How well planned were the Five-Year Plans?

**CHAPTER OVERVIEW**

The Five-Year Plans for industry were ambitious and far-reaching. They envisaged nothing less than the transformation of the Soviet Union into a great industrial power. Central planning would replace the capitalist market as the main device for managing the economy.

The plans soon hit problems as the central planning system found it could not cope with the demands it had imposed on itself. The First Five-Year Plan was marked by its outrageous targets for industrial enterprises. The workers suffered as their needs were pushed to the bottom of the scale of priorities. Yet, despite all the problems, the plans were successful in many respects.

A  How were the Five-Year Plans organised? (pp. 176–178)
B  What did the Five-Year Plans achieve? (pp. 179–183)
C  How did the workers fare under the plans? (pp. 184–193)
D  Did urban living standards improve during the plans? (pp. 194–195)
E  How successful were the Five-Year Plans for industry? (pp. 196–198)

**ACTIVITY**

What do Sources 12.1–12.7 below suggest about:

a) the attitudes of certain groups towards the big push for industrialisation
b) the scale and vision of the venture
c) the idea of socialism in comparison to capitalism in the 1930s?

**SOURCE 12.1**  S. Kockin, Magnetic Mountain: Stalinism as a Civilisation, 1995, p. 35

The transformation of the old Russia into the USSR was viewed as tantamount to the discovery of a new continent by one contemporary geographer... To the majority of people who participated in building it, socialism in the USSR afforded the means to acquire a niche, as well as a sense of pride, in a society that did seem to be qualitatively different – in comparison with capitalism, which was then synonymous not with wealth and freedom but poverty and exploitation, as well as imperialism and war.


A young Komsomol [Young Communist League] member leaped at the opportunity to organise a shock brigade [see page 181] in 1929. When we went to work in the factories, we lamented that nothing would be left for us to do, because the revolution was over, because the severe [but] romantic years of civil war would not come back, and because the older generation had left to our lot a boring, prosaic life that was devoid of struggle and excitement.'


There were, in the later years, all too many examples of phoney official superlatives, which gave rise to widespread cynicism. So it is all the more necessary to stress that thousands (of young people in particular) participated in the 'great construction projects of socialism' with a will to self-sacrifice, accepting hardship with a real sense of comradeship. Statistics will also be cited to show that others had very different attitudes to their work, not only prisoners and deportees but also peasants fleeing collectives.
A group of young enthusiasts, working double shifts, whole days without rest and with little food, met to discuss the work on blast furnace no. 2, their furnace, the Komolokha. One of them opened the meeting by asking, ‘Does anybody have any suggestions?’ Someone else was quoted as saying, ‘What kind of suggestions could there be – everybody straight to the site, for a subbotnik, any time extra time was performed without compensation!’ If we are to believe the credible account from which this conversation is taken, the youths ‘worked till dawn’. Such pathos was genuine and it was widespread. Everyone, even the labourers, felt that Magnitogorsk [steel works] was making history, and that he, personally, had a considerable part in it,’ wrote John Scott (see case study, page 171), himself deeply affected by the enthusiasm of the crusade. ‘This feeling was shared to some extent even by the exiled kulaks.’

**SOURCE 12.6** The Moscow metro, built in the 1930s, was a showpiece of Soviet construction.

**SOURCE 12.7** The Magnitogorsk steel works, 1932. Magnitogorsk rapidly developed into a major industrial centre in the early 1930s.

**MAGNITOGORSK CASE STUDY**

Throughout this chapter the development of the industrial centre at Magnitogorsk in the Urals, the most celebrated of the new, superior industrial ‘pockets’ (S. Kotkin, Magnetic Mountain: Stalinism as a Civilisation, 1995, pages 54-55), is used as a case study to show what general policies involved when translated into practice. Magnitogorsk was designed to be the socialist city of the future, inhabited by Soviet Socialist Man (Homo Societanus). Two main sources are used for the case study:

- *Stephen Kotkin, Magnetic Mountain: Stalinism as a Civilisation, 1995*. This outstanding study is an example of the recent trend among some Western historians of focusing on the experiences of the Russian people. Kotkin looks at the relationship between the authorities and the inhabitants of Magnitogorsk. The latter were not mere passive clay in the hands of the authorities; they knew how to make the best of their situation and which rules could be bent. So the people and the authorities influenced each other in the creation of the new city and the attempt to create new socialist citizens. He gives a vivid picture of the life of the newly urbanised Soviet workers of the 1930s that emphasises chaos and population movement. Thus the reintroduction of the tourist internal passport system appears not as the culmination of a premeditated policy designed to establish total control over the populace, but rather as a typically heavy-handed Communist improvisation to combat a problem their policies had done so much to create.

- *John Scott, Behind the Urals, 1942*. Scott was an American college student who left the Depression-hit USA in 1932 to take part in the great experiment. He became a member of the Communist Party and spent several years as a volunteer worker at Magnitogorsk. Sympathetic to the aims of the socialist authorities, he nevertheless reveals the problems and hardships of life in the front-line of the industrial expansion. His book is regarded as the best eyewitness account by a Westerner.

The idea that the Soviet Union was at last on the road to socialism, via industrialisation, inspired party members and urban workers alike. There was a feeling that they were creating a new type of society that would be far superior to that of their capitalist neighbours. After the compromises of the NEP, there was a return to the war imagery of the Civil War and War Communism. There was talk of a ‘socialist offensive’, and of ‘mobilising forces on all fronts’. There were ‘campaigns’ and ‘breakthroughs’, ‘ambushed’ by ‘class enemies’. People who opposed or criticised the regime’s policies thus became guilty of treachery.

The creation of this state of psychological warfare, with appeals to patriotism, was a useful device to push through policies, particularly since mistakes and failures could be blamed on the enemy. But many Communists did see the struggle as a war against backwardness and enemies inside and outside the Soviet Union. Industrialisation was the way to break through to socialism and to protect themselves from the hostile forces that appeared to be surrounding them.
Howard were the Five-Year Plans organised?
The plans set central planning at the forefront of the Soviet economy. The state decided what was produced, where it went, and when it was produced. The key feature of the plans was the setting of production and output targets which industrial enterprises had to achieve. Five-Year Plans set down broad directions and could be changed as they went along. There were also shorter one-year or even quarterly plans that set more specific targets for individual enterprises. The targets were backed by law, so failure to meet targets could be treated as a criminal offence. Bonuses were paid to enterprises that exceeded their plan targets.
The party, acting through the government, set the priorities for the plans and the targets for key industries. The People's Commissariats (ministries or government departments) were responsible for working out more detailed plans for different regions and the enterprises under their control. Although there were varying numbers of industrial commissariats during the 1950s, four major ones had developed by 1954: heavy industry, light industry, timber and food. The most important of these was the Commissariat of Heavy Industry, which headed the industrialisation drive. By 1959, there were twenty commissariats.
In theory, industrial enterprises could have a say in formulating the plans but, in practice, instructions would be passed down through various bureaucratic layers to the managers of the enterprises. Chart 12B shows a simplified diagram of how the system worked using heavy industry as an example. However, this system emerged only as the plans developed and was not in place at the beginning. The planning of the First Five-Year Plan was much more chaotic.

12B How the Five-Year Plans were administered using changes to heavy industry as an example

<table>
<thead>
<tr>
<th>Party</th>
<th>The party sets targets for heavy industries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commissariat for Heavy Industry</td>
<td>The Commissariat sets specific output targets, e.g. quantities of coal or steel to be produced. It also gives instructions about the types of output producers must aim for.</td>
</tr>
<tr>
<td>Sometimes the Commissariat desk directly with enterprises, e.g. factory committees, cool rulers.</td>
<td></td>
</tr>
<tr>
<td>Regional administrators</td>
<td>More general output targets are sent to regional administrators, e.g. republics or local authorities.</td>
</tr>
<tr>
<td>Industrial enterprise</td>
<td>The director (manager) of an industrial enterprise had sole responsibility for meeting output targets.</td>
</tr>
</tbody>
</table>

WHAT HAPPENED TO PRIVATE INDUSTRY?
The state already had control of large-scale industry (run by trusts) under the NEP, so these were brought into the new system. But there were quite a lot of small-scale private industries supplying consumer goods such as shoes and textiles. These were starved of supplies and resources and most collapsed during the First Five-Year Plan. This was a disaster for the Russian consumer who found it very hard to get clothing, shoes and other products. The situation was compounded by the collapse of cottage industries in the countryside, due to collectivisation. Peasants had traditionally made clothes, tools and other products for a domestic market and these were swept away in the collectivisation upheaval. Most industrial enterprises of any size were under state control by the end of the 1950s.

SERGEI ORZHONIKIDZE
Sergei had joined the Bolshevik Party in 1905 and became active in the underground political scene where he became friends with Stalin. Elected to the Central Committee, he played a prominent role in the revolution and the Civil War. He worked with Stalin in Georgia and it was he who struck the Bolshevik leader in the incident which upset Lenin so much (see page 127). He was one of Stalin's staunchest supporters in the Politburo during the First Five-Year Plan. His key position as head of the Commissariat of Heavy Industry put him in the driving seat of the push for rapid industrialisation. He was reasonably popular in the party and was a moderating influence in the Politburo.

12C Planning required to achieve targets

TARGET: DOUBLE PRODUCTION OF STEEL

| Labour and construction materials to build plants |
| Labour and management to run plants |
| Increase investment in industries producing building materials, equipment, etc. |

Increase investment in machinery, engines, diggers and quarrying plants. New designs, digging equipment, etc. improved steel links in order to supply new materials.
Features of the plans

The plans in the 1930s were dominated by an emphasis on the development of heavy industry. Stalin and the Supreme Economic Council (Yen vazhday) decreed that the lion's share of investment should go into coal, iron, steel and other heavy industries. These would provide the power, capital equipment and machine tools that could be used to manufacture other products. The Soviet Union would then be less dependent on the West for these goods and could move towards self-sufficiency or 'autarky'. This decision meant that consumer industries producing clothes, shoes and similar products would be downgraded. Soviet citizens were to sacrifice their standard of living for longer-term objectives. There were two main reasons behind this:

1. It seemed to the Stalinists that Western industrial revolutions had been underdeveloped by the initial development in coal, iron and steel.
2. They were driven by the need to develop the sort of industries that could protect the Soviet Union should it be attacked by the West.

Three other features of the plans are worthy of note:

- The plans were always declared complete a year ahead of schedule. This denoted the superiority of Soviet planning over the Western capitalist economies which were, at this time, going through the worst throes of the Great Depression. It was also a psychological device to encourage the already hard-pressed workforce to even greater achievements.
- Huge new industrial centres were constructed virtually from nothing, for example at Magnitogorsk in the Urals and Kuznets in western Siberia. Most of these were located east of the Ural mountains, a strategic decision to make them less vulnerable to attack from the West.
- Spectacular projects were conceived to demonstrate the might of the new Soviet industrial machine. This has been called 'gigantomania'. The Dniepropetrovsk Dam in eastern Russia (Source: 125 on page 174) was, for two years, the world's largest construction site and it increased Soviet electricity power output fivefold when it came on stream. Other projects included the Moscow-Volga canal and the prestigious Moscow metro with its elaborate stations and high vaulted ceilings (see Source: 125 on page 174).

Foreign participation

A significant aspect of the industrial development of the USSR in the early 1930s was the involvement of foreign companies and individuals. A large number of companies sent specialists, engineers and skilled workers to help to erect new factories or exploit new resources. Henry Ford helped the Russians to develop a car industry. Russian engineers were trained by Ford in the USA and it was Ford-designed cars that were produced at the car plant in Gorky. Colonel Hugh Cooper, the engineer in charge of the Dniepropetrovsk Dam project, was an American. So was J. Backsley, the man behind the huge growth in the asbestos industry at a remote place in the Urals called Ashes. Thousands of skilled workers - British, American and many other nationalities - came for a variety of reasons, some ideological and some because of unemployment in the West. The Great Depression convinced many people that capitalism was in its death throes and that the dynamic Soviet Union offered hope for the future of working people.

AT MAGNITOGORSK

Iron and steel were at the heart of Soviet industrialisation so the development of Magnitogorsk, with its huge reserves of iron ore, was at the forefront of the labour offensive. One contemporary Soviet pamphlet stated: 'Near Magnetic Mountain the steppe has been turned into a battlefield, the steppe is retreating.' The object of the battle was to build a gigantic steel plant capable of challenging the giant in the steel world. In March 1929, 25,000 men arrived on horseback at the snow-covered site. By June 1930, the first train arrived with the banner 'The Steel Horse Breathes Life into the Magnitogorsk Giant, Long Live the Bolshevik Party!'

FOCUS ROUTE

1. As you work through pages 178-183, collect evidence about the planning system and its effectiveness and record it in a table like the one shown here.

<table>
<thead>
<tr>
<th>Evidence of success and achievements</th>
<th>Evidence of failures and weaknesses</th>
<th>Evidence that the Five-Year Plans were not well planned</th>
</tr>
</thead>
</table>

2. Who were the 'bourgeois specialists' and why were they attacked by the party?

3. Why were officials and managers reluctant to admit problems to the party?
**SOURCE 12.9** A comparison ofpig-iron and steel production in the USSR and in Magnitogorsk

<table>
<thead>
<tr>
<th>Year</th>
<th>Magnitogorsk</th>
<th>USSR</th>
</tr>
</thead>
<tbody>
<tr>
<td>1931</td>
<td>303,000</td>
<td>420,000</td>
</tr>
<tr>
<td>1932</td>
<td>340,000</td>
<td>500,000</td>
</tr>
<tr>
<td>1933</td>
<td>380,000</td>
<td>550,000</td>
</tr>
<tr>
<td>1934</td>
<td>420,000</td>
<td>600,000</td>
</tr>
<tr>
<td>1935</td>
<td>460,000</td>
<td>650,000</td>
</tr>
<tr>
<td>1936</td>
<td>500,000</td>
<td>700,000</td>
</tr>
<tr>
<td>1937</td>
<td>540,000</td>
<td>750,000</td>
</tr>
<tr>
<td>1938</td>
<td>580,000</td>
<td>800,000</td>
</tr>
</tbody>
</table>

**SOURCE 12.10** Changing production targets for pig-iron during the First Five-Year Plan

<table>
<thead>
<tr>
<th>Year</th>
<th>Tons per year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1928</td>
<td>354,000</td>
</tr>
<tr>
<td>Summer 1929</td>
<td>850,000</td>
</tr>
<tr>
<td>Late 1929</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Early 1930</td>
<td>2,500,000</td>
</tr>
</tbody>
</table>

Raw materials - Fitzsimmons (of this period) had a millennial vision of a country that would be transformed. They believed that in two or three years they would have a socialist rather than a capitalist economy and money would be abandoned as the main means of rewarding workers.


<table>
<thead>
<tr>
<th>Key</th>
<th>1927–28</th>
<th>1922–33 targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coal (million tons)</td>
<td>35</td>
<td>68</td>
</tr>
<tr>
<td>Iron ore (million tons)</td>
<td>6</td>
<td>15</td>
</tr>
<tr>
<td>Steel (million tons)</td>
<td>4</td>
<td>8</td>
</tr>
</tbody>
</table>

The targets placed enormous strain on the economy. Materials of all sorts were in short supply and there was intense competition to get hold of them. At higher levels, powerful people in industrial commissariats pulled strings to make sure that their pet projects got the resources they needed for completion. Materials and workers - shock brigades - were rushed into key industries to do certain jobs, often on the order of a senior party official, despite the fact that this left other areas short and waiting for supplies. At the regional and local levels, factories competed with each other for scarce resources. Bribery and corruption were rife. Managers made illegal deals in their desperation to get the parts or supplies they needed to fulfill their targets. Some were known to bribe lorries and ambushed trains to get supplies intended for other plants. Rotleanits appeared everywhere due to shortages of materials and the inadequacy of the transport system. The railways could not cope with what they were expected to transport; it soon became clear that the planners had not invested enough in truck or rolling stock.

The net result of this was twofold:

1. In some parts of the economy there was underproduction because factories were held up by shortages of materials. In other parts there was overproduction as factories rushed to exceed their targets.
2. There was a great deal of waste because of:
   a) overproduction created thousands of parts that other industries did not want
   b) much of the output was sub-standard, such as lorry tyres that lasted for only a few weeks.
What made matters worse was that few managers or officials were prepared to admit anything was wrong. They did not want to be accused of sabotaging the plans or criticising the party. So mistakes were covered up and problems were left unresolved. It was all buried in the colossal amount of paperwork that flowed around the USSR. All that mattered to managers and officials at different levels was that they could show they had achieved their targets, whether this was real or invented. In fact, there were extravagant claims of over-fulfilment in many areas. This seemed to confirm that the system was working and discouraged others from speaking out about problems.

Of course, not all the mistakes could be covered up and somebody had to be blamed. Class enemies were ready to hand and Stalin was slow to use this political tool in the same way as he had in the collectivisation drive. The industrial equivalent of the kulak was the ‘bourgeois specialist’. These were the old pre-1917 managers, engineers and technical staff who had survived the NEP in important jobs because of their skills and abilities. Now they were identified as saboteurs who were deliberately causing hold-ups, breakdowns and general problems in the supply industries. They were uncovered and imprisoned. Show trials were held to hammer home the point to other managers.

The attack on the bourgeois specialists was not just a cynical tool to frighten others and find a convenient scapegoat for errors and miscalculations. Many party members believed that this group did harbour bourgeois, anti-socialist attitudes that would subvert their revolution: they wanted proletarians in key technical positions. Unfortunately, the loss of valuable personnel so quickly caused so many problems that by 1931 the offensive against them was quietly dropped.

In the First Five-Year Plan, consumer goods industries, such as textiles, were sacrificed to the needs of heavy industry. Other areas suffered from the closure of small-scale enterprises and workshops. These were squeezed out for two main reasons:

• They had been largely run by Nepmen.
• They could not get supplies of raw materials.

These small-scale operations might have been able to respond to consumer demand but there was no room for them in a centrally organised system.

WHY WERE OFFICIALS AND MANAGERS TOO FRIGHTENED TO ACKNOWLEDGE THE PROBLEMS OF THE PLANNING SYSTEM?

In March 1931, managerial and technical staff were accused of counter-revolutionary activities at the Shakhty coal mine in the Don Basin. Stalin was closely involved in the proceedings. The staff were forced to confess to subversive activities in a ‘show trial’ for all of the public to see. Five were executed and the rest were given long prison sentences.

The aim of this was clear—to intimidate managers and party officials who did not go along with the pace of industrialisation. The Shakhty trial created shock waves throughout the planning system. Gosplan was purged of specialists and the non-party members at the end of the 1920s. Statisticians who presented low targets were replaced by those who could paint a more optimistic picture.

In the early 1930s, trials of professionals and specialists were held in cities throughout the Soviet Union. In November 1930, the ‘Industrial Party’ show trial was held. This was a party of professionals who were supposedly organising the sabotage and wrecking of the Five-Year Plan. But this party was invented by Stalin. The accused were mainly industrialists, Mensheviks and Socialist Revolutionaries who worked for the government. In 1935, in the Metro-Vickers trial, British specialists were found guilty of sabotage.

It is therefore not surprising that managers were unwilling to admit to mistakes when it could lead to investigation and criminal charges.

The Second and Third Five-Year Plans

By the beginning of the Second Five-Year Plan, party leaders were prepared to acknowledge the problems that had resulted from the breakneck speed of industrialisation from 1920 to 1932. The severe shortages, disruptions in transport, lack of skilled workers and slower growth rates for certain industries were evidence of this. In 1932, the great leap forward seemed to be on the verge of collapse.

The second plan was revised and targets were scaled back. The emphasis was more on consolidation. The plan was worked out to greater detail for each industry and region. The People’s Commissarships, which were more organised and clearly defined by 1934, gave specific targets for the enterprises under their control as well as estimates of costs, labour, prices, and so on. Investment was ploughed into the railway system, thus increasing enormously the amount of freight it was able to carry. There were new training schemes that encouraged workers to learn skills and master techniques to tackle the problem of skills shortages. There were still plenty of rough edges to the planning system—shortages, waste, and under-over-production continued—but not on the scale of the first plan.

Many of the schemes started in the first plan now came on stream, boosting industrial growth enormously. For instance, the USSR was almost self-sufficient in the production of machine tools and far less dependent on foreign imports of machinery. The Soviet Union enjoyed the ‘three good years’ of 1934-36 and the achievements by 1937 were impressive. The Second Five-Year Plan envisaged more resources going into consumer industries, since leaders had realised how badly the workers had suffered during the early 1930s through lack of goods and basic commodities. There were improvements in some areas, like footwear production and food processing, but as the plan progressed, resources were again diverted into other areas.

After 1937, the USSR witnessed an economic slowdown. Although there was a general increase in industrial output during the Third Five-Year Plan, some areas like iron and steel virtually stopped growing. There was a fuel crisis when the oil industry failed to meet its modest targets. As Europe moved towards war, resources were channeled into the armaments industry and this created shortages elsewhere. Alex Neve (Source 12.13) places much of the blame for this slowdown on the Great Famine that were in full swing in 1930 and 1937 (see Chapter 15). Neve claims the purges deprived the economy of valuable personnel and paralysed the ability of administrators and party officials to take the initiative and solve problems. Also, many planners were purged with the result that the planning system was thrown into confusion.

The picture at the end of the Third Five-Year Plan shows planning once more in a confused and even chaotic state, with shortages, waste and bottlenecks as growing features of the economy. Indeed, looking back over the plans it is sometimes difficult to see where the word ‘planned’ fits into the ‘planned economy’ of the 1930s. Yet this rough-and-ready system worked and, by 1941, the USSR had succeeded in creating the industrial base for a powerful arms industry.


[The purges] swept away... managers, technicians, statisticians, planners, even foremen. Everywhere there were said to be spies, wreckers, diversions. There was a wave of arrests and deportations of thousands of engineers and technicians to distant concentration camps. It represented a severe loss. But perhaps equally serious was the psychological effect of this terror on the survivors. With any error or accident likely to be attributable to treasonable activities, the simplest thing to do was to avoid responsibility; to seek approval from one’s superiors for any act, to obey mechanically any order received, regardless of local conditions.