The Economics of FORCED LABOR
The Soviet Gulag

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HOOVER INSTITUTION PRESS
Stanford University Stanford, California

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Hoover Institution Press Publication No. 518
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First printing 2003
09 08 07 06 05 04 03 9 8 7 6 5 4 3 2 1

Manufactured in the United States of America
The paper used in this publication meets the minimum requirements
of American National Standard for Information Sciences—Permanence
of Paper for Printed Library Materials, ANSI Z39.48-1984. ♾

Library of Congress Cataloging-in-Publication Data
The economics of forced labor : the Soviet Gulag / edited by Paul R. Gregory
and Valery Lazarev.
p. cm.
Includes bibliographical references and index.
ISBN 0-8179-3942-3 (alk. paper)
1. Prison industries—Economic aspects—Soviet Union. 2. Forced
labor—Economic aspects—Soviet Union. 3. Soviet Union—Economic
conditions. 4. Industrialization—Soviet Union. 5. Soviet Union—Politics and
government. I. Gregory, Paul R. II. Lazarev, V. V. (Valerići Vasil'evich)
HV8931.S65 E26 2003
331.11'73—dc22
2003058318

Cover image courtesy of The Jamestown Foundation and Mr. James V. Kimsey. The painting is by Gulag artist Nikolai Getman. It depicts the Butara gold-sand fields where Gulag prisoners were forced to labor year round breaking up the ground and sifting or panning to separate the gold from the sand. Many died of exhaustion, malnutrition, and sickness due to the extremely difficult conditions.

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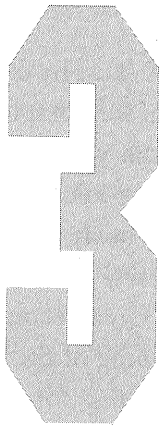
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for those with sentences of up to five years. Beria called for an examination of all criminal legislation, replaced the "special meeting" of the MVD, and began an examination of "political cases." Beria's arrest and execution inhibited these initiatives, but after a while the liquidation of the Gulag system was resumed, accelerated by Gulag uprisings in 1953 and 1954.[33] In 1954 the examination of political cases began, and in 1955 those who collaborated with occupying forces were granted amnesty. Declarations of amnesty for political prisoners accelerated after the Twentieth Party Congress, in which Khrushchev delivered his secret speech against Stalin's crimes, and the history of the camps came to an end in October of 1959. A joint decree of the Central Committee and Council of Ministers closed down the Gulag for not fulfilling its primary function, "the rehabilitation of prisoners by means of labor." At this time, 948,000 people were incarcerated, of which only 1.2 percent had been sentenced for anti-Soviet crimes.[34] Most special camps were liquidated, and labor colonies were turned over to local offices of the MVD.

Thus by the mid-1950s, coercion in the Soviet workplace—ranging from harsh penalties for relatively minor infractions to the extreme coercion of the Gulag—had been largely abandoned. The rejection of force was not related to particular personalities but to the inherent ineffectiveness of force in the workplace. Even Beria, one of the most ardent advocates of coercion, had concluded that it did not work. Any other administrator working in these circumstances would have favored a liberalization of the regime, since the punishment system had worn itself out, and a new means of motivating labor had to be found in the 1960s.

33. There is a substantial body of literature on camp revolts. For official reports, see reference note 32. It should be noted that the rebels advocated labor rights equal to those of "free" workers.

34. V. N. Zemskov, Ukaz. soch., p. 15.



The Economy of the OGPU, NKVD, and MVD of the USSR, 1930–1953

The Scale, Structure, and Trends of Development

Oleg Khlevnyuk

THE AMOUNT OF research done on issues of forced labor in the USSR has been meager, and this becomes a problem when we attempt to outline the range of forced labor institutions and facilities. Historians focus most often on enterprises and construction projects managed directly by the OGPU, NKVD, and MVD. But a certain portion of prisoners, special settlers, prisoners of war, and others who were under the administration of the OGPU, NKVD, and MVD were sent to work for other ministries as well. In addition, millions of people were sentenced to correctional labor and mostly served the sentences at their places of employment. Finally, there were forced-labor institutions for individuals who were nominally free. One example was the so-called *tyloopolchentsy* (logistical guardsmen) during the 1930s.[1] We will add to this list as we delve deeper into the problem and uncover the different kinds and forms of forced labor in the Stalinist system. But it is hardly debatable that the nucleus and most significant part of the forced-labor economy was the economy controlled by the Soviet

1. S. A. Krasilnikov and D. D. Minenkov, "Tylovoye Opolcheniye kak Element Sistemy Prinuditelnogo Truda: Etap Stanovleniya (1930–1933 gg.)" in *Gumanitarnye Nauki v Sibiri*, 2001, No. 2, pp. 41–46.

punitive bodies—the OGPU, NKVD, and MVD. The development of this sector of the economy is the subject of this chapter.

The period defined in the title covers the years in which the Stalinist version of the forced-labor economy took shape and proliferated. While prisoner labor was used on a fairly wide scale both in prerevolutionary Russia and during the early postrevolutionary years, the fundamentally new system of the Gulag economy didn't emerge until the end of the 1920s and beginning of the 1930s, as a result of the policy of the great industrial leap forward, forced collectivization, and the mass repressions that accompanied them. This economy was typified by huge projects whose construction and operation required the large-scale use of unskilled workers, as a rule, in regions that were hard to reach, that had an extremely unfavorable climate, and that lacked a basic infrastructure. Relentless exploitation of prisoners in hard physical work, mainly in construction, mining, and logging, was the essence of the Stalinist version of the forced-labor economy.

The events that immediately followed Stalin's death in 1953 suggested that this economy was being dismantled (if not completely, then at least substantially). On the one hand, a mass amnesty and the subsequent rehabilitations significantly reduced the number of prisoners. On the other, many costly projects that were under construction by prisoners were scrapped, and the MVD lost many production functions as it transferred most of its enterprises to economic ministries. While this process was an erratic one and was marked by backsliding, the overall trend of dismantling the MVD economy in its Stalinist form continued. A gradual transition was under way from a system of camps that served as a source of unskilled workers to a system of correctional labor colonies that had their own production base. This stage of the evolution of the camp economy after Stalin's death requires special scrutiny.

This chapter, based mostly on the archives and available literature,[2] has two main objectives: first, to sketch a general picture of the development of the OGPU-NKVD-MVD economy and its quantitative parameters, and second, to outline several approaches to studying the important but extremely complex problem of the efficiency of the Gulag economy and the role of forced labor in the industrial development of the USSR.

To some degree we can trace the starting point of the Stalinist Gulag and its economy to the Politburo resolution of June 27, 1929, "On the Use of the Labor of Convicted Criminals." To supplement the Solovetsky camp, which was the only one at the time, the resolution directed that a network of new camps be created in the country's remote areas to colonize them and develop "natural resources by using prisoner labor."[3] At first the intention was to set up small camps—with a total capacity of up to fifty thousand inmates. But the tremendous wave of terror associated with a radical turnaround in policy, the so-called dekulakization, and the forcible creation of collective farms substantially changed these plans. Several thousand peasants were arrested and exiled in a few months. At the same time that so-called special settlements for kulaks were being established, there was a sharp rise in the number of inmates

2. D. J. Dallin and B. P. Nicolaevsky, *Forced Labor in Soviet Russia* (New Haven: Yale University Press, 1947); N. Jasny, "Labour and Output in Soviet Concentration Camps," *The Journal of Political Economy* 59 (October 1951): 405–19; S. Swianiewicz, *Forced Labour and Economic Development. An Enquiry into the Experience of Soviet Industrialization* (London: 1965); O. P. Yelantseva, *Obrechonnaya Doroga. BAM: 1932–1941* (Vladivostok, 1994); M. Kraveri and O. Khlevnyuk "Krizis Ekonomiki MVD (konets 1940-x–1950-e gody)" in *Cahiers du Monde Russe*, XXXVI (1–2), 1995, pp. 179–190; *Ekonomika Gulaga i ego Rol' v Razvitii Strany. 1930-e gody. Sbornik Dokumentov.* Compiled by M. I. Khlusov (Moscow, 1998); L. I. Gvozdkova (ed.), *Prinuditelny Trud. Ispravitelno-Trudovyye Lagerya v Kuzbasse (30-50-e gody).* Vols. 1–2 (Kemerovo, 1994); A. I. Shirikov, *Dalstroi: Predistoriya i Pervoye Desyatiletiye* (Magadan, 2000); *GULAG (Glavnoye Upravleniye Lagerei). 1917–1960 gg.* Compiled by A. I. Kokurin and N. V. Petrov (Moscow, 2000); and others.

3. Russian State Archive of Social and Political History (hereafter—RGASPI) 17.3.746: 2, 11.

in newly created camps—almost 180,000 on January 1, 1930, which was several times more than the limits that had been set just six months earlier.

The OGPU leadership now faced the problem of making economic use of these several hundred thousand inmates and special settlers. At first, they had no coherent plans in this regard. Exiled peasants were turned over to work at other ministries' enterprises, mostly for logging. Camp inmates were used for different construction projects and in the timber industry. Often camps entered into their own agreements with enterprises and supplied them with labor.

The development of the OGPU economy was strongly influenced by the decision to build the White Sea–Baltic Canal (BBK). Construction of this transportation system, which started in the second half of 1930, was completed in record time—two years. At times more than one hundred thousand prisoners were used in the construction. For the first time, the camp economy demonstrated its "advantages" in practice: rapid deployment of worker contingents to a site and the ability to exploit prisoners in any conditions, regardless of casualties. Methods of organizing the Gulag's large economic projects were refined at the BBK as the Chekist leadership gained experience. After the BBK, the OGPU began to establish other major economic divisions. On November 11, 1931, the Politburo adopted a decision to form a special trust, later named Dalstroi (Far North Construction), "to speed up the development of gold mining in the upper reaches of the Kolyma."[4] On September 30, 1932, the Politburo adopted a decision to turn over to the OGPU the construction of a canal linking the Volga with the Moskva River, and on October 23, the construction of the Baikal-Amur Railroad in the Far East (BAM).[5] In October 1932, the OGPU also formed

4. RGASPI 17.162.11: 57.
5. RGASPI 17.3.902: 8; 904: 6, 46–52.

the Ukhta-Pechora Trust to organize coal and oil production and to develop other resources in the Pechora Basin.[6]

These decisions shaped the structure of the Gulag's economy, which existed and developed right up until the mid-1950s. The nucleus of this system was large construction projects and mining complexes that required massive use of unskilled labor in extreme conditions. By the beginning of 1935, more than 150,000 camp inmates were building the BAM, and 196,000 were working on the Moskva-Volga Canal. The White Sea–Baltic project—the system of transport and industrial enterprises concentrated around the BBK—employed 71,000 inmates. A total of 21,000 inmates from the Ukhta-Pechora camp were extracting oil and coal. The Far Eastern camps (60,000 inmates) were mining coal, building railroads and a shipyard in Komsomolsk-on-Amur, and so on. The 63,000 inmates from the Siberian camp were building railroads and carrying out projects for metallurgical and other enterprises. At the Svir camp, 43,000 inmates were procuring lumber and firewood for Leningrad; at the Temnikovo camp 35,000 inmates were performing similar jobs for Moscow. The Karaganda and Central Asian camps (about 26,000 inmates each) specialized in agriculture, but they also supported industrial enterprises and construction projects.[7] In the mid-1930s the Dalstroi trust (36,000 inmates in January 1935) was rapidly building up the mining of gold. In the first six years of operation (1928–33), 1,937 kg of gold was obtained on the Kolyma. In 1934 a large leap occurred, and from 1934 to 1936, Dalstroi produced more than 53 tons of gold. In 1937, Dalstroi produced 51.5 tons.[8]

The situation on the Kolyma reflected the general state of the

6. RGASPI 17.3.904: 10; 906: 40–44.
7. State Archive of Russian Federation (hereafter—GARF) R-5446.16a.1310: 13–14.
8. GARF-R. 5446.17.278: 75; 20a.949b: 2; 984: 2; A. I. Shirokov, *Dalstroi,* p. 103.

NKVD economy in the mid-1930s. After an extremely severe crisis in 1932 and 1933, marked by mass famine and mortality in the Gulag (as well as throughout the country), the system stabilized. While prisoner population growth was insignificant, there was an increase in production and large projects carried out by camps. In June 1935 the Gulag was assigned the priority construction of the Norilsk Nickel Integrated Plant. The NKVD used substantial capital investments in carrying out construction projects for the Committee on Reserves (such as warehouses for storage of reserve state stocks of foodstuffs and industrial goods).

The relatively successful development of the forced-labor economy was interrupted by the Great Terror—the mass repressions of 1937 and 1938. Between January 1, 1937, and January 1, 1939, the population of camps and colonies rose from 1.2 million to nearly 1.7 million. On January 1, 1939, there were 350,000 people in prisons, and about one million people were living in labor settlements.[9] But in spite of the formidable increase in the prisoner population, the Gulag economy was going through a severe crisis. The NKVD leadership, preoccupied with carrying out mass repressions, was not interested in economic problems. Enterprises under the NKVD authority were disorganized by the arrests of their directors, by mass executions, and by the sharp increase in the mortality rate and the physical exhaustion of camp inmates. The plans for capital construction and industrial production were not being fulfilled.

The situation that resulted from the Great Terror in the Gulag showed that the political motives for the Terror took absolute priority over economic ones. The crowded camps and the impossibility of putting the hundreds of thousands of new prisoners to work explain the unprecedented number of death sentences—between August 1937 and November 1938, according to official data, almost

9. V. N. Zemskov, "Gulag (Istoriko-Sotsiologichesky Aspect)" in *Sotsis*, 1991, No. 6, p. 11.

seven hundred thousand people were executed.[10] A significant part of them, a list of those executed shows,[11] were able-bodied men, highly qualified specialists and workers, who were constantly in short supply at NKVD projects. The main purpose of the Great Terror was declared at the very outset to be the physical annihilation of "enemies" rather than their use as "cheap" labor.

The NKVD economy stabilized somewhat and then grew between 1939 and early 1941 as the Terror abated. Economic growth was achieved through the "utilization of internal reserves"—intensified exploitation of prisoners, some adjustments in the management of camps, and so on. To this end, the new USSR people's commissar of internal affairs, Lavrenty Beria, carried out administrative "reforms" in the spring and summer of 1939. Their purpose was to eliminate so-called workday credits, which had reduced the convict's sentence by a certain proportion of the time worked in production. The elimination of this system allowed worker contingents to stabilize but brought about the destruction of the last quasi-economic incentives in the NKVD economy. The elimination of "credits," which had been the most effective way of motivating prisoner labor, was accompanied by tougher repressions (up to and including execution) against the "disorganizers" of camp production.[12]

After World War II began in 1939, the Soviet government feverishly and hurriedly adopted resolutions on the construction of military enterprises and facilities. Most of these plans were assigned to the NKVD. The most massive project during this period was the railroad construction in the Far East and the northern part of the European USSR. The NKVD hydraulic-engineering projects

10. *GULAG (Glavnoye Upravleniye Lagerei), 1917–1960 gg.*, pp. 433.

11. See the many memorial books and martyrologies issued in recent years in almost every region of Russia as well as M. Ilic, "The Great Terror in Leningrad: A Quantitative Analysis," *Europe-Asia Studies* 52, no. 8 (2000): 1515–1534.

12. GARF. R-5446.23a.76: 6–9; 121: 6–9; R-9414.1.1152: 2–4.

accounted for the second-largest volume: canals (the Volga-Baltic and Northern Dvina waterways, which linked the Baltic Sea and the White Sea with the Caspian Sea), hydroelectric stations, and ports. The NKVD's nonferrous metal production surged sharply during the prewar years: there were increases in the production of gold, nickel (Norilsk Integrated Plant and the Severonikel [Northern Nickel] Integrated Plant in Murmansk Province), tin and copper (Dzhezkazgan Integrated Plant). The NKVD played a substantial role in the program, adopted in October 1940, to raise aluminum and magnesium production.

Prisoners set up a new oil installation in the European North and built hydrolysis, sulfite-liquor, and aircraft plants, roads, and many other facilities. In 1940 the NKVD's capital investments amounted to 14 percent of total centralized capital investments.[13] An extremely intensive construction plan was approved for 1941 as well. The transfer of new industrial enterprises and construction projects to the NKVD continued right up to the German invasion in June 1941. The most significant assignment, received by the people's commissariat on March 24, 1941, was to build and renovate 251 airfields for the People's Commissariat of Defense in 1941. To carry out this assignment, the NKVD had to allocate four hundred thousand prisoners, and the People's Commissariat of Defense had to form one hundred construction battalions of one thousand men each.

While many NKVD assignments during the prewar period were already of value for military mobilization, the outbreak of war caused substantial adjustments in the economic activities of the people's commissariat. The development of the NKVD economy during the war was influenced by several important factors. There were quantitative and qualitative changes in the worker contingents managed by the NKVD. Because some camps and colonies had to

13. GARF R-5446.25a.7181: 35–36.

be evacuated, and conditions in the Gulag deteriorated in 1941, about 420,000 inmates were given an early release. In 1942 and 1943, about 157,000 inmates who had been convicted of minor offenses were given early releases and turned over to the army.[14] The mortality rate in the Gulag during the war was extremely high. From 1941 through 1945, according to ministry statistics, 1,005,000 inmates died in camps and colonies.[15] As a result, despite an influx of new inmates, their total number declined considerably. Between July 1, 1941, and February 11, 1945, for example, the population in the camps and colonies dropped from 2.3 million to 1.4 million. Moreover, a high percentage of inmates were sick and exhausted. Even according to official data, the share of camp inmates working in production declined between 1942 and 1944 to 65 to 70 percent, and the share of sick inmates rose to about 20 percent.[16] The prisoner shortage was somewhat offset by the so-called mobilized contingents—400,000 Soviet citizens with ethnic backgrounds from countries that were at war with the USSR (Germans, Finns, Romanians). Some 220,000 of them were sent to NKVD economic facilities, while the rest were turned over to other people's commissariats.[17] Some were housed in camps on the same footing as prisoners. During the last period of the war, prisoners of war, contingents from screening and interrogation camps, and so forth, were increasingly used for labor.

The small amount of fully capable workers, along with such factors as the mass evacuation of many facilities and the war-mobilization restructuring of the economy, had an effect on the scale and structure of the NKVD's economic activities. Although the NKVD of the USSR remained one of the most important construction agen-

14. *GULAG (Glavnoye Upravleniye Lagerei), 1917–1960 gg.*, p. 275.
15. A. Kokurin, and Yu. Morukov "GULAG: Struktura i Kadry" in *Svobodnaya Mysl'*, 2000, No. 10, p. 118.
16. GARF R-9414.1.330: 56–61.
17. *GULAG (Glavnoye Upravleniye Lagerei), 1917–1960 gg.*, p. 281.

cies, the total amount of capital construction (at least in relation to cost) declined significantly. At the same time the structure of capital investments changed substantially. The share of railroad, road, and especially hydraulic-engineering construction declined from the prewar period. Meanwhile, the role of the people's commissariat increased in the construction of enterprises for the steel industry, the nonferrous metal industry, the fuel industry, and airfield construction.[18] Military needs required the conversion of many NKVD industrial enterprises to the production of ammunition, uniforms, and so on.[19]

The smaller number of prisoners during the war, the postwar amnesty, and the release of several classes of prisoners who had been detained at the NKVD facilities until the war ended, substantially lowered the capability of the NKVD economy. According to estimates by the NKVD itself, the total worker shortfall at its enterprises for the second half of 1945 was 750,000 men.[20] The people's commissariat leadership also took a rather skeptical view in late 1945 and early 1946 of the economic prospects of the NKVD ministry. This skepticism fully manifested itself when the NKVD drew up plan goals for the fourth Five-Year Plan (1946–50), which provided for a reduction in prisoner labor and a commensurate reduction in the plans.[21]

An increase in repressions, however, actually caused the number of prisoners to rise after the war. As a result, the MVD not only allocated a large number of prisoner workers to different economic people's commissariats but also continued to build up its own economic activities throughout the postwar period until the time of Stalin's death.

18. Calculation based on: GARF R-5446.50a.3888: 83–85.
19. *GULAG (Glavnoye Upravleniye Lagerei), 1917–1960 gg.*, pp. 289–294.
20. GARF R-9401.1.2204: 118.
21. GARF R-9401.1.2209: 106–109; R-5446.48a.2465: 62–66.

A substantial role was played in research and development by several kinds of MVD design bureaus (*sharashki*), whose activities are very difficult to research because of the inaccessibility of documents.

The MVD remained the largest construction ministry. The prewar structure of MVD capital projects, which favored mining and infrastructure projects, was largely restored after the war. This restoration was caused, on the one hand, by a halt to the construction of steel-industry enterprises and airfields during the war, and on the other hand, by the MVD's greater participation in railroad, and especially hydraulic-engineering, construction. Beginning in 1950, prisoners built numerous hydraulic facilities, which official propaganda dubbed "Stalin's construction projects of communism": the Volga-Don, Volga-Baltic, and Turkmen Canals and the Kuibyshev and Stalingrad hydroelectric stations. Military-industrial facilities held a special place in the MVD economy, above that of all atomic-energy industry projects. The share of these "special construction projects" in the total volume of capital construction by the MVD during the decisive period of the atomic project's implementation (1947–48) rose from 24.6 to 30.5 percent, though in 1949 the share fell to 21.3 percent.[22]

The amount of capital construction performed by the MVD roughly doubled from 1949 to 1952, reaching about 9 percent of total state capital investments in 1952.[23] In large measure this rapid pace was because of the overall economic policy, marked during the last years of Stalin's life by an acceleration of capital construction and investment in heavy industry, mainly in military sectors. The big jump in capital projects, as usual, overheated the economy

22. Calculation based on GARF R-5446.50a.3888: 83–85; R-9401.2.234: 15; R-5446. 80a.7595: 8–9; R-9414.1.326: 30.
23. Russian State Archive of the Economy (hereafter—RGAE) 1562.33.250: 64-65; 41.52: 67, 94–95.

and intensified its recessionary tendencies, leading, for example, to the immobilization of resources in unfinished construction. This policy exacerbated budget problems and contributed to the further decline of agriculture and the social sector. The recession in the MVD economy was a specific instance of the general crisis. The estimated cost of projects included in MVD plans for 1953 was 105 billion rubles, though the plan for MVD capital projects for that year was 13.3 billion rubles.[24] The only solution to this situation, as well as to the overfunding of capital construction as a whole, was to scrap some projects and cut capital investments.

Shortly after Stalin's death, on March 17, 1953, Lavrenty Beria, who had taken over the new Ministry of Internal Affairs, which had merged with the MGB (Ministry of State Security), sent the Presidium of the Communist Party Central Committee a memorandum addressed to Georgy Malenkov. Because of this memorandum the government adopted a resolution the next day to transfer all construction and industrial enterprises from the MVD to the economic ministries. (A decision to transfer the MVD's agriculture was adopted in May.) At the same time, on Beria's instructions, the MVD prepared proposals for a substantial cutback in its construction program. Large construction projects with an estimated cost of 49 billion rubles were to be shut down (out of a total estimated cost for all MVD construction projects of 105 billion). Meanwhile, the plan for capital projects at other facilities for 1953 declined from 13.3 billion to about 10 billion rubles. On March 21, Beria sent the relevant draft resolution to the Council of Ministers, and it was soon approved. Then came a decision to issue a broad amnesty and to release about 1 million of the 2.5 million prisoners. This reorganization concluded with a USSR Council of Ministers resolution on March 28, 1953, to transfer the camps and colonies (except special camps) from the MVD to the Ministry of Justice.[25]

24. *GULAG (Glavnoye Upravleniye Lagerei), 1917–1960 gg.*, pp. 788–789.

Of course, the overextension of capital projects was only one cause (albeit an important one) of the crisis of the Stalinist Gulag and of the decisions adopted in 1953. The political element of the crisis, which also influenced the forced-labor economy, consisted of unrest in the camps, an increase in "camp banditry," and so on. There is also evidence indicating that the inefficiency of the forced-labor economic system was already obvious while Stalin was alive and that the leadership of the MVD and the government were aware of it.

One of the severest problems was the issue of incentives for prisoner labor. Although there was a strict legislative ban on the use of "workday credits," which had been eliminated in 1939, the MVD leadership claimed that credits were the most effective way of rewarding prisoner labor, and it sought after the war to reinstate this system at certain projects. As a result, by September 1950 "workday credits" were in use at camps housing more than 27 percent of all prisoners,[26] and the process was on the upswing. Although the proliferation of "credits" intensified the shortage of labor from the camps, the MVD leaders preferred this course, acknowledging, in effect, the inefficiency of administrative punitive measures.

Readiness for gradual change in the Gulag was shown by the MVD support of campaigns for the early release of prisoners followed by their assignment to enterprises as free workers. In August 1950, because of the relevant government resolution, the minister of internal affairs issued an order for the early release of eight thousand prisoners and their assignment to build railroads.[27] In

25. Ibid., 786–793.
26. GARF R-5446.80.7561: 40–43.
27. GARF R-9414.1.1363: 10.

January 1951, Internal Affairs Minister Sergei Kruglov requested that Beria authorize the early release of six thousand prisoners, who would then be transferred as free workers to the construction of the Kuibyshev and Stalingrad hydroelectric stations. Kruglov based this request on the lack of skilled workers to operate the machinery at these projects.[28] In February 1951 the Council of Ministers approved the MVD's proposals for the early release of a group of prisoners and their use "for the purpose of increasing permanent worker cadres" in the Pechora coal basin.[29] Consequently, despite the apparent advantages of unlimited control of prisoners, the authorities increasingly preferred to deal with relatively free workers, who provided higher labor productivity and did not require a well-oiled system of guards and overseers. Because of these measures and the transfer to the MVD's authority of new industries from other ministries, the proportion of free workers at MVD projects increased. In the first half of 1950 the total number of free workers in the MVD's basic production and capital construction (excluding the free members of camp management) was 662,000, or 38.9 percent of all those employed; free workers numbered 372,000, or 28.6 percent.[30]

One reason for the gradual reorientation of the MVD economy toward skilled free workers was the change in the methods of work at the ministry's projects. For example, mechanized timber haulage under the NKVD-MVD made up 23.9 percent of total timber haulage in 1939 and rose to 41.1 percent in 1947 and 53.6 percent in 1950. The share of mechanized timber cutting (with power saws) rose from 19.6 to 41.7 percent.[31] The number of excavators at construction projects of the NKVD-MVD was 158 at the beginning

28. GARF R-5446.86a.7384: 26–27.
29. GARF R-5446.81b.6557: 83–84, 124.
30. GARF R-9401.1.3586: 61–62.
31. GARF R-5446.24a.2940: 2–3; 50a.4111: 159; 81b.6512: 118.

of 1940 and 955 at the end of 1952.[32] At the same time, the machinery was becoming more refined and powerful. The mechanization of earth-moving operations increased between 1946 and 1952 from 52 to 87.8 percent.[33]

To raise the labor productivity of prisoners, the MVD leadership also sought, starting at the end of 1940, to convert certain camps to a wage system, thereby violating one of the principles of the forced-labor economy—its total lack of remuneration. On March 13, 1950, yielding to the MVD's persistent demands, the government adopted a resolution to introduce wages for prisoners at all correctional-labor camps and colonies, except special camps, which housed "especially dangerous" common and political criminals.[34] Soon after that, wages were also introduced at special camps.

Economic expediency made it constantly necessary to break the strict rules of prisoner confinement. The practice was widespread, for example, of so-called *raskonvoirovaniye* (removing escorts)—or releasing prisoners from the surveillance of guards and allowing prisoners to move relatively freely outside camp zones. Since camp administrators weren't able to provide guards in the production process, camp administrators either sought official permission for *raskonvoirovaniye* or introduced it without permission but with the center's tacit acquiescence.

These and similar occurrences pointed to a postwar trend in the MVD economy of converting prisoners to partly free employees—roughly a conversion of slaves to serfs. Further development of this process inevitably resulted in a fundamental reorganization of the Gulag, especially since the MVD economy faced mounting problems on the eve of Stalin's death, despite the attempts at limited

32. *GULAG (Glavnoye Upravleniye Lagerei), 1917–1960 gg.*, p. 778; RGAE 1562.33.1531: 101–102.
33. GARF R-9401.1.2641: 384; RGAE 1562.33.1531: 100.
34. GARF R-5446.80a.7641: 51-54.

"reforms" mentioned earlier. The share of prisoners used in production was declining. Labor productivity was dropping (26 to 28 percent of the prisoners employed in piecework failed to meet production targets in 1951–52).[35] Combined with the general economic crisis caused by the jump in capital investment in heavy industry, the recession in the camp economy itself made it much easier to adopt major political decisions in the spring of 1953.

The dismantling of the Stalinist forced-labor economy immediately after Stalin's death provides direct proof of its inexpediency and inefficiency but doesn't answer the question about the real role of that sector of the economy in Soviet industrialization. By the moral and legal criteria applied in civilized societies, the Stalinist terror and its derivative, the forced-labor economy, can only be classed as crimes. In the context of the larger trends of world development, which demonstrate the indisputable advantages of free labor, no forced-labor economy can be considered efficient. There is, however, another valid approach to this problem, which provisionally can be called a "historical" approach. It sets aside the factors mentioned above and evaluates the Stalinist forced-labor economy in the context of the realities of its time.

One such reality between the 1930s and 1950s was Soviet industrialization, which, as has been repeatedly pointed out in the literature, had the extensive task of catching up with the West. For that reason, the state pursued its objectives mainly by coercive methods. Based on this "historical" approach, some historians regard the Gulag economy as a necessary means of accelerating industrialization as a whole. Their view boils down to the following. Wide-scale use of "conventional" coercion and force in the economy (for example, emergency laws governing labor activities) had failed to accomplish tasks of accelerated industrialization. It was thus natural to create a large sector of absolutely forced labor, which by many

35. GARF R-9401.1.3821: 190.

standards was slave labor. While forced labor began because of political factors (mass political repressions), it later followed mostly an economic logic of development as the need for new workers provoked further repressions. In the opinion of such historians, the forced-labor economy performed the following functions, which were impossible (or nearly impossible) to carry out by the "conventional" methods of coercion and labor incentives.

First, it provided for the development of remote regions where attracting free workers required substantial funds. Second, it supplied extremely mobile labor, which was easily transferred from project to project in accord with the state's needs. Third, this labor could be exploited without restriction, to the point of complete exhaustion. Fourth, the threat of falling into the Gulag's maw served to "discipline" "free" workers. Fifth, the existence of a substantial population of prisoners and other "special contingents" relieved pressure on the meager consumer-goods market and made it easier to solve the most serious social problems (for example, housing), and so on. In sum, the use of prisoners was "a type of labor mobilization that was fully in line with the stage of extensive industrialization that ended in the 1950s."[36]

These factors are mainly of an a priori nature and have never been studied in concrete terms, using a broad range of sources. Moreover, it is obvious that such works will not appear any time soon and will require serious effort by many researchers. The new documents available, nevertheless, allow some initial observations and corrections to be made.

There are two fundamental points to be made. First, the view that the forced-labor economy and its deliberate expansion through

36. M.Van der Linden, "Forced Labour and Non-Capitalist Industrialization: The Case of Stalinism (c. 1929–c. 1956)," in *Free and Unfree Labour. The Debate Continues,* ed. T. Brass and M. Van der Linden (Berne, New York: Peter Lang, 1997), 351–362. This paper summarizes the main points of the debate.

terror were "necessary" was largely based on notions that there were an extremely large number of prisoners in the country. As one researcher wrote, for example, in 1940 and 1950 prisoners made up about 23 percent of all workers in the nonagrarian sector.[37] The archives, however, as the literature has repeatedly pointed out, provide much lower figures for the camp population. For example, in 1950 the camps, colonies, and prisons held an average of about 2.7 million inmates, while about 2.5 million were probably special settlers in exile.[38] A significant number of these 5.2 million, however, were disabled. For example, on January 1, 1950, about 2 million of the 2.5 million prisoners in the camps and colonies were able-bodied,[39] and the number of special settlers included members of their families. Since only a part of the able-bodied were employed in industrial sectors, the total number of prisoners and "special contingents" sent to industry and construction in 1950 was probably not much higher than 2 million. Meanwhile, the total number of people employed in industry and construction in 1950 was 18.6 million (this number probably did not include prisoners).

To comprehend the real role that the Gulag played in the industrialization of the USSR, we must, above all, ask what kinds of work the prisoners were employed in. At first glance (although this question also requires research) the Gulag clearly played a significant role in the timber industry and in the production of nonferrous metals (gold, platinum, nickel, etc.). But these industries employed only a part (and a small one at that) of the "special contingents." Forced labor was of unique importance in the construction of the largest and most labor-intensive projects. This factor raises another

37. Data from S. Rosenfield, quoted in the paper by M. Van der Linden (see note 36).

38. *Naseleniye Rossii v XX veke: Istoricheskiye Ocherki.* Vol. 2, edited by Yu. A. Polyakov (Moscow, 2001), pp. 173, 181 (section author V. N. Zemskov).

39. GARF R-9414.1.326: 25, 30.

question: what was the role of these prisoner-built enterprises, railroads, canals, and so forth, in the country's actual industrialization?

We are obliged to resort to the concept of "actual industrialization" because of the commonly known fact that the Stalinist type of industrialization was extremely cost-intensive and inefficient. Huge investments were made in the construction of projects that eventually were either left unfinished or proved economically useless. The reasons this phenomenon became so widespread require separate study. But one of the reasons was obviously that the state could use large contingents of the Gulag's "cheap" and mobile labor. The accessibility of this labor encouraged economic voluntarism and made it possible to undertake expensive but economically dubious projects without particular difficulty or hesitation.

The first such project was the first significant OGPU project—the construction of the White Sea–Baltic Canal. The decision to build it resulted from a combination of two factors. First, the political one: Stalin was convinced of the military-strategic and economic importance of such a structure, and despite objections not only from the "rightist" chairman of the government, Aleksei Rykov, but also from Stalin's loyal associate, Vyacheslav Molotov, Stalin insisted on adopting the relevant plans.[40] Second, construction of the canal would probably not have been undertaken if the OGPU hadn't had a large number of prisoners because of the mass operations against the kulaks. The planned allocation of 140,000 prisoners for the BBK removed the critical problem of labor use of the camps' growing population and opened up enormous prospects for economic activities for the OGPU. Therefore the decision was mostly political, which predetermined its modest economic results.

The canal's capacity for transporting cargo for the national economy was limited. The start-up of the White Sea–Baltic Canal

40. *Pisma I. V. Stalina V. M. Molotovu. 1925–1936 gg.* Compiled by L. P. Koshelyov et al. (Moscow, 1995), pp. 214–215.

and then the Moskva-Volga Canal were of small importance, since two old connections—the Mariinsk and Moskva River systems—were not modernized.[41] In 1940 the canal was used to 44 percent of capacity, and in 1950, to 20 percent.[42] As a result, a contemporary researcher argues that the White Sea–Baltic Canal "remained as an expensive monument to the mismanagement of the Soviet system." "The canal's value to the region's economic development, as soon became clear, was minor. And strategically, the waterway's value was negligible."[43]

There are similar skeptical conclusions in the literature on another OGPU-NKVD project, the Baikal-Amur Mainline. This was one of the largest projects—at the beginning of 1938, Bamlag (BAM camp) housed more than two hundred thousand prisoners, and a few months later, it was the source for the creation of several camps. Despite the considerable material resources and labor invested in the railroad and the many casualties among prisoners, the actual results of the construction were meager. The individual sections that were put into operation were of no substantial importance. The construction of many lines was suspended.[44] "On the whole, the prewar phase of construction of the BAM, despite the large amount of work performed by three hundred thousand prisoners, ended as yet another unfinished project."[45]

The BAM (and railroad construction in general) was a typical example of how ruinous the Stalinist system of forced-labor mobilization was. The disorganized construction of many railroads without the necessary feasibility studies resulted in the immobilization of enormous resources. By 1938 the length of railroads whose construction had been started but then suspended was approaching 5,000 km (excluding railroads that had been built but not used or only partly used because they weren't needed). Meanwhile, the total increase in the length of the rail system from 1933 through 1939 was only 4,500 km.[46] A substantial portion of "dead roads" were built by prisoners. Similar examples during the postwar period are well known; the most striking one is the unfinished Chum-Salekhard-Igarka railroad, whose construction in the Arctic cost the lives of many prisoners, not to mention the pointlessly expended, huge material resources valued at 3.3 billion rubles.[47]

A similar fate befell other Gulag projects. In September 1940, for example, a resolution was adopted to freeze the construction of the Kuibyshev hydroelectric system[48] started in 1937. The government attributed this decision to "a lack of free manpower" to work at an enormous new project—the construction of the Volga-Baltic and Northern Dvina water system. By the time construction was suspended, a huge sum—126.7 million rubles[49]—had already been spent on building the Kuibyshev hydroelectric system, and thirty thousand to forty thousand prisoners were concentrated at the Samara camp, which supported the project.[50] After Stalin's death, as mentioned earlier, the government was compelled to halt the construction of various enterprises and hydraulic-engineering installations, where work costing 6.3 billion rubles had already been done.[51]

41. B. P. Orlov, *Razvitiye Transporta SSSR. 1917–1962* (Moscow, 1963), 198–200.
42. GARF R-5446.81b.6645: 51–53.
43. Yu. Kilin, *Kareliya v Politike Sovetskogo Gosudarstva. 1920–1941 gg.* (Petrozavodsk, 1999), pp. 122–127.
44. O. P. Yelantseva, "BAM: Pervoye Desyatiletiye," in *Otechestvennaya Istoriya,* 1994, No. 6, pp. 89–103.
45. A. G. Granberg, and V. V. Kuleshov (eds.). *Region BAM: Kontseptsiya Razvitiya na Novom Etape* (Novosibirsk, 1996), p. 9.
46. O. P. Yelantseva, "BAM: Pervoye Desyatiletiye," p. 102.
47. *GULAG (Glavnoye Upravleniye Lagerei), 1917–1960 gg.,* pp. 182–184.
48. RGASPI 17.3.1027: 75.
49. GARF R-5446.81b.6691: 69.
50. B. M. Smirnov, (ed.). *Sistema Ispravitelno-Trudovykh Lagerei v SSSR. 1923–1960. Spravochnik* (Moscow, 1998), pp. 370–371.
51. *GULAG (Glavnoye Upravleniye Lagerei), 1917–1960 gg.,* p. 789.

This exceeded the amount of capital projects performed by the MVD in all of 1948.

So far there have been no separate studies of unfinished or useless construction by the OGPU, NKVD, and MVD. The individual examples above at least show that the camp economy's performance cannot be evaluated by the amount of nominally used capital investments. In short, here is the point. Many prisoner-built projects were difficult, or almost impossible, to build with free workers, but was there a need to build them at all? The availability of large prisoner contingents made it relatively easy to adopt plans for the accelerated construction of major projects, without making serious economic or engineering calculations, and then to scrap the projects that had been started and transfer the prisoners to new ones.

The incentive for unfinished and useless construction was only one example of the negative effect of the Gulag economy on the country's development. It is obvious, for example, that the extreme exploitation of prisoners, which might have been economically profitable for a short term, actually caused enormous damage. The untimely death of hundreds of thousands of people in the Gulag and the senseless waste of effort and talent that would have been of incomparably greater usefulness if workers had been at liberty (complaints about the use of skilled cadres for the wrong purpose—in heavy physical work—are a common topic in the institutional documents of the NKVD and MVD) substantially weakened the country's labor capability. In addition, many tens of thousands of able-bodied people who were prison guards were missing from public production.

Such endemic features of the Soviet economy as excessive bureaucratization and weak internal incentives for development reached extreme limits in the Gulag economy. The heightened secrecy and isolation promoted the proliferation at Gulag projects of padded statistics and false reports, especially since many NKVD-MVD construction projects were funded without designs and estimates but according to actual expenditures. The reminiscences of former prisoners overflow with testimony about how tenaciously and resourcefully people at the camps sought to "pull a *tufta*." This term, which came into universal use in the Gulag, referred to the extremely wide use of padded statistics, which not only prisoners (whose lives were often saved by *tufta*) but also their bosses had a stake in preserving.

The mining industry of the NKVD and MVD was based on predatory exploitation of resources. With enormous territories and a steady flow of labor at their disposal, the heads of NKVD enterprises preferred not to set up permanent facilities that required substantial investment but sought to obtain the greatest short-term yield from the most resource-rich sites. This policy was the basis, in particular, of Dalstroi's "economic miracle" in the second half of the 1930s and of the nominal "cheapness" of Kolyma gold. But the miracle could not go on for long. Though the average gold content between 1935 and 1938 (thanks to the exploitation of the richest deposits) was 27 to 19.3 grams per cubic meter of sands washed, in 1946–47 it was already only about 7 grams. Accordingly, the amounts mined dropped sharply as well.

Despite its secrecy, the forced-labor economy couldn't function in isolation and thus had a corrupting effect on the "free" sector of the economy as well. Soviet economic ministries, which for systemic reasons didn't have much of a stake in organizational and technological progress, preferred to solve many problems by issuing "requisitions" for prisoners, which slowed down the development of the labor market and of the social infrastructure even more. Prisoner labor was becoming a narcotic for the economy.

On the whole, the transformation of the NKVD, and then the MVD, into one of the largest economic ministries and the large-scale use of forced labor in the Soviet economy between the 1930s and the 1950s were important features of the Stalinist industrialization model, in which politics, as a rule, had priority over econom-

ics. The mass political repressions and the brutal system of criminal penalties, which served as sources for expanding the forced-labor economy, were always aimed at fulfilling political objectives and in economic terms were losing operations. Only a country as rich in labor and natural resources as the Soviet Union could have weathered the physical annihilation of hundreds of thousands of able-bodied citizens, the ruin of millions of peasant farms, the maintenance of an enormous punitive apparatus, and so forth. By creating the Gulag economy, the state, above all, was attempting to lessen these enormous material losses.

In practice, however, the exploitation of prisoners ultimately increased the losses. It promoted economic voluntarism and the mindless inflation of capital-construction plans, including ruinous (and often useless) projects. When more detailed studies are done, they will most likely show that the role of forced labor in building up *actual* industrial capability was far smaller than the formal economic indicators of the NKVD and MVD show.

4 The End of the Gulag

Aleksei Tikhonov

STALIN DIED ON March 5, 1953. The principal portfolios were distributed immediately—Lavrenty Beria nominated Georgy Malenkov for chairman of the Council of Ministers, and Malenkov proposed Beria as his first deputy while naming him as minister of the newly consolidated Ministry of Internal Affairs and State Security (MVD). In the course of the following week, Beria issued directives that closed all of the highly publicized political cases under way, such as the "Kremlin doctors' plot" and the "Mengrelian affair." On March 26 he sent the Presidium of the Central Committee a proposed decree "On amnesty."[1] This decree called for the release of about one million inmates from Gulag camps, colonies, and prisons and cut in half the terms of those left in camps. The next day (!) the amnesty decree was published in the central press, and over the next three months some 1.5 million prisoners, or about 60 percent of the entire Gulag population, were released. This virtual dismantling of the Gulag camp system was carried out in such a short time, considering the vast geographic

1. L. Beria, 1953. Documents, Moscow 1999. Published as a joint project of the Democracy International Foundation and the Hoover Institution.