



## THE ORGANIZATION AND STRUCTURE OF THE FINANCIAL AND ECONOMIC APARATUS IN THE WEST UKRAINIAN NATIONAL REPUBLIC GOVERNMENT: HISTORIC AND LEGAL ASPECT

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### SUMMARY

The given article is dedicated to the study of the organization and structure of the government apparatus of the West Ukrainian National Republic in the financial and economic sphere. The main stages of the authorities and the management of the financial and economic bloc establishment in the West Ukrainian National Republic in 1918-1919 have been analyzed in the article as well as their role in the formation of the financial and economic policy. The regulatory and legal framework of the financial and economic apparatus activity in the West Ukrainian National Republic Government, their power and jurisdiction have been characterized in the article.

**Keywords:** West Ukrainian National Republic, West Ukrainian National Republic State Secretariat, finance, financial and economic authorities, a county commissioner.

### REZUMAT

În articol sînt cercetate organizarea și structura aparatului guvernamental din Republica Populară a Ucrainei Occidentale (RPUO) în sfera financiar-economică. Autorul analizează etapele principale de fondare a organelor puterii și conducerii din sfera financiar-economică a RPUO în anii 1918-1919, precum și rolul lor în formarea politicii economico-financiare. Este caracterizată baza juridică și de reglementare a activității aparatului financiar-economic din guvernul RPUO, împuternicirile și jurisdicția acestui aparat.

**Cuvinte-cheie:** Republica Populară a Ucrainei Occidentale (RPUO), Secretariatul de Stat al RPUO, finanțe, organe financiar-economice, comisar regional.

### АННОТАЦИЯ

Данная статья посвящена исследованию организации и структуры правительственного аппарата управления Западно-Украинской Народной Республики в финансово-экономической сфере. В статье проанализированы основные этапы становления органов власти и управления финансово-экономического блока Западно-Украинской Народной Республики в 1918-1919 годах, а также их роль в формировании финансово-экономической политики. Характеризуется нормативно-правовая основа деятельности финансово-экономического аппарата в правительстве ЗУНР, полномочия финансово-экономических органов и их юрисдикция.

**Ключевые слова:** Западно-Украинская Народная Республика, Государственный Секретариат ЗУНР, финансы, финансово-экономические органы, поветовый комиссар.

**The problem.** The restoration of an independent Ukrainian state on the West Ukrainian lands and the development of its state and legal institutes were a new impetus to the objective study of once forbidden topics in the History of Ukrainian state building and law establishment. The significance of this historic fact is quite clear. The indigenous population of the Western Ukraine for the first time since the times of Kyiv and Galicia and Volyn state after more than half a century of foreign domination became the master of their own fate by declaring their state independence.

Being established on the West Ukrainian lands in autumn 1918, the West Ukrainian National Republic has created its own legislative and executive authorities taking as an example other European nationalities. A number of laws and regulations were adopted by

the West Ukrainian National Republic parliament and government, they regulated the activities of all branches of state life including financial and economic sphere.

**The state of research.** The problem of the organization and structure of the West Ukrainian National Republic government is not properly displayed in the Ukrainian history. This is especially true to the activities of financial and economic authorities, that is why this subject has not been properly studied. However, one can mention here works and memories of Ukrainian prominent scientists, who were also the witnesses of these events, namely: V. Gnatjuk, M. Grushevsjky, D. Doroshenko, K. Letsjky, M. Lozynsjky, O. Slobodych, E. Petrushevyh, M. Chubaty and other.

The current state of the research of this problem is presented in the works by O. Vivcharenko, P. Guy-Nyzhnyk,

Ja. Grytsak, T. Gunchak, O. Dobrzhab-sjky, O. Karpenko, M. Kobyletsjky, G. Kovaljchak, V. Kondratjuk, M. Kostytsjky, A. Kotsur, O. Krasivsijky, M. Kugutjak, V. Kuljchysjky, B. Lanovyk, N. Leshkovych, M. Lytvyn, V. Makarchuk, S. Makarchuk, R. Matejko, M. Nastjuk, K. Naumenk, M. Nykyforak, V. Osechunsjky, O. Pavljuk, O. Rubljov, O. Reent, B. Savchuk, O. Subteljny, I. Terljuk, B. Tyshchyk, Ju. Tlyshchak and other.

Numerous works of diaspora scientists were dedicated to separate problems of the organization and structure of the financial and economic apparatus of the West Ukrainian National Organization, namely works by: V. Veryga, B. Vynar, G. Gunchak, M. Gutsuljak, I. Lysjak-Rudnytsjkyj, G. Mykytej, I. Nagajevsjky, I. Novosivsjky, M. Stahiv, L. Tsegeljsjky, S. Jaroslavyn and other.

The foreign historiography on the



mentioned problems is presented by the works by I. Beilly, V. Golubnychy, T. Dombkovsjky, G. Elmer, G. Clay, M. Klimetsjky, M. Kozlovskjy, T. Koromosh, T.-A. Oljshansjky, E. Prister, G. Tjorner, Ja. Honigsman, M. Jastrebov and other.

**The objective** of this article is to analyze the organization and structure of the financial and economic apparatus in the government of the West Ukrainian National Republic.

**The main part.** As a result of the First World War the young West Ukrainian state was left a difficult legacy. The Galician economy was in a catastrophic state. This is why the west Ukrainian National Organization government considered the financial system and the implementation of well thought over financial and economic policy to be an urgent task of the state building during the crisis.

As a result of the armed rebellion on the 1<sup>st</sup> November 1918 in Lviv the West Ukrainian National Republic addressed the Ukrainian nation with appeals according to which the old authority and management were replaced by new Ukrainian one.

The name for the Ukrainian state was determined on the 9<sup>th</sup> November 1918 at the meeting of the National Council, which was the West Ukrainian National Republic. It should have comprised the East Galicia as well as the Northern Bukovina and Transcarpathians, e.d. the lands of the former Hungarian monarchy. The National Council declared that: "As from today, these lands create a coherent Ukrainian territory and are constituted as an Ukrainian state" [1]. It also decided to develop a constitution. It was also emphasized that the state temporarily declared the prior (Austrian) law valid if it did not contradict the principles of the Ukrainian statehood as new laws had not been adopted yet [2].

It is also worth emphasizing that "the establishment of Ukrainian authority was held in an organized way and almost without any balks in the capital as well as in other cities" [3, p. 132; 4, p. 138].

The constitutional principles of the West Ukrainian National Organization were determined in "the Provisional Basic Law about the state independence of the Ukrainian lands of the former Austro-Hungarian Monarchy" from the 13<sup>th</sup>

November 1918. "It was the first basic law about the West Ukrainian National Organization" [5, p. 21].

We should emphasize as a whole that the Ukrainian authority started the building of its state in a very active way. And it concerned not only social and political, but also financial and economic development which was a priority for the young Ukrainian state.

A few more important laws concerning the process of state and political system organization were adopted during the following days. In this way, a new law "About temporary administration of the regions of the West Ukrainian National Organization" was adopted on the 16<sup>th</sup> November at the meeting of the Ukrainian National Council [6, p. 5-7]. "The mentioned law along with a number of other legal acts became the foundation for the effective state apparatus creation and clear executive branch, accountability of the lower authority to the higher and control over the made decisions implementation" [7, p.10].

The higher executive and administrative authority, the State Secretariat headed by Kost' Levitsky was formed by the Ukrainian National Council on the 9<sup>th</sup> November 1918.

Great attention in the government activities was paid to the development of the financial and economic parameters without which no state can exist and develop. The State Secretariat composed of 14 ministries - State Secretariats which were headed by the State Secretaries. There were created ministries of finance, trade and industry, land affairs, roads work and social care, public works in the State Secretariat in the context of targeted financial and economic policy.

Thus, there existed within the department of customs duties the department of simple taxes, Treasury department, research and statistics division, committee for national savings and life insurance, Ukrainian expedition on government securities preparation and other units. "The directorates of treasury district and tax inspectors operated in the counties" [8, p. 188].

The control over the industry belonged to the State Secretariat public works, whose main task was the restoration of shattered Galicia economy.

The State Secretariat of public works was divided into two main sections: reconstruction land mining. All

the "mining governments" in counties as well as all oil extractive and oil recycling enterprises were accountable to it. The State Secretariat also controlled the activities of private mining and recycling companies. There was also created a special "oil commissariat" in Drogobych, which established a strict control over the oil sale and production.

There were also created "technical governments" in counties which were subject to the state Secretariat of public works and were directly involved in all matters of economic construction. So called "building expositures" were authorized by the State Secretariat of public works to make provisions of building material in forests in winter regardless the form of ownership [9, p. 39]. The state secretariat of public works along with the state reconstruction carried out work on technical rules in industry and building observation.

The industry products in addition to food and agriculture raw materials were under the rule of state. These issues were within the competence of the State secretariat of trade and industry. There was also created a Bureau of barter in order to optimize the control over the products of industrial enterprises, which was directly subject to the State Secretariat of trade and industry. It was marked in the Bureau statute that "its reporting is based on its own observations and on the reports of tangent governments and organizations; it should study the possibility of selling and acquiring goods abroad; make calculations of each international contract which is based on compensation; negotiate with foreign production and trade enterprises on the acquisition and delivery of the trade items; supervise the transportation of the goods from abroad and foreign countries" [10].

We should mention separately the Secretariat of land affairs, which drafted the land reform project and supervised land resources. Tiller referents in County Commissariats were appointed with the same aim as well. There were county and rural agricultural commissions. Land authorities were created to make reforms. The Secretariat managed the forest inspectors and state council estates.

S. Jaroslavyn mentions in his memories that food problem was very sharp and sophisticated [11, p. 114], that is why all authorities were busy solving it. However, the State Food



Government was directly responsible for it, which was equal in his rights with the State Secretariat. It was headed by Stepan Fedak. The Food Government became to exist as a separate department of the State Secretariat of Internal Affairs after the reorganization in the January 1919. It was responsible for county food affairs in the counties which were created as an instruction of the Ukrainian National Council at the beginning of West Ukrainian National Republic existence.

The structure of Food Government included: head, alternate head, staff members. Food council was accountable to it in the counties, which included representatives from villages and towns.

They have also been accountable to the state county commissioners. The main objective of the Food Government was the organization and provision of population with food and along with the military service provision of the army with necessary material.

The creators of the West Ukrainian National Organization tried to establish effective work of local governments simultaneously with the formation of the Central State Apparatus. The whole plenitude of civil authority and government in the counties should have belonged to the county commissioners. "A county commissioner was declared by the Supreme body of the Public National Authority and State Executive Authority in a county" [12, p. 275]. However, they had no right to interfere with military affairs, judiciary, railway affairs, post and telegraph affairs, which were strictly centralized and subject to appropriate government authorities. In all other respects the Law from the 16<sup>th</sup> November 1918 gave them broad and essentially extraordinary power. County National Councils served as an advisory body for the county commissioners which according to the instructions of the Ukrainian National Council during first days of its establishment stopped to be elected by the county population (as a rule by the delegates of the rural and urban communities, companies and different organizations) [13, p. 37]. However, this bill just like many other was not submitted to the parliament because of the changes in the military situation.

The public and town commissioners as well as close councils were still authority representatives in villages and

towns and were elected by the population. "The local urban or rural commissioner of the Ukrainian national Council was directly subject to the County Commissioner of the Ukrainian National Council" [14].

The powers and duties of the county commissioners were carefully listed in a separate "Circular of the council of state Secretaries to the state County commissioners about their duties and rights" from the 1<sup>st</sup> December 1918. Concerning financial and economic policy, its powers were strictly defined. In particular their competence covered in this direction the following: "monthly submission of detailed reports about incomes and expenses of the State Secretariat; taking measures as to the funds conversion in the State budget; collecting taxes from the population; inventorying of the whole state property; which is located in the county along with its value submission; preparation of the cost estimates so as to provide a county with proper material, raw resources and other evenly" [15, p. 97].

One of the main duties of the Ukrainian county commissioners was to provide financial revenues in the slate budget. Thus, e.g. it was necessary to "follow the instructions in the case of tax collection on the basis of thorough register keeping, as well as to control that all the farmers regardless their faith and ritual were evenly provided with land in order to prevent any conflicts or chaos" [16, p. 11-12].

Taking into account complicated circumstances, out of which the Galicia population should have created political life, their achievements were quiet significant, namely they created government and parliament. It not only helped to mobilize the Galician Ukrainians to struggle, but also adopted a number of laws, which under more favorable conditions could have served for a democratic and equitable social development [17, p. 163]

**Conclusions.** Summarizing, one can constitute that being created on the West Ukrainian lands, the West Ukrainian National Republic was properly organized in state and legal sense. It had an adjusted legislative, administrative and executive apparatus. The higher legislative authority (the National Council) and the higher executive authority (the State Secretariat) despite the extremely difficult internal and ex-

ternal political circumstances, properly worked in a sphere of effective legislative process. First of all it concerned the efficient operation of the financial and economic apparatus of the state. There was also created a proper legal basis for financial and economic operation of the West Ukrainian National Republic government and management.

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