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**“Torgsin”: The Price in Gold of the Lives of Ukrainian Peasants
during the Famine Years (1932–1933)**

The operations of the Torgsin (Russ. *Torgovlia s inostrantsami*, Trade with Foreigners) system remain completely unelucidated in the historical literature,¹ although the problem itself bears directly on the disastrous years of hunger in Ukraine. In the 1930s, having lost confidence in the functioning of the Torgsin system, the people coined their own definition of the acronym “Torgsin”: Comrades, Russia is dying. Stalin is destroying the people (*Tovarischi, Rossiia gibnet. Stalin istrebliat narod*). It was Ukraine that was dying first and foremost, particularly its agricultural population.

During the years of the Holodomor, the Torgsin proved to be the only system of state commerce in whose stores, from the latter half of 1931, residents of the Ukrainian SSR could obtain the grain that had been taken from them in return for their so-called consumer gold. The Torgsin network of stores and points of purchase of gold, silver and diamonds became the Soviet people’s only hope of salvation from starving to death.

The All-Union Torgsin office, established in the summer of 1930, was attached to the People’s Commissariat of Foreign Trade (PCFT) for the express purpose of serving foreign tourists.² In January 1931 it was reorganized as a separate association with branches in Ukraine, specifically in Odesa, Kyiv and Kharkiv. The Kharkiv Torgsin office opened in August 1931.

¹ Since the publication of this article, the Torgsin system in the USSR has been studied by Elena Osokina. See her *Zoloto dlia industrializatsii: Torgsin* (Moscow: ROSSPĖN, 2009). See also Mykola Horokh’s dissertation abstract, *Stvorennia ta funkcionuvannia systemy Torhsinu na Chernihivschyni (1932–1936 rr.)* (Chernihiv: Ministerstvo Osvity i Nauky Ukraïny and Chernihiv's'kyi Natsional'nyi Pedahohichnyi Universytet im. T. H. Shevchenka, 2013). Horokh discusses the scholarly literature on Torgsin and provides a bibliography of his own writings on the topic.

² E. A. Osokina, “Za zerkal'noi dver'iu torgsina,” *Otechestvennaia istoriia*, 1995, no. 2: 86.

Generally, all branches served primarily foreigners at that time.³ Throughout 1931 a permanent envoy of the Moscow office was stationed in the Ukrainian SSR, as there was then no permanent organizational structure for managing Torgsin in the republic. The special envoy for the management of the All-Union Torgsin Association in Ukraine also ran the office in Kharkiv (at that time the capital of the Ukrainian SSR), while the entire system was under the supervision of the PCFT. In the early days of the establishment of the Torgsin organizational structure in Ukraine (the All-Ukrainian and Kharkiv offices), responsibilities among the management did not differ much, so they had common quarters and office work. The system of dual management continued until April 1932, but when provinces (oblasts) were established, the provincial offices remained, while the All-Ukrainian office was closed. Its role was assumed by the Moscow representation, headed by the special envoy. At the beginning of January 1932, Torgsin stores were functioning in Mariupol, Kherson, Mykolaiv, Vinnytsia, Shepetivka, Berdychiv, Zhytomyr and Berdiansk, that is, at administrative and communication/transportation points. By May there were already 26 stores, and in the fall of 1932 there were 50 stores in 36 Ukrainian cities.⁴ The Dnipropetrovsk branch began to function on 30 January 1932 and was reorganized on 1 April as a provincial office with a network of stores in nine counties.⁵ The Kharkiv province Torgsin office also opened in April of that year.

On 29 June 1932, the Ukrainian Economic Council (UEC) adopted a resolution “On establishing an All-Ukrainian Torgsin Office,” which created a Ukrainian Torgsin system as a branch of the All-Union Association under the jurisdiction of the special envoy of the PCFT of the Council of People’s Commissars of the Ukrainian SSR (CPC UkrSSR). Within ten days, the PCFT

³ Tsentral'nyi derzhavnyi arkhiv vyshchykh orhaniv vlady Ukraïny (hereafter TsDAVO Ukraïny), f. 539, op. 17, spr. 366, ark. 2–3.

⁴ Ibid., ark. 12.

⁵ Ibid., f. 4051, op. 1, spr. 175, ark. 8.

of Ukraine was to develop and adopt terms of reference for the All-Ukrainian Office (AUO).⁶ It was the mandate of the Torgsin system to serve foreign representatives, tourists, steamships and foreign nationals visiting the USSR. The assessments of the Torgsin system prepared by experts from the People's Commissariat of the Workers' and Peasants' Inspectorate (PC WPI) included the following political and economic justification for the system's existence: "In this period of reconstruction of our national economy, when we shall still be obliged to import various equipment from beyond our borders, the ability to mobilize hard-currency resources within our country plays a huge role. So too does the extraction of consumer-held gold, which lost its everyday value as objects of adornment (wedding bands, earrings, bracelets, crosses, and so on) after the revolution. Although it no longer has consumer worth in the hands of its owners, gold has retained its value. That is why it is imperative to collect it with the aid of the 'Torgsin' system and direct it to serve the interests of the proletarian state."⁷

In a memorandum of 3 November 1932 from the manager of the Kharkiv provincial Torgsin office to the Provincial Executive Committee (*oblyvkonkom*) it was noted that the system was focusing on mobilizing currency (hard currency and foreign money orders), gold coins (minted under tsarist rule), and consumer gold.⁸ On 10 December 1932, at a time when the entire peasant population and a significant part of the urban population of Ukraine was starving, the Politburo of the CC CP(B)U adopted a resolution "On the work of the 'Torgsin,'" which provided for the creation within the structure of the CC of the positions of manager and deputy managers of

⁶ Derzhavnyi arkhiv Kharkivs'koï oblasti (hereafter DAKhO), f. 4640, op. 13, spr. 3, ark. 88.

⁷ Ibid., f. 539, op. 17, spr. 366, ark. 6.

⁸ Ibid., f. 4051, op. 1, spr. 3, ark. 88.

the provincial offices, as well as for including directors of large department stores and depots in the provincial *nomenklatura* (party-appointed administrators).⁹

The success of the Torgsin system was not left to chance: specific targets were assigned for the extraction of gold and currency. Accordingly, the PC WPI deemed it necessary to increase the number of stores and reception centres. The number of Torgsin branches grew steadily in the course of 1933, at the very time when famine was forcing the population to surrender consumer gold in mass quantities in exchange for flour (Table 1).

Table 1
Network of stores in the Torgsin system in provinces of the UkrSSR (1933)¹⁰

Oblast	1.01.1933	1.VII.1933	1.VIII.1933
Kharkiv	14	45	47
Kyiv	13	55	58
Odesa	14	41	42
Vinnytsia	11	46	46
Dnipropetrovsk	9	27	27
Chernihiv	5	20	20
Donetsk	6	10	11
Moldavian ASSR	2	5	5
Total in UkrSSR	74	249	256

In October 1933 there were 263 stores with a system of small-scale counters, reception centres, and branches. For example, the Korosten branch opened outlets in Malyna, Ovruch, Olevsk and Yemilchyno—towns in the Ukrainian region of Polisia connected by rail transit.

The personnel of the AUO Torgsin system was conspicuous by its social and national origins and poorly skilled labour force. From April to December 1931, all workers in the Torgsin system received food rations, which, as noted at the time, led to a significant increase in the number

⁹ Tsentral'nyi derzhavnyi arkhiv hromads'kykh ob'iednan' Ukraïny (hereafter TsDAHO Ukraïny), f. 1, op. 6, spr. 340, ark. 34.

¹⁰ TsDAVO Ukraïny, f. 4051, op. 1, spr. 168, ark. 56.

of counter workers. In the spring of 1932, the All-Ukrainian and Kharkiv offices, including the stores, employed 187 full-time staff, including 20 party members, 9 Komsomol members, 54 workers, and 9 candidates, 3 of whom had a higher education, while 72 had a high-school education.¹¹ By nationality, Torgsin staff could be broken down as follows: Jews – 99, Ukrainians – 56, Russians – 40, Germans – 2, other nationalities – 4.¹² After half a year’s activity in 1931, 41 percent of the personnel from both offices were let go and, upon the elimination of food rations, there began a voluntary departure of workers from the stores, depots and counters. In 1932 the total number of workers, regardless of dismissals and turnover, consisted of 1,420 individuals, 32 of whom had a higher education, while the remainder had “lower” levels of education.¹³ Reasons for termination of employment included falsifying weight, speculation, theft, truancy, falsifying financial records, “Petliurite origins,” and arbitrary raising of prices. For example, a cashier at Department Store No. 1 in Odesa was fired for taking a bribe (30 dollars) from a customer for exchanging a thousand-dollar bill. In the hungry year of 1933, “senior staff” in Chernihiv province sold 3.6 metric tons of bread to speculators for foreign currency and gold, using the payment to purchase manufactured goods for the provincial party *nomenklatura*.¹⁴

In the Torgsin store, one pood of flour cost 3 rubles 60 kopecks, while the black-market price was 150 rubles, so the temptation became too great for workers of the provincial offices and relevant state agencies. Store directors were changed quite frequently, but speculation, theft, and the cheating of customers continued. On 2 June 1932 rations once again began to be issued exclusively to “counter workers,” comprising the following list of products: butter – 1 kg, smoked meat – 1 kg, wheat flour – 3 kg, macaroni – 2 kg, rice – 1 kg, canned fish – 3 cans, herring – 1 kg,

¹¹ TsDAVO Ukraïny, f. 539, op. 17, spr. 366, ark. 6.

¹² Ibid., f. 4051, op. 1, spr. 168, ark. 7.

¹³ Ibid., spr. 71, ark. 71.

¹⁴ TsDAHO Ukraïny, f. 1, op. 6, spr. 286, ark. 87–88.

Dutch cheese – 1 kg, tea – 0.1 kg, sugar – 1 kg, domestic cleaner – 1 kg, and personal soap – 2 bars.¹⁵

According to a directive from the AUO Torgsin, a one-time aid package was issued to workers of the system, as if they had been starving like the Ukrainian peasants. The Politburo of the CC CP(B)U released the commercial *nomenklatura* of the Torgsin system from participating in the grain-procurement campaigns, instructing them to focus on fulfilling the hard-currency plan. In 1933 the Vinnytsia provincial office paid out 54,000 rubles in administration salaries, while “counter workers” received 118,000, counter managers 113,000, and interns 7,300. The entire wage fund came to 826,000 rubles.¹⁶ The average salary of a provincial office director was 260 gold rubles, a deputy director – 140, a salesperson – 94, an intern – 55, a commercial depot inspector – 100, a commodity expert – 120, and a security guard – 113.¹⁷ In 1933 the AUO Torgsin had 3,418 employees, while the wage fund in Kharkiv province amounted to 1.6 mln gold rubles, Dnipropetrovsk province – 839,000, and Odesa province – 879,000.¹⁸ In 1932–33, the Dnipropetrovsk provincial office was headed by O. S. Fomenko, Kyiv – S. S. Bulavchyk, Odesa – S. S. Usherovych, Chernihiv – Ye. M. Rudaiev, Donetsk – K. K. Rozyt, Vinnytsia – V. P. Vanah, and Kharkiv – F. P. Zazulynsky.

By nationality, Jews were in the majority on the staff of the provincial offices, particularly among economists, bookkeepers and store managers. For example, in the Kharkiv office the bookkeepers were R. M. Azarkh, Z. H. Zymylyevych, S. B. Smyliansky, D. A. Zelensky, and Ye. A. Altshulier.¹⁹ There were 334 staff members in the management structure and in the stores, of

¹⁵ TsDAVO Ukraïny, f. 4051, op. 1, spr. 3, ark. 16.

¹⁶ Ibid., spr. 19, ark. 2.

¹⁷ Ibid., ark. 9.

¹⁸ Ibid., ark. 21.

¹⁹ Ibid., f. 539, op. 17, spr. 366, ark. 40–43.

whom 134 were Jews.²⁰ Upon hiring, nationality was not taken into account, but social status was investigated with particular thoroughness, as 116 individuals representing “class enemy elements”²¹ were let go in 1933. Applications to work in a Torgsin required recommendations from two party members and a document confirming a GPU background check. The tightening of controls and selection of workers did not eliminate abuses in the Torgsin offices and stores. Reasons for being fired in June–July 1933 included: buying up record books, speculation, falsifying documents, “self-provisioning without receipts,” adding goods to rations, pocketing the difference between the amount of gold accepted from the population and the amount deposited in the bank, theft, “eating of goods behind the counter,” and inflating prices. Many counter workers were prosecuted, but abuses by the employees continued. The Torgsin network existed until mid-November 1936, when the Soviet government adopted a resolution on its liquidation.²²

The system of stores and reception centres for precious metals, established to serve the needs of foreigners, became an agency for mobilizing foreign currency for the state and, on the other hand, a means for the population to obtain food products for a certain period. In the fall of 1931, when the doors of Torgsin were opened to Soviet citizens who offered to pay with rubles bearing the images of Bolshevik leaders and symbols on the banknotes, the political leadership required effectively convertible currency—gold, silver, and foreign money orders. The State Bank wanted to obtain hard currency directly, whereas precious metals had to be sold according to international currency exchange rates and taking into account that consumer gold was considered scrap. Money orders and shipments of food products and goods that arrived in Ukraine from many countries of the world attested, first of all, to foreign citizens’ awareness of famine in the Ukrainian

²⁰ DAKhO, f. 4640, op. 13, spr. 3, ark. 88.

²¹ Ibid., spr. 5, ark. 7.

²² See *Visti TsVK USRR*, 17 November 1936.

countryside and, secondly, to the interest of the Soviet state in receiving even paltry sums from citizens' relatives and friends. Foreign money orders reached the addressee via the Torgsin system and the State Bank, that is, via the Moscow office, while products came through the southern ports.

Until March 1932 all foreign-currency remittances were received exclusively in Moscow, that is, at the All-Union Torgsin office, while the addressees received the expected amount within 2–3 months. The corresponding documentation was not registered. In Kharkiv, between February and April 1932, 312 food parcels valued at 2,656 rubles were received from family members abroad; 25 percent of their value was held back to cover delivery charges.²³ Fees deducted for processing money orders were as high as 54 percent of the original value in some cases. In 1932 the plan for procuring hard currency was not fulfilled, the volume decreasing quarterly. Consequently, in October 1932, Vlas Chubar demanded that Torgsin do its utmost to obtain hard currency, specifying a minimum target of 2.1 million hard-currency rubles.²⁴ In the first quarter of 1932, 2.6 million was earned, in the second quarter – 3.6 million, in the third – 3.2 million, and in the fourth – only 1.4 million hard-currency rubles, exclusively in money orders.²⁵ These were sent from abroad to Torgsin, which processed them through the State Bank. Individuals, or ordinary folk, first received purchase orders (vouchers), and later passbooks or commodity books.

Foreign currency reached Ukraine in insignificant amounts. For example, on 8 February 1933, 10 shillings were found in a letter from Africa addressed to the Kharkiv resident B. Poliakov, while a money order for one dollar arrived from the United States for A. Parfionova, a resident of the town of Okhtyrka. Foreign currency arrived in Ukraine from the United States, Canada, Africa, Europe, Scandinavia, and China; while the sums were paltry (from 3 dollars to 5 pounds sterling,

²³ TsDAVO Ukraïny, f. 539, op.17, spr. 366, ark. 8.

²⁴ DAKhO, f. 4640, op.13, spr. 4, ark. 23.

²⁵ TsDAVO Ukraïny, f. 4051, op. 1, spr. 168, ark. 34.

from 35 marks to 50 francs), they performed a rescue mission. When Mongolian currency—the tugrik—was received, passbooks and vouchers for only 100 rubles were issued regardless of the amount of the money order.²⁶ In 1933, 600,000 rubles’ worth of money orders came through the Dnipropetrovsk provincial office alone.²⁷ The administrative report of the AUO Torgsin for 1934 indicates the number of money orders and the volume of foreign currency coming into Ukraine (Table 2).

Table 2
Summary data on the receipt of money orders by citizens of the UkrSSR (in Torgsin rubles)²⁸

Country	Quantity	Amount
United States	184,505	2,303,696
England	11,103	135,495
France	20,880	307,657
Germany	57,405	481,215
Poland	39,769	435,993
Lithuania	2,026	25,737
China	3,457	49,113
Mongolia	635	5,575
Palestine	25,227	209,624
Turkey	1,148	20,612
Persia [Iran]	316	4,890
Italy	432	6,660
Czechoslovakia	1,642	19,382
Other countries	26,887	330,833
Total	375,432	4,305,482

As we see, the largest quantity of money orders came from Ukrainians in the United States. Considering the number of money orders received from German citizens, rumours about “Hitlerite assistance to starving Germans in Ukraine,” which were studied at length in the Politburo of the CC CP(B)U, were exaggerated. The State Bank required the Torgsin system to send money orders

²⁶ DAKhO, f. 4640, op. 13, spr. 9, ark. 10.

²⁷ TsDAVO Ukraïny, f. 4051, op. 1, spr. 173, ark. 8.

²⁸ Ibid., spr. 33, ark. 7.

payable only to designated individuals. It is thus possible to establish the exclusively national designation of the aid: Ukrainians abroad saved Ukrainian farmers, Palestinian Jews took care of Jews in the towns, Germans in Germany and the United States were concerned about German colonists. The Deputy Commissar of the PCFT, L. Germanov (Moisei Ilich Frumkin), concerned about the fulfillment of the hard-currency plan, allowed Torgsin entities to collect rent and sell apartments for hard currency in Moscow, Leningrad, Tbilisi, Kharkiv, Rostov, Kyiv, Minsk and Vinnytsia. Only Soviet citizens belonging to housing cooperatives could make hard-currency purchases, while foreigners were allowed to rent, with the approval of the NKVD and the People's Commissariat of Foreign Affairs (*Narkomindel*), for a period of no more than three years.²⁹ Hard currency was needed not only for industrialization but also to support communist and socialist parties abroad. In 1933, the Politburo of the CC CP(B)U spent 60,000 dollars to finance the socialist press and activists in Western Ukraine.³⁰

The main source of hard currency turned out to be the sale of gold and silver purchased from the population by the Torgsin system. Fulfillment of the hard-currency plan was considered no less important a political and economic goal than grain procurement. The grain taken by force from the Ukrainian peasants was offered for sale in the Torgsin stores in exchange for ritual and consumer gold: pectoral crosses, wedding bands, earrings, family heirlooms, and coins minted under tsarist rule. The acceptance of gold began in January 1932, and because of the long "hungry lines" the Torgsin stores basically stopped serving foreigners. The purity of the gold regularly obtained from the population precisely in the hungry years of 1932–33 was assessed with the naked eye. Thus, in January 1932 two reception centres alone in the Torgsin system received 17 kg, in

²⁹ DAKhO, f. 4640, op. 13, spr. 13, ark. 40.

³⁰ TsDAHO Ukraïny, f. 1, op. 16, spr. 9, ark. 133.

February – 96 kg, in March – 141 kg, in April – 120 kg of gold (scrap),³¹ consisting of ritual items and objects belonging to Ukrainian peasants.

The influx of the population to the Torgsin system was tremendous, resulting in the need to expand the network of points of purchase for gold. A single day might bring in up to 800 grams, as hundreds of people were waiting in the lines. The seller received vouchers, a receipt, and a coupon recording the weight of the gold received and the corresponding amount of goods in Torgsin rubles. Fourteen-carat gold would be accepted but recorded and bought as 10-carat gold, resulting in a surplus. At some reception centres as many as 400–450 people would pass through in the course of a day, surrendering wedding bands, earrings and other gold items decorated with precious stones. But the hungry people forgot about them, intent on the quickest possible sale of gold items for flour and bread. The receiving agents, who were usually former jewellers, besides a food ration, received a so-called *pripëk* (surplus)—the difference between the gold obtained from the population and that which was deposited into the bank. On average, the *pripëk* consisted of 2–3 grams for every 1,000 grams of precious metal surrendered. Between January and April 1932 the *pripëk* amounted to 2.3 kg of the 374 kg of ritual and consumer gold procured by the buyers.³² Quite often there were cases of deliberate falsification of financial documents resulting in “gold (scrap)” remaining in the pockets of the receiving agents, who would boast of having “food and drink.”

In the cities, aside from hungry children begging for food, there were concentrations of “huge and grotesque” lines of adults—possibly their parents—anxious to exchange a wedding band for a pood of flour as quickly as possible. In Kharkiv, throughout September into the beginning of October 1932, reception centres collected 380 kg of consumer gold, although the plan

³¹ TsDAHO Ukraïny, f. 539, op. 17, spr. 366, ark. 11.

³² Ibid.

called for the “procurement” of 920 kg,³³ as if that were an insignificant sum. Financial agencies forecast the amount of “gold extraction” in hard-currency rubles, not a clear unit of measurement for today’s reader—the physical data remains more indicative and invariable. Nevertheless, taking into account the experience of grain procurement, the government established plans for the mobilization of hard currency for ten-day periods, monthly, quarterly and annually, the main source of which turned out to be ritual and consumer gold and silver coming into state coffers from a populace doomed to death by starvation.

To establish the quantity of exchanged gold and silver in hard-currency rubles, it is necessary to know the price of one gram of precious metal offered by the buyers in the Torgsin system, as well as the price on world markets. Gold and silver operations in the first half of 1932 were very chaotic, but the massive offering of precious metals by the population and its value on world markets forced the development of a proprietary pricing policy. In December 1932, 1 ruble 25 kopecks was paid for one gram of antique silver (scrap) assayed at 84 987 (87.5 percent silver), while so-called “bank silver” or old minted coins were valued from 1 ruble 15 kopecks to 1 ruble 30 kopecks. One old minted ruble had 18 grams of silver, while its alloy weight was 20 grams. Coins in denominations of 10–50 kopecks had 1.8 to 9 grams of silver. On the New York market, 1 gram of silver earned 1 ruble 80 kopecks, so one old minted ruble coin purchased from the hungry population for 1 ruble 30 kopecks provided Torgsin with substantial income.³⁴ Torgsin paid considerably less than market value for silver because its price was three times lower than it had been before the revolution, prompting the population to turn in gold instead. In New York, one kg of silver earned 17 rubles, while one kg of gold was priced at 1,300 rubles.³⁵ The plans for

³³ DAKhO, f. 4640, op. 13, spr. 3, ark. 79.

³⁴ Rossiiskii gosudarstvennyi arkhiv ekonomiki (hereafter RGAĖ), f. 4333, op. 1, spr. 66, ark. 177.

³⁵ *Ibid.*, spr. 78, ark. 143.

mobilizing hard currency, taking world prices into account, can therefore be understood in terms of the “weight of gold,” while the amount of currency collected in this way, divided by the number of peasants who died of hunger, puts a price on their life in grams of gold. The whole Torgsin system resembled a horrific auction on whose scales life and death were weighed, as several grams of gold from a pectoral cross or a wedding band would be insufficient to save a peasant family that had been starving unbearably for twenty months.

According to statistics from only two reception centres in Kharkiv, the influx of hard currency from the procurement of gold that began in January 1932 reached 294,000 rubles in April 1932.³⁶ The AUO Torgsin had then adopted a hard-currency extraction plan of 16.7 mln rubles, while the Ukrainian Economic Council of the CPC UkrSSR increased it to 18.5 mln rubles. Only 59.3 percent of the target was realized, “mobilizing” a total of 10.9 mln rubles.³⁷ The fulfillment of the hard-currency plan was being monitored by the Politburo of the CC CP(B)U. As a result, on 10 December 1932 the AUO Torgsin received from the CC CP(B)U “a plan to fulfill the mobilization of gold and currency resources in 1933 in the amount of 35 mln rubles.”³⁸ In July 1933 Pavel Postyshev himself forbade assigning Torgsin workers to grain- procurement duties because the “mobilization of currency” was considered an important mission of state. First the peasants were massively and forcibly deprived of their grain, and then they were forced to buy it back in exchange for gold.

The 35 mln ruble plan merely testified to the Bolsheviks’ revolutionary desire to obtain hard currency quickly in order purchase foreign agricultural machinery and equipment for the first “giants of Stalin’s five-year plans.” The monthly income figures for the hard-currency plan attested

³⁶ TsDAVO Ukraïny, f. 539, op. 17, spr. 365, ark. 8.

³⁷ Ibid., f. 4051, op. 1, spr. 168, ark. 3–12.

³⁸ TsDAHO Ukraïny, f. 1, op. 6, spr. 238, ark. 153.

to the failure of the forced pace to meet unrealistic expectations. In January 1932, 537,000 rubles were received, in February – 816,000, in March – 1.1 mln, in April – 1.2 mln, and in May – 1.3 mln rubles.³⁹ The primary burden fell on the offices in Odesa, Kyiv and Kharkiv (9 mln rubles), and with the increase of the “gold-procurement” plan by the All-Ukrainian office to 16.7 mln rubles, it was “apportioned” to Vinnytsia and Dnipropetrovsk as well.⁴⁰

The non-fulfillment of the plan to bring gold into Torgsin was considered equivalent to the non-fulfillment of “party tasks,” entailing appropriate consequences. The following data show the sources of the incoming hard currency and its aggregate total (Table 3).

Table 3
Fulfillment of the currency plan by Torgsin offices in the UkrSSR during quarters 1–3 of 1932 (thousands of rubles)⁴¹

Hard-currency equivalent valuables	Odesa	Kharkiv	Kyiv	Dnipropetrovsk	Mariupol	Vinnytsia
Hard currency	462.3	860.6	546.7	109.8	35.6	183.5
Old gold minted coins	197.0	623.0	232.8	88.1	28.8	56.0
Ritualgold (scrap)	586.5	908.8	375.7	188.3	103.7	123.7
Foreign economic transactions	514.1	813.3	418.3	108.9	19.5	358.0
Total	1,759.9	3,205.7	1,573.9	495.1	187.6	721.2

Hard-currency equivalents, that is, money orders and purchase orders for goods, as well as currency exchanges by foreign tourists, made up a significant amount of the sources of income. But the main sources remained gold coins and gold (scrap), purchased from the population by the Torgsin system. In Odesa and Kharkiv the percentage of incoming hard currency obtained from

³⁹ TsDAVO Ukraïny, f. 4051, op. 1, spr. 168, ark. 11–12.

⁴⁰ Ibid., f. 539, op. 17, spr. 366, ark. 7.

⁴¹ RGAË, f. 4333, op. 1, spr. 66, ark. 174.

the realization of ritual and consumer gold reached 44–47 percent, considerably higher than in the entire All-Union Torgsin system. Gold coins made up 14.4 percent and gold (scrap) 35.8 percent of the overall hard-currency plan, that is, trading peasant grain for “hard-currency equivalent valuables” proved quite an effective means of mobilizing funds. The plan target for the purchase of consumer gold was attained during the winter–spring months of 1932, while in the summer only 65 percent of the target was reached.⁴² The volume of gold procured was thus also dependent upon the scale of the famine.

Gold procurement in 1933 differed from that of the previous year in volume and rate. The plan to procure hard-currency equivalent valuables during the years of hunger reached a target of 122 mln rubles, of which 28 mln rubles was allotted to the AUO Torgsin and 29 mln rubles to the Moscow office. Broken down by source of income, the hard-currency plan was apportioned as follows: consumer gold was fixed at 26 mln rubles, gold coins – 22 mln rubles, silver – 40 mln rubles, and money orders – 14 mln rubles, with port operations and the like accounting for the remainder.⁴³ The target was to “collect” 32.2 million hard-currency rubles in the first quarter of 1933; hence the plan was “apportioned” to provincial offices: North Caucasus – 300,000 rubles, Moscow – 7 million, Kharkiv – 2.4 million, Kyiv – 2.5 million, Vinnytsia – 1 million, Dnipropetrovsk – 1.1 million, Mariupol – 250,000, and All-Moldavian Torgsin office – 50,000.⁴⁴

In 1931, 6 million rubles came into the Torgsin system, in 1932 – 49.2 million rubles, in 1933 – 106.3 million rubles, but precisely during the year of hunger 75.2 percent of all income was in the form of precious metals: gold, silver, and coins. Silver began to be accepted only in December 1932, but 23 million rubles, or 21.6 percent of the foreign-currency income of the

⁴² RGAĖ, f. 4333, op. 1, spr. 66, ark. 122.

⁴³ Ibid., ark. 190.

⁴⁴ Ibid., ark. 178.

Torgsin system, came from its sale.⁴⁵ In comparison, gold (scrap) made up 36–38 percent and old gold minted coins 15–18 percent of the total hard-currency income, remaining the key sources of hard-currency mobilization. The influx of gold in 1933 was slightly more than double the indicators for 1932, as it was the peasants who were the main suppliers of gold coins.⁴⁶ For one gram of their gold they were paid 1 ruble 29 kopecks, and for one gram of silver, 1 ruble 4 kopecks. In 1933 Torgsin “worked” primarily with the agricultural population, depleting their scant holdings of consumer gold, after which they began giving up gold coins. Internal sources for obtaining foreign currency provided 86 million rubles, while hard currency made up 20 million rubles of the total received in 1933.⁴⁷ For the entire period of activity of the Torgsin system, the “most favorable” years were precisely 1932–33, that is, the period of the Holodomor, when gold flowed from the peasants to the reception centres of the provincial offices and county branches of the AUO Torgsin. The creators of the Torgsin system, including the CC CP(B)U, the PCFT and the State Bank, aspired to devise a mechanism to promote the influx of foreign currency from outside the country, but they focused on the maximum extraction of domestic convertible valuables from the population. The most effective stimuli for the mobilization of hard currency proved to be the ration-card system for food products, the elimination of centralized supply for the population of county centres and small towns, the withdrawal of ration cards from certain socio-professional groups, and the forcible confiscation of agricultural produce from the peasantry, which was then exchanged for gold through the system of special stores.

⁴⁵ RGAĖ, f. 413, op. 13, spr. 633, ark. 27.

⁴⁶ Ibid., ark. 28.

⁴⁷ Ibid.

The population, particularly in the cities, had “ready cash” but kept it hidden, frightened by the arrests of the GPU and consequently preferring gold and silver. Its life-saving influx proved significant indeed (Table 4).

Table 4
Qualitative and quantitative influx of precious metals through the Torgsin system⁴⁸

Precious metal	1932		1933	
	Million rubles	Metric tons	Million rubles	Metric tons
Gold (scrap, coins)	26.8	21.0	58.0	44.9
Silver	0.3	18.5	22.9	1,420.5
Scrap	0.2	17.0	19.8	1,246.9
Bank	0.1	1.2	2.1	137.6
Change	0.0	0.3	1.0	36.0

The doubling of quantities in 1933 as compared to the previous year was realized “thanks” to the tremendous influx of ritual and consumer gold from the peasants and “basement savings” of tsarist-era gold coins. For nine months of 1933, the AUO Torgsin tried to attain the amount assigned to it in the hard-currency plan but managed to realize only the sum of 20.8 million rubles (Table 5).

Table 5
Quarterly fulfillment of the plan for income from hard currency and hard-currency equivalent valuables in 1933 (thousands of rubles)⁴⁹

Provincial office	Quarter 1	Quarter 2	Quarter 3	Total Quarters 1–3
Kharkiv	1,429.2	1,697.2	1,062.8	4,189.2
Kyiv	1,589.6	1,954.9	1,436.4	4,980.9
Odesa	1,437.0	1,709.1	1,089.0	4,235.1
Vinnitsia	843.7	1,307.9	1,450.0	3,155.0
Dnipropetrovsk	657.7	848.8	1,050	1,967.3
Chernihiv	240.0	505.1	282.7	1,027.8
Donetsk	352.8	467.4	270.3	1,090.5
MASSR	37.4	108.0	42.0	188.0
UkrSSR	6,587.4	8,599	5,647.9	2,0834.3

⁴⁸ RGAĖ., f. 413, op. 13, spr. 633, ark. 27.

⁴⁹ TsDAVO Ukraïny, f. 4051, op. 1, spr. 168, ark. 51.

In June 1933 Ukraine received its successive plan of hard-currency income for 1934, the overall sum of which was 22 million rubles. According to Mikhail Kattel, the authorized representative of the People's Commissariat of Foreign Trade (*Narkomvneshtorg*) in Ukraine, this plan was "definitely unattainable." In the fourth quarter of 1933 4.3 million hard-currency rubles were "procured," but in the following year only about half as much. In total in 1933, factoring in the total for the fourth quarter, through purchases of consumer gold and silver 24.7 million rubles' worth of foreign-currency equivalent valuables were successfully "extracted," or 88.3 percent of the mandated plan.⁵⁰ In terms of peasant gold, the bountiful year of 1933 differed substantially from the "prosperous" year of 1934. The amount of gold coming into the Torgsin reception centres dropped significantly (Table 6). The decrease of that amount was already apparent in the fall of 1933, when the percentage of grain procured on the collective farms was in line with the grain-fodder balance, and collective farmers received an advance in kind for workdays. For September–October 1933, the outlying Torgsin reception points provided 37.5 percent, while 62.5 percent of hard-currency income came from the provincial offices, even considering that 84 centres were concentrated in the provinces, while 176 branches of the Torgsin system were in outlying locations.⁵¹ In the first place, peasants who survived until the summer had depleted their limited supply of gold reserves, and secondly, the appearance of greens and the upcoming harvest had given them hope of salvation. An official of the Chernihiv provincial Torgsin office reported in a letter of 31 August 1933 to the management of precious metals at the State Bank the circumstances of the abatement of the peasants' golden rain: "Beginning 1 August, we had a sharp reduction of hard-currency equivalent valuables purchased in the province by Torgsin. Whereas on average for each 10-day period in June we received 160,000 rubles, in the first ten days of August we received

⁵⁰ TsDAVO Ukraïny, f. 4051, op. 1, spr. 64, ark. 2.

⁵¹ *Ibid.*, spr. 33, ark. 137.

a total of only 78,000 rubles, 50 percent less than one ten-day period in July. Such a sharp reduction can be explained primarily by the population’s decreasing need for food products as a result of the growth of vegetables and availability of grain from the new harvest.”⁵² He proposed the sale of potatoes through the Torgsin system, particularly in the cities, as the state had officially prohibited the right to sell them on the market until 15 October, and the urban population would therefore be forced to purchase them with gold and silver. And so, in the hungry year of 1933, peasants parted forever with family relics of gold and silver, with silver and gold coins obtained prior to the revolution or during the years of NEP, in order to save themselves from the Holodomor.

Table 6
Percentage of hard currency and hard-currency equivalent valuables in the Torgsin system in the UkrSSR in 1933–1934⁵³

Hard-currency equivalent valuables	1933		1934	
	Thousands rubles	of Percent of total	Thousands rubles	of Percent of total
Gold	10,760.0	43.5	3,769.4	27.2
Silver	4,415.1	17.9	3,145.0	22.8
Foreign currency	2,469.0	10	1,344.3	9.8
Money orders	6,493.3	25.5	4,584.0	33.2
Diamonds	31.0	0.1	203.4	1.5
Port trade	753.4	3.0	764.0	5.5
Total	24,893.8	100	16,040.7	100

In the fall of 1933, when the influx of gold began to curve downward, the state allowed the purchase of diamonds in the three cities of Moscow, Leningrad and Kharkiv. The prices for diamonds were relatively high when compared to those for ritual and consumer gold. For a one-carat diamond with visible flaws, Torgsin “experts” were paying 12–25 rubles if they were round, and 15–35 rubles for oval ones.⁵⁴ The heavier the diamond, the higher the price. Clear diamonds

⁵² TsDAVO Ukraïny, f. 4051, op. 1, spr. 168, ark. 1–2.

⁵³ RGAĖ, f. 4333, op. 1, spr. 78, ark. 181.

⁵⁴ DAKhO, f. 4640, op. 13, spr. 12, ark. 67.

were priced at 130 to 260 rubles per carat.⁵⁵ They were delivered to the State Bank not by the NKVD courier service but through the People's Commissariat of Transport, which dispatched the package with the stamp "Of particular importance." Family-held diamonds were owned by urban dwellers who had acquired them from other countries long before the revolution of 1917 or invested all their savings in precious stones during the years of the Bolshevik nationalization of industry. In four months of "diamond operations," Torgsin received 600,000 rubles, of which 243,000 were received from outside the country. In early 1934, the Torgsin's "diamond brigade" received a bonus of 13,000 rubles for successful trade in "precious stones."⁵⁶

The All-Union Export Association ("Antiquariat") was established with the goal of "extracting" foreign currency. It sent various works of art and valuable antiques out of the country, valued at 2.6 mln rubles in 1932 and 3.2 mln in 1933.⁵⁷ They were sent primarily to Germany, although consumers of antiques from the USSR included England, France, the United States, Sweden, the Netherlands, Finland, Italy, Austria, Denmark, Poland, Czechoslovakia and others.

The policy of grain and gold procurement, the main element of which became the trade of flour for hard currency, had one purpose only—the mobilization of foreign-currency equivalent valuables. Peasants, having obtained receipts, orders, and vouchers at the reception centres, made haste to the Torgsin stores. The presence of huge lines in front of the stores attested to the "conversion into goods" of vouchers or orders according to the Torgsin ruble exchange rate (1 to 55 standard rubles). In exchange for gold people usually purchased flour, grains, sugar and oils. Flour was sold in bags of 1 pood 20 pounds. The PC WPI, assessing the work of Torgsin, concluded as follows in its report: "When there is no flour or grain, there are no lines."⁵⁸ There

⁵⁵ RGAĖ, f. 413, op. 13, spr. 633, ark. 27.

⁵⁶ TsDAVO Ukraïny, f. 4051, op. 1, spr. 152, ark. 17.

⁵⁷ RGAĖ, f. 413, op. 13, spr. 633, ark. 8, 22.

⁵⁸ TsDAVO Ukraïny, f. 539, op. 17, spr. 366, ark. 16.

was a secret instruction: “Do not promise buyers that these products will soon be available.”⁵⁹ The stores had a large backlog of “unrealized receipts.” In Kharkiv in December 1932, for example, Torgsin owed buyers 76,000 rubles’ worth of goods only for orders made with money transfers, and 15,000 rubles for orders made with gold (scrap). In other words, the buyers did not receive the grain they wanted.⁶⁰ “A peasant woman brought a cross and earrings,” read an investigative report on the work of the Donetsk oblast Torgsin office, but “we often do not have flour, and the citizen to whom we had to return her gold was undoubtedly expecting to buy flour. When it turned out that there was no flour, she deliberately created an uproar to have the gold returned to her. She said that they had given her less for her gold than it was worth, in other words, they had undervalued the gold.”⁶¹ Incidents such as these, as investigative reports on the Torgsin system attest, were innumerable. The notorious *pripëk*, obtained by the buyers from the difference in the value of gold received and that which went to the bank, cost the lives of hundreds of Ukrainian peasants who returned home not having received any grain. Having obtained a receipt for gold sold to Torgsin at the reception point, its holder was to receive goods from the store within three days, but the wait took weeks. A long delay was noted with money transfers, which arrived from abroad via Moscow. There were “accidents” when the number 0.3 kg was written on receipts instead of 23 kg, as insolent and cynical counter staff simply stole the peasants’ ritual gold.

The policy of fixing prices was set by Moscow, that is, the All-Union Torgsin Association. Flour in the Torgsin store cost 25 kopecks’ worth of gold per kilogram (market value was 7–9 rubles); millet was 12 kopecks (4–5 rubles). The stores had a large selection of clothing, textiles, dishware, and “colonial goods” (citrus fruits, tea). One store had even received a shipment of cups

⁵⁹ DAKhO, f. 4640, op. 13, spr. 3, ark. 4.

⁶⁰ Ibid., spr. 4, ark. 14.

⁶¹ TsDAVO Ukraïny, f. 539, op. 17, spr. 367, ark. 25.

decorated with a “view of the Kremlin,” but neither Kremlin towers nor rubber galoshes nor tea attracted the peasants, who demanded only flour, grain and salt. Foodstuffs accounted for 72 percent of Torgsin sales in the first quarter of 1932, rising to 89 percent of the total volume of goods sold in the fall of that year.⁶² In June–August 1932, when the famine took on massive proportions, the entire Ukrainian Torgsin network “was without flour, millet and oils,” selling a variety of goods for a total of 4.9 million rubles.⁶³ At that time peasants were being offered samovars from Tula instead of grain. On 14 January 1933 the All-Union Association “Soiuzmuka” informed the PC WPI that it would release 9,487 metric tons of flour to the AUO Torgsin, including 1,246 to Odesa, 141 to Artemivsk, 3,490 to Kharkiv, 719 to Dnipropetrovsk, and 1,040 to Kyiv, for a total of 5,641 tons, with the rest still on back order.⁶⁴ A ton of flour cost between 160 and 370 rubles, so the average peasant family lacked the “gold capacity” to purchase any from the Torgsin store. In the summer of 1932 25,000 tons of flour should have been delivered, but only 18,600 were brought in, which proved insufficient. In the first quarter of 1933 food products in the Torgsin stores made up 94 percent of their sales, while the figure for the whole year was 92 percent.⁶⁵ In other words, the effect of the famine in Ukraine was clearly apparent. The customary “inventory” in the Torgsin system stores and warehouses consisted of men’s shoes and clothing. They proved useless to the hungry Ukrainian farmers, and even more so to the dead, who were buried in the clothes in which they had died, without benefit of the Christian burial rite.

The name “Torgsin” lost its original meaning because the lines of Ukrainian peasants and small-town residents who were hungry and driven to madness and psychosis by starvation eliminated any desire on the part of foreigners to visit the stores. As noted in one of the assessments

⁶² TsDAVO Ukraïny, f. 4051, op. 1, spr. 168, ark. 10.

⁶³ Ibid.

⁶⁴ Ibid., f. 539, op. 11, spr. 648, ark. 11.

⁶⁵ Ibid., f. 4051, op. 1, spr. 33, ark. 11.

of the PC WPI in the spring of 1932, “Although we were apparently supposed to deal with foreigners, as the name ‘Torgsin’ attests, it turns out to be just the opposite, as we are mainly serving peasants.”⁶⁶

The “Insnab” system, which was under the jurisdiction of the People’s Commissariat of Food Supply of the Ukrainian SSR, was responsible for provisioning foreign workers and engineers working on industrial projects in Ukraine in 1932–33. In the summer of 1933 there were 490 foreign specialists, 509 qualified workers, 219 support staff and 4,524 family members in the republic.⁶⁷ They were witness to the “hungry lines” of swollen Ukrainian peasants, but they demanded that Insnab staff supply them not with grain but with Swiss cheese, coffee, cream, white bread, milk, fruits, and vegetables. In particular, 29 foreign professionals working in Kryvyi Rih specifically requested white bread, claiming that “black bread causes many illnesses.”⁶⁸ Among the clients of the restricted-access stores of the Insnab system were citizens of Austria, Germany, Italy, Sweden, Finland, the United States, Poland, Canada, and the Netherlands, while by profession they were engineers, physicists, chemists/coke-oven operators and the like. They not only helped to build various technological lines directly in the metallurgical manufacturing plants of Ukraine’s mining-industry zone but also worked as consultants and staff members of educational institutions. Money orders arriving from abroad were addressed mainly to foreign specialists. German workers building the “Pluh ta molot” (Plow and Hammer) factory in Mykolaiv wrote a letter to the CC CP(B)U on 28 March 1932 asking permission to receive clothing and goods from Germany. The response was immediate: “Allowing foreigners to do this would eventually be reported in social-fascist newspapers outside the country as: ‘Food and other

⁶⁶ TsDAVO Ukraïny, f. 539, op. 17, spr. 367, ark. 319–320.

⁶⁷ Ibid., f. 812, op. 1, spr. 812, ark. 1–2.

⁶⁸ Ibid., spr. 68, ark. 9.

essential items were obtained from outside the country so as not to endure hunger and impoverishment, which indicates how Russian workers live.”⁶⁹ If black bread caused illness among the contingent of foreigners, then in the Ukrainian villages millions of peasants died from the complete lack of any kind of bread or edible produce. Even after buying grain in the Torgsin by giving up a gold pectoral cross or wedding band, the peasants gained no benefit from it, as they were arrested outside the stores by the GPU. Peasants who turned in gold coins at the reception centres were detained immediately. The Chekists demanded lists of those who turned in gold with addresses and surnames.⁷⁰ The directors of Torgsin stores were instructed to transfer foreign-currency equivalent valuables to the industrialization fund. Arrests of this type took place in Kyiv, Chernihiv, Dnipropetrovsk, Zaporizhia and Odesa. As arrests were made, the lines quickly disappeared, and among the peasants, as noted in a report of October 1932 from the All-Union Torgsin Association to the people’s commissar of finance, Hryhorii Hrynko, the view became prevalent that “Torgsin is a trap for those relinquishing their gold.” Receipts for obtaining goods were taken from those arrested, and the peasants were then released with empty bags to their hungry children. The gold taken from them was converted into hard currency or left for the prosthetic dentistry industry, although, from December 1932, that industry also began to convert to steel dentures for “chewing”. In 1932, Moscow used 15,213 kg of gold for prosthetic dentistry, a figure that dropped to 3,757 kg in January 1933.⁷¹

The Torgsin system was thus geared from its inception in 1930 to serving foreign citizens (tourists, experts, and merchant seamen from various countries). In the course of 1932–33, however, it focused primarily on the mobilization of hard-currency convertible valuables (ritual

⁶⁹ TsDAVO Ukraïny, f. 812, op. 1, spr. 68, ark. 1.

⁷⁰ RGAĖ, 4. 4333, op. 1, spr. 148, ark. 28.

⁷¹ *Ibid.*, spr. 78, ark. 138.

and consumer gold, silver, diamonds, antiques, coins minted before the revolution) within the USSR. The extraction of grain and gold took place simultaneously. The state, having forcibly deprived the peasants of grain, offered it for sale for hard currency and gold through the Torgsin system. Procurements of grain and gold were based on quotas and, unlike any procedures in normal countries, were distinguished by the egregious cynicism and insolence of the individuals who engaged in this shameful behaviour. Peasants turned in their gold exclusively in exchange for flour and grain, and food products accounted for as much as 91–94 percent of the goods sold in the Torgsin system of stores. The amount of hard currency obtained through the Torgsin system exceeded the value of imported equipment for ten giants of Stalin's first five-year plans: the Gorky auto-manufacturing plant, the Stalingrad, Cheliabinsk and Kharkiv tractor-manufacturing plants, Uralmash, Kuznetskstroï, Magnitostroï, and Dniprohes. Equipment for Dniprelstan cost 31 million hard-currency rubles, with 15.3 million rubles for the Kharkiv Tractor Plant.⁷² Thus, the AUO Torgsin took in enough hard currency in 1932 (13.8 million rubles) and 1933 (24.8 million rubles) to cover their costs of construction. The price in gold that the peasants paid for their lives with their own consumer gold and silver (wedding bands, crosses, gold coins, pre-revolution awards, dishware) in exchange for the grain grown with their labour, taking account of the 25 million hard-currency rubles extracted by the Ukrainian Torgsin in 1933 and the nearly 5 million dead, came to 5 foreign-currency “rubles” per life. That would have bought less than a pood of flour in a Torgsin store. The lives of Ukrainian farmers were cheaply priced.

⁷² E. A. Osokina, “Za zerkal'noi dver'iu torgsina,” p. 101.