Markets Under Moscow

Trace the choices and limits of the New Economic Policy

TOT.C.8.1.A "New Economic Policy"

NAME _____ DATE _____

1 READ AND MARK

Read it twice

YOUR JOB Underline two economic problems the NEP was meant to address, circle three policy changes it made, and box one problem that remained. Use your marks to trace why the policy began and why leaders later changed course.

A Market Returns

1. In 1921, many Soviet markets had few goods to sell. Years of war, civil war, and the government's policy of taking grain from farmers had damaged production. Under War Communism, officials requisitioned grain to feed cities and the Red Army. Many farmers saw little reason to grow more than they needed when extra grain could be seized. Workers also faced severe shortages. Facing unrest and economic collapse, Lenin and the Bolshevik government introduced the New Economic Policy, or NEP, in 1921. It was a retreat from some wartime controls, not an end to Communist rule.

2. Under the NEP, a tax in kind replaced compulsory grain requisition. After paying the tax, farmers could sell surplus crops for profit. Small shops and businesses could operate privately, and traders carried goods between farms and towns. The government kept control of banks, foreign trade, and major industries such as steel and railways. This mixed system did not give all property to private owners. By the mid-1920s, farm output and trade had recovered substantially from the devastation of the civil war. Yet many Communist leaders feared that private traders were gaining too much influence.

3. Recovery brought new tensions. Industry produced too few affordable manufactured goods for farmers, who sometimes held back grain rather than sell it for money that bought little. In 1927 and 1928, the government struggled to buy enough grain at official prices to supply towns. Soviet leaders argued over whether private trade could solve these shortages. Stalin's government used more coercive grain collection methods in 1928 and launched the first Five-Year Plan that year, emphasizing rapid state-led industrial growth. Mass forced collectivization of farms began in 1929, after this shift toward planning. The NEP showed both the power and the limits of allowing markets within a state-controlled economy.

2 ANSWER WITH EVIDENCE

Use the passage

1. Why might replacing grain requisition with a tax have encouraged farmers to grow more food?

2. How did the NEP allow private trade while keeping major parts of the economy under government control?

3. What evidence shows that the NEP helped the economy but did not end food-supply problems?

4. How did the government's 1928 shift differ from the change that began in 1929?

3 YOUR TURN

Your own words

Imagine you advise Soviet leaders in 1927. In 4 to 5 sentences, propose one change that keeps the NEP's mix of markets and state control, explain how it could ease the grain shortage, and identify one possible drawback.

ANSWER KEY

Markets Under Moscow

HIGH SCHOOL · TOT.C.8.1.A

PART 1 · READ AND MARK

Underline two economic problems the NEP was meant to address, circle three policy changes it made, and box one problem that remained. Use your marks to trace why the policy began and why leaders later changed course. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	Why might replacing grain requisition with a tax have encouraged farmers to grow more food?	**After paying the tax, farmers could sell extra crops for profit instead of having all surplus grain seized.**
2	How did the NEP allow private trade while keeping major parts of the economy under government control?	**Farmers could sell surplus crops, and small businesses could operate privately, while the government controlled banks, foreign trade, and major industries.**
3	What evidence shows that the NEP helped the economy but did not end food-supply problems?	**Farm output and trade recovered by the mid-1920s, but in 1927 and 1928 the government struggled to buy enough grain to supply towns.**
4	How did the government's 1928 shift differ from the change that began in 1929?	**In 1928, the government began its first Five-Year Plan and used more coercive grain collection. Mass forced collectivization of farms began in 1929.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

I would ask state-run factories to make more affordable tools and cloth for farmers. Farmers might then sell more grain because their earnings could buy goods they need. Private shops could carry these products to rural markets while the state keeps control of major factories. Expanding production would take money and time, so it might not ease shortages immediately.

Accept proposals that preserve some private trade and government control of major industries, connect the proposed change to grain sales, and name a plausible drawback. Distinguish the 1928 planning shift from the mass forced collectivization that began in 1929.