

## THE FINANCIAL CONTRIBUTION OF LENINGRAD TO THE BUDGET OF THE UNION OF SOVIET SOCIALIST REPUBLICS (USSR) DURING THE GREAT PATRIOTIC WAR

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**Abstract:** This article prepared by the authors on the basis of documents of the Russian state archive of economy and the Central state archive of Saint Petersburg, as well as published sources, large-circulation Newspapers enterprises operating in the blockaded Leningrad. The article analyzes the budget revenues of the city, allowing to understand the main arrival direction of Finance in the city Treasury. During the Great Patriotic war played an important role in the search for new ways to raise funds for military purposes. The main sources of raising money for military purposes was the deposits in savings banks, defense Fund, four government loan and four money and prize lotteries. The important role played by various private and collective deposits in banks and savings banks. These deposits, acting in the Federal budget, was a significant part of the funds spend for the war. Provides information about what the inhabitants of Leningrad were transferred to the Federal budget for government loans and monetary-ware lotteries 1,175 million rubles, or approximately 1.5% of the Union's investments. The defense Fund Leningraders were made 156,453 million rubles, which is about 1.7% of all residents of the Soviet Union. Deposits of residents in the savings Bank for the period of the war amounted to 480 million rubles. In addition, the funds intended for the payment of leave Leningrad also went to the Union budget for the conduct of hostilities. During the war, this amounted to 267 million rubles concluded that the residents of Leningrad during the entire period of hostilities has made a financial contribution to the budget of the Soviet Union. It had contributed greatly to the Soviet Victory in the Great Patriotic War.

**Keywords:** Great Patriotic War, Siege of Leningrad, finance, taxes, banks, Defense Fund, state.

### INTRODUCTION

Historians have never set an objective to analyze the dynamics of financial activity of Leningrad both during the siege of the city in September 1941 – January 1944 and during the war. The present paper considers analysis of this activity conducted for the first time in historiography in the context of financial life of the country during the fight against Hitlerite Germany. It allows us to determine contribution of inhabitants of Leningrad to achieve common victory of the Soviet people in the Great Patriotic War.

The budget of Leningrad during the Great Patriotic War was formed, as well as in any other region of the country, using items of income from local industry, trade, housing services, municipal enterprises, motor transport, agriculture, local taxes, state taxes and non-tax profits, duties and levies, tuition fees, grants from the republican budget and the krai and area management fund (Tsentral'nyi gosudarstvennyi arkhiv, #184).

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During the war the President of the Leningrad Borough Council Executive Committee P. S. Popkov was responsible for practical activities on the realization of all financial objectives of the city. In particular, he organized financial evacuation alert of the population and enterprises, was responsible for supply of the city, controlled financing of city factories, plants, institutions. Under the sharp shortage of funds at the very beginning of the siege he conducted the most arduous talks with the central leadership and was man enough to decrease tax burden of inhabitants of Leningrad since the first quarter of 1942. Thus, P. S. Popkov cared for all categories of inhabitants of Leningrad irrespective of their social status as he understood that all inhabitants are united by a common disaster – the enemy siege. For that matter there is the illustrative example that P. S. Popkov was sensitive to the financial status of representatives of various religious confessions of Leningrad and authorities which were even alien for those times as it seemed. In his confidential letter to A.A. Kuznetsov of 14 May 1942 he wrote that the USSR People's Commissariat of Finance adopted the rule No. 6-28/3s on 27 March 1942 that demanded all regional finance departments to collect a tax of 75% of their income from *attendants of religious cults*. P. S. Popkov recommended to A.A. Kuznetsov not to collect a military tax from priests of all confessions and to control that already high tax levies do not exceed the limit of the USSR People's Commissariat of Finance of 75%.

### THE MAIN PART

The budget formation considered various deposits of the population. During the war some inhabitants and organizations' deposits were continuously transferred to the Defense Fund. During armed hostilities 4 cash and prize lotteries and 4 state loans were conducted. Various private and collective bank deposits and savings played their special role. These deposits, being transferred to the Union budget, presented a significant part of funds spent for the front needs.

Since the period from summer of 1941 to the end of December 1942 Leningrad and the territory of Leningrad Region that was not occupied by the enemy transferred 23 809 000 rub or about 1% of funds raised across the USSR in general to the Defense Fund. This sum was equal to about 1.5% of all funds raised in the Russian SFSR. By the end of the war inhabitants of Leningrad put 156 453 000 000 rub in the Defense Fund that was 1.7% of all deposits of Soviet citizens.

At first sight these figures seem to be very insignificant. But it is not the case. Firstly, should be remembered that Leningrad during the whole period was actually disconnected by the enemy from the non-occupied territory of the country. Thus, the city continued to carry out production targets, the most part of incomes from their performance were sent for the front needs. In comparison with other territories of the Soviet Union the majority, most of which were non-occupied by the opponent and were significantly strengthened by human and material resources relocated far inland as a result of the Wehrmacht, 1% and 1.5% are quite impressive figures.

Deposits of Leningrad inhabitants' savings were of great importance for defense financing. In 1945 this sum was 480 million rubles apart from 267 million rubles which were transferred on compensation for unused rest. Only over the period from January to May 1945 Leningrad inhabitants invested 85 million rubles of their savings.

After the end of the Great Patriotic War a number of Soviet citizens and some organizations continued to deposit money for the military needs. Perhaps, in many respects it was connected with the fact that Japan being one of allies of Germany did not lay down arms. Over the period from June 1941 to July 1945 Leningrad inhabitants transferred 1 175 000 000 rub or about 1.5% of all-union investments for state loans and cash and prize lotteries. In 1943 and later, until the end of the war, deposits increased from 1% of union deposits to 1.5%. It seems that it is caused by the common process of the economy development improvement in Leningrad in the second half of the Great Patriotic War.

Over the period from 1941 to 1 July 1945 Leningrad inhabitants were paid for state bond and cash and prize lottery payoff equivalent to 168 million rubles. Only over 1944 there was payoff of 51 million rubles, including state loans – 48.5 million rubles, and cash and prize lottery tickets about 3 million rubles paid.

In 1942 when state loans became a new means of the budget replenishment. As the program had a state character, it had its own planning. It was supposed that in Leningrad under the conditions of the siege payments to the budget at the expense of state loans will make 62 994 400 rub. In practice they were 65 576 300 rub that is 8.4% of the revenue of Leningrad (The author calculated on the basis of CGA, #184). It would be a mistake to explain the overachievement of target of fund raising for state loans only with high citizens' consciousness or to assume that they had too much cash. Of course, under the conditions of the war Leningrad inhabitants were short not only of food and essentials, but also of money. But the wheels of state, operating at local level, worked perfectly. Party, Komsomol, trade-union organizations formed such atmosphere in labor collectives that did not allow anyone to go blind. Not to participate in fund raisings in this way meant to offset a collective, and, so, in essence to become a social outcast that means to be expelled from a party, communist youth union or labor union. These cases were rare: newspapers and factory newspapers published in large editions said about them. But a fear to become the *unreliable* citizen forced workers not only to pay all their funds, but even to take part in loans for some salaries forward that was considered by official public opinion as a manifestation of high patriotism. The state military loan subscription was rigidly controlled. The leadership of all enterprises, housing and communal services and other institutions was obliged to present data on the subscription to the finance department of the Leningrad City Council of Working People's Deputies. So, for example, the report of the Head of the local Air Defense of Leningrad the major general Lagutkin noted that the hundreds of fighters gave

from 200 to 300% of the payroll budget. The total amount of the subscription was 11674943 rub or 192.5% (Tsentrāl'nyi gosudarstvennyi arkhiv, #96). According to the results of the state loan subscription the Chairman of the Leningrad City Council of Working People's Deputies got reporting documents from the Head of the Leningrad State Bank Branch and State Loan Management. One of the documents, in particular, specified that in 1942 the subscription passed in 60 hours. The sum on the subscription was 101.7% of planned. Leningrad inhabitants transferred 188173000 rub. In 1943 the subscription passed in 6 hours. Citizens subscribed to 158322000 rub that was 143.9% of the planned sum.

At that time newspapers actively published the materials with the appeal to subscribe to state loans, those Leningrad inhabitants who already subscribed to loans were propagandized. "The Leningrad truth" wrote: ... *A pupil of the 2nd class of the school No. 272 Yasha Gilinsky was the first who got a new military bond in the savings bank of Leninsky District No. 2005. He came to the savings bank to claim: "I ask to accept my 200 rub for a military loan.* One more letter, expressing the spirit of that time, was published by "Smena". The turner Komsomol member M. Shurupov said: *I give 400 rub as a loan to the state. It is two my monthly pays: I only complete my training. Subscribing to a loan, I remembered much. I remembered how I came to the gutted apartment and found my mother killed with a shell splinter. <...> Let each of us take vengeance on Hitlerite robbers: by a bullet fired to the enemy's heart, by a front product made in excess of the plan, by a ruble given to the homeland as a loan.*

In 1943, after the January break of the enemy siege, the situation in the urban industry began to change for the better. Production and trade activity became more active and large-scale. It created favorable conditions to use deductions from state loans to the revenue of Leningrad. It should be noticed that since 1943 deductions from a state loan to the budget increased, but ceased to play their important role (only 3% of all receipts the budget), because other sources of income became more significant.

Analyzing the dynamics of fund raisings to state loans in the period of the Siege of Leningrad, it should be noted that technically much work was assigned to savings banks. During the war their number decreased more than twice. In 1942 they were less than 50, but the number of investors, despite the high mortality rate in Leningrad, slightly decreased. If in 1941 the number of investors was 710 200, and in 1942 - 670 800, in 1943 it even increased a little and was 675 200 (The author calculated on the basis of CGA, #71).

As it is known that in January, 1944 the Siege of Leningrad was lifted. The city freely got not only food, but also the equipment for factories and plants. Qualified workers, technologists and engineers came back. All this promoted even more effective development of city economy that, in turn, created favorable conditions for fund raising at the expense of state loans. That year they were 27 306 900 rub

that is by 2 134 100 rub more than it was planned. Thus, the share of deductions in the revenue was only 2.7% that is by 0.3% less than in the previous year. It proved that urban economy was on the rise.

In the days prior to the long-awaited Victory, at the beginning of May 1945 Leningrad inhabitants as well as all Soviet people subscribed for one - the fourth and the last - state military loan. In the first day workers of Leningrad collected 347 000 000 rub.

Over the whole period of the war inhabitants of Leningrad spent 1 155 755 000 rub that is 1.5% of investments of the Soviet people to borrow state loan bonds (The author calculated on the basis of: RGAE. Fund 7733).

During the Great Patriotic War, especially during the siege, the population of Leningrad significantly decreased. It considerably affected tax<sup>6</sup> duty and levy remissions to the state budget. Analysis of these receipts is of great interest. Unfortunately, the figures over 1941 do not reflect the real dynamics of events as the data available in archives characterize the quantity of raised funds over 1941 in general whereas the funds transferring in peace months of that year, of course, was more than those means which transferred to the Exchequer after June. Especially low figures were in autumn and in December 1941, but it was impossible to analyze the receipt of funds into the budget from Leningrad during this period on a monthly basis as there were no data in archives.

On the basis of the analysis of documents of the Russian State Archive of Economy it was succeeded to count the total amount of taxes collected in the USSR in 1941. It was 92738751.282 thousand rubles. According to the data, obtained from the funds of the Central State Archive of St. Petersburg, the sum of taxes, duties and levies received in 1941 in Leningrad was 365901.1 thousand rubles. The share of taxes of Leningrad in the Union revenue was 0.4% that presents a significant figure at the domestic level.

From the point of view of fund raising, perhaps, 1942 fiscal year was the most difficult for the Soviet Union. The focus was shifted in such a way that the greatest cost loading was directed to the regions which were back from the front. Only Leningrad, being in the war epicenter, made the act that did not have analogs in the world history. Being sieged, it was not only completely provided with finances, but also transferred a share of the earned funds to the Union budget. In 1942 taxes, duties and levies collected from the population of Leningrad were 264 615.6 thousand rubles. If to consider that in 1942 in the Soviet Union there were taxes and fees amounting to 100518000 thousand rubles collected, the share of Leningrad was 0.26%.

In 1943 in the country there were taxes amounting to 101059617 thousand rubles collected. Taxes, duties and levies collected from the population of Leningrad over 1943 were to the amount of 451440 thousand rubles. Thus, the share of Leningrad in the Union budget was 0.446%.

In 1944 when the Siege of Leningrad was completely lifted, the common contribution of Leningrad to the budget of the country was 50 per cent lower. If taxes and fees of the Union budget were 139963512 thousand rubles, Leningrad collected only 390900.3 thousand rubles. Thus, the share of Leningrad was only 0.3%. This decrease was caused by the circumstance that a significant part of incomes in the city was spent for the municipal economy restoration after driving out the enemy.

It is known that I.V. Stalin, being pleased with the Leningrad Communist Party Organization under the charge of A.A. Zhdanov during the siege, at the beginning of 1945 he initiated his transfer to Moscow. A.A. Zhdanov was followed by A.A. Kuznetsov who took control over regional finances and finances in the city for the position of the head of the Leningrad Bolsheviks. He got the reports on financial activity, including the condition of work the Leningrad Mint (Central state archive of historico-political... #7778).

## CONCLUSION

The important role in life of the military of Leningrad was played by the finance department of the Executive Committee of the Leningrad Soviet. During the whole period of the war it showed good results of work and it was one of the best financial structures of the USSR during the war period. This department placed high following the results of the All-Union socialist competition among finance departments of the USSR. For the first time Leningrad financiers were among the best financial bodies of the Soviet Union of the wartime in the third quarter of 1942. In November 1942 the leadership of the USSR People's Commissariat of Finance in its letter to the manager of the Leningrad City Finance Department I.V. Guzhkov said that in the All-Russian socialist competition financial bodies of Leningrad placed second fiddle, having achieved the tax levy plan for 131.1%. In general the tax levy plan in Leningrad was achieved for 102.9%. Leading financial bodies of the RSFSR noted the financial report delivery timeliness by Leningrad inhabitants and the high quality of report preparation. The success of financiers who by the quarter managed to train 113 financial specialists in various courses was among advantages. Over 1943 Leningrad financial bodies managed to achieve the plan upon all figures for 135%. In 1943 the finance department of Leningrad was awarded the third award in the All-Union socialist competition for its successful work (Central state archive of historico-political... #321).

During the Great Patriotic War Leningrad remained the important financial center, making a great contribution to achieve the defeat of the enemy. That fact that, despite the siege, it participated in the Union budget formation proves the city role in the Victory was significant.

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