

The Caucasus Under Soviet Rule

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The New Economic Policy, pioneered by Lenin in 1921, specified grain as a tax in kind (*prodnalog*).

However, it also produced sharp imbalances within the economy, exemplified by the so-called 'scissors crisis' of 1923, where higher prices on factory products led in turn to extensive grain hoarding by peasants in the countryside. By October 1923, industrial prices were three times higher, relative to agricultural prices, what they had been before the First World War.²