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**Features of functioning of commodity exchanges of Ukraine in the years of
new economic policy (1921-1928)**

In theses the reasons of creation of commodity exchanges in the years of new economic policy are noted, features of their functioning and reasons of forcing them out of infrastructure of market are defined.

Keywords: commodity exchanges, members of exchanges, exchange contractors, exchange business.

**Особливості функціонування товарних бірж України у роки нової
економічної політики (1921-1928 рр.)**

У тезах означені причини створення товарних бірж у роки нової економічної політики, визначені особливості їх функціонування та причини витіснення з інфраструктури ринку.

Ключові слова: товарні біржі, члени бірж, біржові контрагенти, біржові угоди.

In the basis of economic reforms in Ukraine the principles of free commodity production and commodity markets lie. Stock exchange as trading intermediary is one of the indispensable elements of market infrastructure, without which the market economy can't exist. The role of exchange in the economy is in direct proportional dependence from development of market relations - the more prevailing market principles, the more important stock exchange. Exchanges actually replaced the

system of public distribution, they are an intermediary in the system of developed commodity production.

During the NEP there was the problem of integration of economic units of different types in an integrated system through trade and markets. Therefore, the attention was paid to commodity exchanges, which were spontaneously created from the middle of 1921 year and had in the majority the cooperative basis. According to Resolution of the Council of Labor and Defense of the RSFSR on August, 23rd, 1922 "About commodity exchanges" activities of institutions were regulated by the state [1, p. 684]. Ukrainian Commission on Internal Trade (Comintrade) in November, 1922 developed a typical charter of commodity exchange, which had a task "to show the ratio of demand and supply, facilitate and organize as barter, and associated with barter commodity and trading operations"[2, p. 66].

In Ukraine, the creation of stock exchanges and their activities were more intense than in the whole USSR. In 1925, from 110 trade exchanges, operating in the USSR, in Ukraine were 15 [3, p. 11]. Rate of development of the Ukrainian stock exchange twice exceeded Union. Thus, the turnover of the Moscow Commodity Exchange accounted for almost half of exchange turns of the USSR, the second place on the sizes of its operations in 1924/25 year the Kharkov exchange took [2, p. 71].

Among Ukrainian commodity exchanges stood out big in Kiev, Kharkov, Odessa, where the variety of products were presented, and small provincial exchanges, which specialized in operations with one-type product depending on the area of their activities. In particular at small Romensky commodity exchange operations were made with agricultural products [4, p. 130-133].

During the creation of commodity exchanges not peculiar to this institution functions were imposed on them. They had to study the local market, demand and supply of goods, to regulate prices, record trade agreements, to identify the sizes of the trade turnover [5, p. 10, 11]. However, the basic function of stock exchanges, mediation, departed into the background. This situation is explained by the fact that the Soviet government viewed the exchange as an additional element of regulation and control of trade in the country, especially as to participation in the private sector.

A distinctive feature of Soviet exchanges of the period was the institute of obligatory membership. All central trusts were required to remain in the status of exchange members and register on the exchange their wholesale contracts. This practice was established and for local trusts, that were in the management of economic councils.

Till 1925/1926 year commodity exchanges were subsidiary organs of the state for controlling the wholesale trade. In order to regulate private trade it was considered necessary to involve it in trade at the stock exchange. However, private traders, who did not want to legalize their capital to the tax authorities, were a little presented among stock contactors. In the stock exchange turnover of commodity exchanges of soviet period the production of state enterprises was dominated [6, p. 63]. At the same time intermediary function of commodity exchanges in the set period was poorly developed because of the constant trade deficiency.

Also the feature of Soviet exchanges was registration on them of off-exchange contracts by state-owned enterprises and institutions. The main reason for the introduction of registration of off-exchange contracts was the state attempt to involve traders in exchange by administrative methods and implement additional control over the commercial operations of state enterprises and institutions. Due to the reduction of commodity exchanges since October, 1928 a network of registration offices, which traced off-exchange contracts of private capital, which was actively forced out the economy of the Soviet state, had been established [7, p. 115-116].

Soviet commodity exchanges were not specialized and functioned mainly as universal, which complicated the organization of their work. The contracts were made on them from almost all kinds of commodity groups. As a result, into structure of the stock exchange entered different sections, which concluded the contracts on the sales of a certain brunch, their activity was determined by the relevant resolution, and members were subject to stock exchange committee. From the middle of 1925 year as a part of many commodity exchanges section for individuals were established.

Considering the versatility of first Soviet exchanges at them, to strengthen the financial situation of the economy, created stock companies, which concluded contracts with government securities (mainly deals in the primary market for their

location), foreign exchange, sale of stocks, accounting of bills and other payment requirements.

A distinctive feature of commodity exchange of the period of the new economic policy and its advantage in comparison with capitalist exchange, according to the researchers, was the absence and inadmissibility of exchange speculation.

But, despite some success and value of stock trading, the campaign of rolling up of the exchanges starts. Thus, in Resolution of Central Executive Committee on January, 21st, 1927 indicated that the excessive development of exchange networks in the country complicated the control of their activities by public authorities. This led to what, that already on the end of 1928 all commodity exchanges ceased to exist.

During the new economic policy commodity exchanges served as subsidiary organ of state in the regulation of wholesale markets, they became the organizer and regulator of wholesale and retail trade. However, the gradual formation of the administrative-command economy, trade deficiency, the universality of the Soviet exchanges, strengthening of planning and concentration in the hands of the state sale mechanisms exhausted the possibility of exchanges to carry out intermediary function that caused their replacement from market infrastructure.

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