceeded the growth rate not only throughout the Middle and Lower Volga regions, but also in the European part of Russia [3].

During the First World War, those industries that somehow served the needs of the army experienced a temporary rise. At that time, there were even a few new businesses, brought to life by the demand for some goods for the army. But on the whole, wartime heavily influenced the state of the enterprises. Forced work without the necessary capital repairs and upgrades in the hardware which was difficult to get from abroad at the time, significantly weakened the plants and factories. Some of the enterprises, distilleries in particular, suffered greatly during the revolutions. Therefore, the new government immediately faced with many challenges, such as the worn-out equipment, congestion of enterprises with unskilled workers, the selection of whom was accidental.

The ensuing civil war, one of the theaters of which was Kazan Province, did not allow to transfer the enterprises to peaceful work according to a strict plan. This activity had to be implemented hastily, consistent with the requirements of time and the available resources that still remained. General economic chaos, disorder of transport, lack of fuel, raw materials and funds were accompanied in the local industry by a large number of workers that left their enterprises, by absenteeism, theft and a general decrease in labor productivity.

In the absence of the real levers of control, measures were required that would help to keep the Bolsheviks in power. Nationalization of industry, of course, was one of the most important ones. As a result, in late 1917 the new government began to carry out systematic work to prepare for nationalization. Special orders were worked out on the nationalization of oil, coal, metallurgy industry. The Soviet government accelerated the process of nationalization of separate enterprises in different industrial branches the owners of which refused to carry out the requirements of workers' control bodies. The Council of People's Commissars provided the local authorities with a wide initiative.

The starting point for the beginning of mass nationalization was the adoption of the Decree (June 28, 1918) on the nationalization of general industrial branches.

The Decree indicated what kind of enterprises were to be nationalized. Special attention was paid to the macroeconomical importance of industrial segments; to the scale, grade of concentration and the peculiarities of industry; the enterprise importance in that segment of industry; the scale of enterprise by the nominal capital volume and by some other parameters.

On the regional level the process of nationalization was conducted on the all-Russian scenario which meant the confiscation of those banking institutions that suffered as well as the manufacturing enterprises which were of great importance for the government.

In November 1917, the working section of the Kazan Council requisitioned the Paratsky Iron Works plant which belonged to Benoit, a French citizen [5]. On November 30, 1917 the Kazan Council of Peasants' Deputies decided to commandeer a number of enterprises of Laishevsky, Spassky and Sviyazhsky counties. In December 1917 the Menzelinsky Council issued a decree to nationalize the trade and industrial enterprises of the county. On December 31, 1917 the Kazan Council of Peasants' Deputies took the calc-silicate plant belonging to A. V. Afanasyev near Kazan in its charge. On January 7, 1918 the Executive Committee of Kazan Council decided to nationalize sewing shops of the manufacturer Shabanov [5]. In March - April 1918 the Council also municipalized the printing houses of the Kazan provincial government and zemstvo, the municipal sawmill of municipal economy council [6]. On March 12, 1918 the ship repair facility belonging to Provatorov was nationalized (according to other sources [7], it happened on January 16) [8]. Based on the resolution of the Menzelinsk District Executive Committee of Peasant Deputies of June 25, 1918 there were nationalized all trading and grain companies of the Menzelinsky County, "Trade Houses" of Khalfin brothers, Seitbadalov brothers, G. Zaynetdinova, Galeev brothers, H. Shagiakhmetova and others [9].

The nationalization reached its highest point in Elabuzhsky county. The Elabuzhsky Council of Deputies headed by S.N. Gassar in March 1918 nationalized industrial enterprises of Stakheev, on April 10 it confiscated all Timber trade enterprises, the Syuginsky glass factory [10]. Simultaneously Bondyuzhsky and Kokshansky chemical plants belonging to P.K. Ushkova were nationalized [11].

Despite the good results, in general the nationalization of Kazan province industry at the end of

1917 and the first half of 1918 went at a much slower rate as compared to other industrialized areas of the country. During that period only 50 enterprises were nationalized. That was due to the fact that structurally the organizational arrangements for the establishment of local councils of the national economy began much later there than in other areas, a lot of manufacturers committed sabotage against the measures of the Soviet power, an important reason of it was the fight to subdue the Czechoslovak rebellion.

More widely and systematically the nationalization of enterprises and other institutions began after the expulsion of Czechs. Many manufacturers came down to the side of the White Guard troops, leaving about 40 factories and plants [12].

In the first half of 1919 the nationalization of oil and food enterprises was already completed in most cases, in September all milling plants that supplied the Red Army with shoes (Alafuzov's factory in Kazan, the factory of Komarov in Kukmor, etc.) were taken over by the Bolsheviks, all tobacco production was nationalized (3 tobacco factories of Srogovich, Eckert and Geist [13]). The Kazan Council of National Economy decided to sequester (sequestration is a transfer of property to a third party for safekeeping before a dispute settlement between two other parties on the right to that property [14]) the brew-house of Alexandrov and the yeasty-still houses number 7 and 19. It was decided to sequester all other small outfit studios [15] which were in Kazan.

During this period according to the speed of nationalization the figures of a province exceeded the national average figures in autumn 1918 (60.9% enterprises were nationalized of the total number of disposed ones, while in the country - 38.4% [16]). By the beginning of 1919 among all enterprises which provided information workers took part either in management or in control at 113 enterprises (95.5% of all workers). At 40 enterprises where workers participated neither in management nor in control, only 897 people were employed, representing only 4.5%. The workers were involved in the control on 54 companies. They checked reports, office and account books, accounts, participated in control commissions, supervised booking, distribution and progress of the work and many others [17]. By the beginning of 1921 there were in the republic: in Kazan - 99 nationalized enterprises, private - 5, in cantons the counties - 228 nationalized, private - 15 [18].

The direct control over enterprises was assigned to the departments of workers' control and also to specially created boards. However, within a short period of time the necessity appeared to transfer these functions to other bodies. The Workers' control in the form that was arranged after the events of February-October 1917 did not correspond to the situation.

At the first Provincial Congress of the Council of National Economy a question about organizational belonging of nationalized local enterprises was considered which for the Kazan province was the timber and leather industry, chemical industry and mechanical manufacturing. The management of nationalized enterprises was supposed to be carried out by the provincial and district councils of national economy with the help of created plant managements. In its turn they worked according to the existing regulations, developed at the Congresses of the Council of National Economy. The Kazan Council of National Economy reserved the right of technical and financial control over the activities of the nationalized enterprises, obliging the later for regular reporting. Local councils of national economy had the right of supervision and fulfilling tasks of the center [19].

An important feature fixed by the Congress was the fact that all enterprises confiscated or nationalized by other rather than the central authorities and councils of national economy had to be transferred immediately to the jurisdiction of the provincial council of national economy. In future the right to impose confiscation, sequestration or requisition on industrial enterprises was to belong to the Council of National Economy only.

With the start of the new economic policy the attitude of the managing board to the nationalization rapidly changed. That was due to the catastrophic situation in the country. Under the conditions of economic and political recessions it was unprofitable to centralize all industry. There appeared serious difficulties at the nationalized enterprises: new managers had no work experience, sabotage of the former owners and workers, manpower problem, non-attendances, lack of raw materials, etc. All this finally changed the attitude of the Bolsheviks to the issue.

In 1921, the government decided to do a partial denationalization of industry. It was not a random move. In addition to all other reasons which caused a general economic recession Tatar ASSR had its own specific ones

(for example, starvation). It led to the fact that in the summer months of 1921 the industry of the republic underwent a serious crisis. In these heavy conditions it was required to restore the industry on a new basis. Among the factories and plants it was necessary to select the largest, the best preserved and the most viable enterprises, leaving them in the government service, all other enterprises depending on the available resources were to be either preserved, or to be rented out or liquidated (more detailed information is given in the third paragraph).

In recent years, the nationalization was carried out partially but these were only singular examples. Too often the leadership went out of the way of nationalization but on the way of partial confiscation of property.

CONCLUSION

The investigation of nationalization process which took place in the Kazan province in 1917- beginning of 1921 gives us a possibility to make a series of important conclusions.

- Under the conditions of challenging internal problems (the general economic decline caused by the First World War and revolutions, the Civil War), complicated by unresolved industrial issues (sabotage, lack of skilled stuff, lack of raw materials, lack of discipline), to retain power the Bolsheviks resorted to management centralization, which was reflected in the processes of nationalization, confiscation and sequestration;
- In a relatively short time, a significant part of the large and medium-sized enterprises were taken over by the new government with the majority of the adult population of the country working in the nationalized enterprises;
- Carrying out nationalization in the Kazan region had its peculiarities; however, they fit into the overall state economic policy.

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