

## AGRICULTURAL TAX POLICY OF THE SOVIET STATE AND ITS CONTROVERSIAL CHARACTERISTICS (1921-1927)

Dilshodbek Akhmedov

*Andijan State University, majoring doctoral student in history of Uzbekistan.*

**Abstract:** This article analyzes the tax policy of the Soviet state in agriculture in 1921-1927 and its conflicting aspects. The tax legislation of the Soviet government during the years of the New Economic Policy (NEP), the "class approach" to the taxation of peasant farms, and the conflicting issues of the system of stratified taxation of "kulak" farms are shown with concrete examples.

**Key words:** tax, taxation, tax legislation, New economic policy, agricultural tax, kulak farms, tax rates, farm year, tax relief.

In the historiography of the Soviet era, the social policy carried out by the Bolsheviks during the period of the New Economic Policy (NEP) was assessed as "the most important means of regulating social processes in the countryside", "a means of regulating property relations between separate groups of peasant farms", "a means of limiting capitalist production". [1. p. 189; 2. p. 206; 3. p. 191]. The implementation of this policy required a "differentiated class approach" to particular sections of the peasantry in agriculture in general.

In the historiography of this period, the generally accepted opinion prevailed that the agricultural tax took into account the "class stratification" of the countryside and was based on class principles. In addition, the rule that the tax policy was directed against the "kulak" farms, which are the relatively wealthy stratum of the village, from a class point of view was also a priority [2. p. 211].

Analyzing the system of applying agricultural tax to peasant farms, the researchers note that it "ensures that each farm is taxed according to the amount of income, strengthened by strict differentiation of tax rates for the rich and wealthy part of the village" [4, 5, 6, 7]. In the literature, there are a lot of claims and arguments that "high rates of taxation were set for the earldoms and rich households." For example, .. For example, in the 1924-1925 economic year, "kulak" farms paid 17% of the total agricultural taxes, but in the 1925-1926 economic year, this amount increased to 21% [8. p. 248]. Or, in the decision "On the economic situation and economic policy" adopted at the April 1926 plenum of the Central Committee of the VKP(b), "the need to gradually increase the amount of taxes collected from wealthy

households" was emphasized. According to this decision, 8 percent of the rich farms had to pay 34 percent of the total amount of agricultural tax [9. p. 27].

In order to confirm the conclusion that the amount of tax paid by peasant households corresponds to their class affiliation (poor, middle class, kulak), data from two types of sources can be cited. The first source is information from the tax lists of the People's Commissariat of Finance of the USSR, in which all taxable farms are divided into 9 categories according to the level of economic potential (availability of arable land and availability of crops). In the list, the "capitalist-entrepreneur" (kulaks) group is included in the highest - 8-9 categories. Here is an example of the characteristics of the amount of taxes by class groups: "In the economic year of 1924-1925, poor peasants paid a tax of 0.76 rubles per family member, middle-class peasants - 3.09 rubles, and kulaks - 11.03 rubles. In the economic year of 1926-1927, the tax rate for one consumer in a poor peasant farm was reduced to 0.22 rubles, in an average peasant farm the tax rate remained almost unchanged (3.13 rubles), and in a kulak farm it increased to 15.42 rubles [1. p. 186].

The second source is the report of the commission of the USSR Council of People's Commissars on the study of the state of taxation of the population and the amount of taxes in the economic years of 1924-1925, 1925-1926 and 1926-1927, which are cited in almost all studies of the years of Soviet power and the period of independence. In the reports of the commission of the USSR Committee of the Communist Party of the Soviet Union, "class groups" were taken into account only according to two characteristics: the value of the means of production and the duration of the use of hired labor. "Entrepreneurs (kulaks) group" includes the following farms: "The total value of the means of production is more than 1,600 rubles, those who regularly or seasonally rent them, and those who use hired labor for more than 50 days a year"; "Farms with means of production worth from 1,001 to 1,600 rubles and using hired labor for more than 75 days in a year"; "They had means of production worth from 401 to 1,000 rubles and used hired labor for more than 150 days a year." According to the data of the USSR Commission of the Communist Party of the Soviet Union, the "group of entrepreneurs" accounted for 3.1% of all peasant farms in the country in the 1924-1925 economic year (728 thousand farms), 3.7% in the 1925-1926 economic year (816 thousand farms), 1926-1927 3.9 percent (896 thousand farms) in the farm year [10. p. 12-13, 43, 74-76, 92].

Consequently, the "class of kulaks" created by agrarian scientists and statisticians in the 1920s was classified only based on the criterion of economic potential or according to one indicator of exploitation (the use of hired labor). This

was interpreted by historians of the Soviet era as a separate class (social group) in the form of "rural exploiters".

In modern literature, researchers usually write about the direct class orientation of tax policy against kulak (rich or wealthy households). However, some literature revises this generally accepted thesis. According to the researchers, in the first half of the 1920s, "the Soviet government gave priority to the fiscal function in tax policy" and only from the mid-1920s, or from the economic year 1926-1927, did taxes become an instrument of social policy. The "class approach" was manifested in the determination and implementation of a minimum tax-free amount for mainly poor households and the consistent continuation of "imposing the bulk of the tax burden on the able-bodied farms". It is emphasized in the scientific literature that there is a conflict between the class approach in tax policy and declarative slogans regarding legislation [11. p. 159-174].

After the transition to the New Economic Policy (NEP) in the Soviet state in 1921, the issue of rural tax policy was discussed for the first time in April 1923 at the XII Congress of the All-Union Communist Party. In the parliament, L.B. Kamenev, M.I. Kalinin and G. Ya. The Sokolnikovs discussed the future tax policy of the Soviet government. The reports of Kamenev and Kalinin examine the debates that have arisen on the eve of the Sejd on whether or not it is possible to increase the existing taxes on agriculture. G.Ya. Sokolnikov's lecture is of particular interest.

Analyzing the existing tax system, G. Ya. Sokolnikov comes to a reasonably important conclusion about the equalization of taxes for all peasant farms and the abandonment of class approaches in this regard. According to his conclusions, it is proposed to preserve the simple distribution of taxes among the tax payers of peasants in the newly introduced tax system for agricultural producers, and to implement the "razvyorstka method of tax payment". Accordingly, in this system, it is not possible to tax the portion of the poor peasant farms that are gradually moving into the well-to-do middle class. Therefore, one of the main tasks of the tax policy is to develop a system in which the tax is "collected according to the ability to pay, according to the real income of taxpayers" [12. p. 47].

In general, in the decisions of the 12th Sejd on the tax policy of the Soviet state in agriculture, it was emphasized that the legislation on agricultural taxes should "take strict consideration of class stratification" [13. p. 426].

At the XIV Party Conference held in April 1925, the issue of "Agricultural Tax" will be discussed again a member of the Central Committee of the CPSU(b). The main report presented by Tsyurupa analyzed the general description of the

characteristics of determining the production efficiency of peasant farms during the introduction of agricultural taxes, but the report did not comment on its social (class) content.

The interesting and most important thing is the opinions about the existing principles of taxation of peasant farms, deputy people's commissar of the Labor-Peasant Inspectorate, member of the Makrkaziy Committee commission S.E. It was stated in Chutskaev's short speech regarding the lectures on this issue. Regarding the analysis of the results of the inspection of the taxing of peasant farms by the Central Committee, the speaker made the following comments: "The conclusions of the analysis of the results of tax collection in the economic year 1924-1925 show that the concept that our "tax policy in the countryside is based on the principles of class" is only declarative in nature. On the one hand, it is necessary to recognize this conclusion, because the question of the rightness or wrongness of taxing peasant farms from the point of view of a class approach can be solved only when the non-taxable minimum is introduced and various tax benefits given to the poor peasants are canceled" [14. p. 70-71].

In the 1920s, the question of changing the procedure for calculating agricultural taxes and introducing the class principle of taxing farms (setting differentiated income rates for farms and determining the economic characteristics that serve as a basis for classifying farms as poor, middle-class and poor) was repeatedly discussed by the country's financial authorities in the 1920s considered.

Head of the State Tax Department of the People's Commissariat of Finance of the USSR. In November 1927, M.I. Livshits expressed his opinion on the introduction of a new system of taxation based on a class approach at the meeting of the Commissariat of Finance. Despite the existence of a number of instructions and guidelines for the class approach to peasant farms on the basis of a class approach, these regulations are not fully followed. As a result, he mentions that different opinions and objections are arising in the issue of tax policy [15. p. 89-90].

In order to assess the features of the tax system during the period of the New Economic Policy (NEP), as well as the thesis that it is class-oriented in relation to kulak farms, it is appropriate to consider the procedure for collecting taxes from peasant farms. The agricultural tax system of this period was based on a combination of the principles of efficiency and progressive taxation. There was a normative method of calculating income. The taxable income of peasant farms up to the 1926-1927 economic year was calculated on the basis of the "income norms" established in the tax legislation for each farm and type of livestock. The annual "Agricultural Tax Regulation" recommended average rates of income for the allied republics, and local

executive committees were required to work out its exact amount based on their own conditions. In this case, the main criterion is the number of land and livestock of the farm, which is taxed. That is, the amount of tax is determined depending on the property status of the farm.

The legislation of the first years of the new economic policy established two types of tax incentives for farms: tax reductions for farms that improved farming techniques under incentives to encourage intensive farming, and "social benefits" aimed at reducing the tax burden on low-capacity farms. The legislation did not specify the norms and criteria that would clearly define the characteristics of "low-capacity farms" that would be eligible for preferential treatment. The identification of such holdings is left to the discretion of local tax authorities. In the economic year of 1923-1924, poor households exempted from taxes and given various tax benefits made up 49.3% of all peasant households [2. p. 214]. There is no accurate information about their number in national republics, including the Uzbek SSR. But it is clear that this amount was not less than the average indicator for the USSR. The amount of taxes collected from such poor farms was only 30.3% of the taxes collected from all peasant farms. Only in the economic year of 1925-1926 was introduced a non-taxable minimum based on the calculation of the number of livestock in peasant farms based on the number of members of that family [5. p. 134].

In the 1926-1927 economic year, as a result of changes in the agricultural tax system, taxation on the "revenue fund" was introduced. Income from artisans, rental of farm implements and other non-productive activities of farms were also taxed under this new system. Taxable income included a certain percentage of the annual income from professions defined by law. According to the "Income Fund", the new principle of taxation made it possible to tax even the incomes of peasant farms that were not subject to agricultural tax in previous years. Progressive tax elements were strengthened in the tax legislation of 1926-1927 economic year and in the tax system of 1927-1928. Based on the total amount of income, it was determined that the tax will increase. In the economic cycle of 1926-1927, the following scale of taxation was established for the whole country: 2% of the first 20 rubles of the farm's income, 3% of the income from 20 to 30 rubles, 5% of the income from 30 to 40 rubles, and 40 to 50 rubles of income. 10 percent, 15 percent from 50 to 60 rubles, 17 percent from 60 to 70 rubles, 21 percent from 70 to 80 rubles, 23 percent from 80 to 100 rubles, and 25 percent from income above 100 rubles. amount of tax collection is determined. In the economic year 1927-1928, the maximum rate of taxes was increased from 25 percent to 30 percent [4. p. 129].

In the period of the new economic policy, the tax legislation of the Union did not establish specific criteria for determining kulak farms, only the socio-legal status of the "kulak" social group was determined. That is, "rural exploiters" were not legally formalized as an independent social category, and therefore they did not have clear social boundaries. "Village exploiters" are included in the socio-legal group, which is generally called "dispossessed", deprived of the right to vote. Their layer that used wage labor was included in the ranks of "industrial type" farms. The social space of "disadvantaged" and "industrial type" farms is mainly connected with the space of "rural exploiters".

The legislation on agricultural taxes did not classify kulak farms as an independent tax group as "exploiters" and did not provide significant restrictions on legal restrictions, prohibitions or coercive measures against farmers based on the principles of "class affiliation". For the 1928-1929 economic year, the agricultural tax legislation specified for the first time the specific characteristics of farms and a special procedure for tax payment by them (individual procedure) [15. p. 82].

Consequently, the direct class orientation of the tax policy against kulak (exploitative) farms, which was present in the programs and decisions of the Communist Party and the Soviet state, had little in common with the normative legal framework and real tax practice. In the countryside, there were great differences between the party's class slogans and their incorporation into the legal norm through the adoption of legislation appropriate to this policy and political practice.

The reason for the non-implementation of party slogans in taxation, as well as in other areas of social policy (especially credit to farmers), is reflected in the internal inconsistency of the new economic policy in the countryside. During the NEP, Bolshevik social policy was doomed to find a "golden mean" between political doctrine and economic expediency.

Party doctrine demanded to prevent the economic revival of "capitalist elements", kulaks, or at least limit this tendency. Economic expediency demanded the restoration and development of agriculture, and the maximization of the production of agricultural products by peasants. Because without it, it would not be possible to bring industrial equipment from abroad to the country to supply the city and the army with food, to create an industrial base on the way to "building socialism".

In the conditions of the new economic policy, increasing the production of agricultural products was possible only through the further development of private individual farms. In this order, it was necessary to create economic opportunities and conditions for a certain part of middle-class peasant farms to grow into a rich layer.

During the entire period of the new economic policy, the Bolsheviks had to reckon with the laws of conformity to achieve such economic goals, which were not followed. The Soviet state always lacked material resources for "socialist construction", and in order to find these resources, the ruling system widely used the practice of conducting class politics in the countryside and thereby restricting the wealthy strata in various ways. This erroneous policy led to the collapse of Soviet agriculture in the near future and the further impoverishment of peasant farms.

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