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SOURCE Documents as indicated.

BACKGROUND INFORMATION ON THE MINISTRY OF STATE CONTROL USSR

Historical Background

November 1917 -- Decree authorized workers' control in all enterprises and organizations hiring labor or giving out work.

January 1918 -- The Council of People's Commissars USSR established the People's Commissariat of State Control to supervise "the legality, correctness, efficiency, and expediency of the turnover of the national and material capital, and safeguarding of this capital."

February 1920 -- The People's Commissariat of State Control was reorganized into the RKI (People's Commissariat of Workers' and Peasants' Inspection), which was given the assignment of organizing a campaign against bureaucracy and red tape, supervising the execution of government decrees, and judging the validity of complaints.

April 1923 -- The 12th Party Congress decreed the combining of the RKI with the TsKK (Central Control Commission). The RKI-TsKK remained united from 1923 to 1934.

February 1934 -- The 17th Party Congress decreed the abolition of the RKI and the reorganization of the TsKK into the Party Control Commission under the TsK VKP(b). A new organ was established -- the Soviet Control Commission under the Council of People's Commissars USSR. This commission existed from February 1934 to September 1940 and was responsible mainly for checking on execution of government decrees. It did not control monetary or material expenditures. This control, ineffective though it was, was carried out by organs of the People's Commissariat of Finance and internal auditors.

September 1940 -- A ukase of the Presidium of the Supreme Soviet USSR established the union-republic People's Commissariat of State Control USSR to exercise strict control over accounting and expenditures of state funds, to check on execution of government decisions, and to strengthen state discipline.(1)

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Statute on Establishment of People's Commissariat of State Control USSR,
31 October 1940 (2)

1. The People's Commissariat of State Control USSR is a union-republic people's commissaria.

2. The People's Commissariat of State Control USSR exercises strict state control over the accounting and expenditures of government funds and materials in the hands of state, cooperative, and social organizations, institutions, and enterprises. Furthermore, the People's Commissariat of State Control USSR checks on the execution of government decrees and regulations.

The People's Commissariat of State Control USSR exercises preliminary as well as subsequent control. Preliminary control is conducted by checking and verifying estimates, documents pertaining to money expenditures, etc. Subsequent control is carried on by auditing and verifying expenditures.

The people's commissariat has the right to demand from all other people's commissariats, main administrations and committees attached to the Council of People's Commissars USSR, and all state and cooperative enterprises, all documents, references, and detailed explanations, as well as information on the measures taken by them to eliminate shortcomings which were uncovered.

The above portions of this statute were quoted in connection with a 1950 discussion of the Soviet financial system in N.N. Rovinskiy's Gosudarstvenny Byudzhet SSSR (State Budget of the USSR), Vol II, 1950, pp 243-246.

3. A collegium of the People's Commissariat of State Control USSR functions under the chairmanship of the people's commissar.

4. The people's commissariat has the following representatives: chief controllers for all-union and union-republic people's commissariats, main administrations, and committees under the Council of People's Commissars USSR; senior controllers, controllers, and controller's assistants.

5. For carrying out inspections under the People's Commissariat of State Control USSR, the positions of senior inspectors and inspectors are established.

Chief controllers are confirmed by the Council of People's Commissars USSR on the recommendation of the People's Commissar of State Control USSR; senior controllers and senior inspectors, inspectors and controllers, and controller's assistants, are appointed and replaced by the People's Commissar of State Control USSR.

The People's Commissar of State Control USSR may consult with experts and other skilled personnel in the conduct of his work.

6. To carry out control in particular localities, the People's Commissariat of State Control USSR has the following representatives:

a. In the most important enterprises, railroads, warehouses and institutions of all-union subordination -- senior controllers and controllers.

b. In military districts, armies, and fleets -- senior controllers and controllers; in divisions, ports, and military depots -- controllers.

7. The People's Commissariat of State Control USSR assigns chief controllers to remote and especially important economic regions.

8. All chief controllers, senior controllers, etc., are responsible to the People's Commissariat of State Control USSR.

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9. The People's Commissariat of State Control USSR directs the activities of the people's commissariats of state control of union republics.

Chief controllers of people's commissariats of state control of union republics are appointed by the councils of people's commissars of union republics with the approval of the People's Commissariats of State Control USSR.

Senior controllers of people's commissariats of state control of union republics are confirmed by the People's Commissariat of State Control USSR on the recommendation of people's commissariats of state control of union republics.

10. The following organizations are established as part of the People's Commissariat of State Control USSR:

Organization - Trust and Control (201)
Administration of Personnel
Juridical Division
Office of Grievances and Dispositions
Administration of Business Affairs
Financial Division
Editorial Office and Publishing House
Secretariat of the People's Commissariat
Secret Code Division
Library
Archives

11. The people's commissariat shall make a yearly report to the government.

12. The people's commissariat will publish Vestnik Gosudarstvennogo Kontrolya, which will be the official organ of the People's Commissariat of State Control USSR. (1)

On 15 March 1946, the People's Commissariat of State Control USSR was reconstituted as the Ministry of State Control USSR. (3)

An article appearing in Pravda in 1949 emphasizes the importance of qualitative as well as quantitative control over accounting and expenditures of government funds, thus suggesting that the basic functions of the Ministry of State Control USSR in regard to financial control have not undergone many changes since the 1940 statute. (4)

SOURCES

1. Moscow, Pravda, 7 Jan 41
2. "On the Confirmation of the Statute on the People's Commissariat of State Control, 15 October 1940, "Sobraniye postanovleniy i rasporyazheniy pravitel'stva SSSR, No 28, Item 673, 1940
3. "Law on the Reorganization of the Council of People's Commissars USSR Into the Council of Ministers USSR and Councils of People's Commissars of Union and Autonomous Republics Into Councils of Ministers of Union and Autonomous Republics, 15 March 1946, "Vedomosti Verkhovnogo Soveta SSSR, No 10, 1946.
4. Pravda, 9 Apr 49

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