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"TOWARD THE PLENUM" (II)

Once again the pages of a Soviet literary journal provide a striking commentary on the unresolved issues of agrarian policy -- comments which would scarcely have seen the light of day in Pravda. In a prelude to the agriculturally oriented December plenum of the Central Committee, V. P. Rozhin, a member of the Economics Institute of the USSR Academy of Sciences, analyzed with unusual realism the problems of Soviet agriculture for the more literarily inclined readers of Nash Sovremennik (No. 5, 1960, pp. 173-88).<sup>1</sup> The primary target of the inquiry is the backwardness and low income of the lower collective farms and measures for bringing them to the levels of the average and prosperous kolkhozy.

Rozhin presented, for his counter-argument, a verbatim report of an important conference on agrarian policy. It is a startling document and a devastating commentary on the Party struggle in the provinces. It follows in whole from the journal.<sup>2</sup>

"The following discussion took place at a high-level conference of agricultural economists and Party officials.

"In discussing questions of agricultural production, the secretary of a territorial committee (kraikom) from one of the southern regions said: 'How much longer are we going to bother with collective farms; let's all change them into state farms.'

"An agricultural economist arose and answered the proposal:

"Don't get rid of the collective farms, but rather the secretary of the kraikom, who hinders (tyagotit) the work with the collective farms."

This was no gathering of local Party officials, for the kraikom secretary was "from one of the southern kraisk," which could only mean Krasnodar or Stavropol in the northern Caucasus, two of the richest and most important agricultural areas

<sup>1</sup> The same journal a year ago featured the proposal by the writer, Vinnichenko, that collective farms were superior to state farms as forms of agriculture and social institutions. (No. 4, 1959).

<sup>2</sup> Ibid., p. 177.

in the Soviet Union. These two territories (krais) pioneered the Khrushchevian policy of the amalgamation of kolkhozy and their gradual sovkhozization, as well as the take-over of the MTS machinery by the collectives.<sup>3</sup> The post of first secretary was a prize assignment and the most able apparatchiki were given the honor: since the war four alumni reached the inner circles of the Presidium.<sup>4</sup> Thus, for an economist to challenge publicly the first secretary of a kraikom and suggest he and his Party colleagues no longer interfere in kolkhoz administration represents a full circle revolution from the "norms of Party life" of the Stalinist era. Even the suggestion to liberate the collective farms from the pressure of the regional Party committees would have been rank revisionism under the old regime and have brought punitive action forthwith. Nonetheless, the publication of the dialogue is indicative of: (a) a less rigid approach by the Party toward the solution of agricultural administration problems and (b) the broad chasm of conflict separating provincial Party officers and farm technicians in planning and management of agriculture. This issue to broaden the authority of the specialist as against the rigid Party functionary has been covered in the press, and the Plenum's decision on this phase of decentralization will be of vital interest to the balance of Party power in farm production councils. There is one certainty, however: output will improve as the technician replaces the Party functionary. But the degree of the displacement of this power will be the measure of the regime's intent to democratize the managerial function.

Rozhin acknowledged that the transformation of collective farms into state farms in recent years involved many backward kolkhozy, but the process was not a universal solution to the problem. Vast resources in capital outlay were required to set up state farms on the foundations of weak collectives: in Moscow oblast alone, during the first half of 1960, over two billion rubles were immediately allocated for productive purposes to the state farms formed by the absorption of "a part of the collectives" in the oblast. Another disadvantage cited was that normally only one-half the able-bodied members of the collective farms were accepted as workers on the newly created state farms. What's to be done with the remaining kolkhozniks, the author asks. Its solution will require resources and time, he concludes. Thus factors of resource limitations hinder a further "sovkhozization" of the collective farms, a condition which cannot be overlooked; moreover, Rozhin concedes, the collective farms enjoy a more democratic form of administration. Further, there is no guarantee that state farms can achieve a lower cut of production than the absorbed collectives as, not infrequently, the State pays state farms more for the same goods than is paid to the collective farms. Thus, Rozhin joins forces with



Vinnichenko, the literary ideologue on kolkhoz supremacy, and such a combination must represent a considerable section of the Soviet intelligentsia.

Rozhin's main thesis toward reaching a solution to the problem of the backward (impoverished) collective farms centers on a revision of fiscal policies. Like many professional economists, he lays heavy stress on a market economy where prices play a dominant role. The unrealistically low prices paid by the State for farm products were primarily responsible for the poverty of the collective farms and the rural population prior to the 1953 reforms. This disparity was especially true with grain and livestock products, in which fully 80 percent of the farmers were engaged. The producers of industrial and special crops -- cotton, hemp, flax, citrus, medicinal -- benefited by price subsidies through an arbitrary price schedule set by the State.<sup>5</sup> He ascribed to the price adjustment decision set at the 1959 plenum. All this is nothing original, including the readjustment of prices based on regional productive factors. In the past as well as to this day, Rozhin contends, financial losses on the farms were covered by a reduction in the farmers' income, or a drop in capital assets and a rise in debt. To correct the situation a more realistic adjustment in the prices of grain and livestock is necessary -- as to lift the backward farms to the level of intermediate economies -- at an estimated cost of 100-150 billion rubles. The State must provide conditions of profitability for the backward farms to become reasonably prosperous. This is a significant departure from the proposals made by Party authorities on previous occasions -- yet it is exactly the measures the Party adopted to achieve a sustained growth in the output of cotton and technical crops since the 'thirties.

To assist the backward farms -- which number about one-third of the total 53,400 collectives -- a number of short-run measures are advanced: minimum guaranteed wages for every working kolkhoznik subsidized by the State and the extension of social security coverage until the farms can underwrite the costs, and temporary reduction in the rate of income taxes. Long-term credits for capital investments are to be facilitated.

Such ambitious fiscal measures to lift up the backward collective and state farms to a level of profitability and

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<sup>5</sup> In 1950 the three main cotton-growing republics (Uzbek, Turkmen, and Tadzik) with only 3 percent of all the collective sown area and only 4 percent of the kolkhoz households received 30 percent of the total cash income of collective farms in the Soviet Union. (Comparisons of the US and Soviet Economies, Joint Economic Committee, US Congress; 1959, p. 272.)

ensure a continuous rise in agricultural products is singularly original in Soviet economic planning. The burden of these papers has been that the real issues in the forward progress of Soviet agriculture are dependent upon a massive increase in capital inputs (machinery, fertilizers, irrigation, etc., all still in short supply), greater incentives for the peasantry by allotting them a bigger share of the farm income accompanied by a vast upsurge in the supply of consumer goods and social amenities, and the accelerated movement of families out of agriculture. As yet the Soviet Union has not the resources to meet these essential requirements given the demands of industry and armaments. It is a foregone conclusion, the plenum will devote little attention to a rise in the flow of capital resources into agriculture.

It might be well to bear in mind one over-riding factor in weighing the flood of comment from the Plenum participants, namely, that Khrushchev has shown restraint and moderation in initiating new policies in agriculture since the MTS and price innovations of 1958. Since then many "new problems" have arisen -- and most old ones are still unresolved. It is unlikely that bold, new paths will be laid out in Soviet agrarian policy during the plenum.

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