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TROUBLES IN SOVIET AGRICULTURE

Problems of Communism

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Agriculture was the main item taken up by the plenum of the Central Committee of the Communist Party of the Soviet Union in January of this year. But before discussing what the reports and Khrushchev's frequent interjections revealed about the state of Soviet agriculture, it might be well to note some of the political and organizational aspects of the gathering.

The plenum was clearly well-prepared: The reports and proposals of the top leadership were made known to the membership in advance. This "leak" of information about the leadership's plans is in itself an interesting development, suggesting that Khrushchev was trying to strengthen his own position vis-à-vis the Central Committee. And while the Premier's remarkable behavior led many commentators to speak of the plenum as a one-man show in the purely dramatic sense, it was also a show of strength in the political sense. On his home ground, Khrushchev had no need to remove his shoe and pound it on the table to put his points across. He achieved the same effects by constantly interrupting the speakers, putting them on the defensive, and meting out praise or blame. By these and other methods which many an actor might envy, he created a paternalistic image of the experienced, just, and honest champion of the underdog, prepared to demote incompetent or irresponsible bureaucrats and to replace them with able workers from the rank and file. Thus he suggested that it might be a good idea to send the Chairman of the State Planning Committee to work as a milkmaid in order to convince him of the need to provide milking machinery. In a similarly half-serious, half-jocular fashion he proposed nominating for the post of party secretary of the Kuban region a Ukrainian farm woman who had been notably successful in growing corn; this he suggested, would compel the Kubans to set a higher production target for next year.

Khrushchev obviously was trying to create the impression that the blame for any failures lay with the local leaders, who had misinterpreted or improperly executed the invariably correct policies charted by him. But it would be erroneous to consider the plenum simply as an intra-party show of strength on Khrushchev's part. The meeting took actual steps towards supporting Khrushchev's pet idea of strengthening the hinterland, steps which, it was hoped, would overcome the inertia of the weakest link in the Soviet economic-political chain.

Why was Khrushchev so alarmed about the state of Soviet agriculture? To answer this question it is necessary first of all to note that the performance of Soviet agriculture was being viewed within the framework of the Seven-Year Plan.

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Under this plan the goal for increasing agricultural production was set at 70 percent above the level of 1958. The lion's share of the increase was to be achieved in the output of grain and livestock products, and therefore the slogan about "overtaking the United States in the production of meat and milk" expressed the central tendency of the projected development.

The goals of the plan were drawn up on the basis of an unusual bumper-crop of 1958, with the optimistic assumption of perfect weather conditions and a very high ratio of additional output to additional capital. The results of the first two years were quite disappointing: though 1959 agricultural output was officially reported as being at a par with 1958, this level of performance was chiefly attributable to some substantial carryover from the previous year, while the output in 1960 was on the whole below the level of 1958.¹

Under the Soviet system it is not enough to find explanations for the failure to meet plan targets; one must also find scapegoats. This time the chief scapegoat was the former Minister of Agriculture Matskevich, who was absent from the plenum and could not defend himself (assuming, of course, that he would have been given an opportunity to do so had he been present). The main reasons for the poor performance, however, could easily be detected: adverse climatic conditions over substantial parts of Soviet territory, and the inability to increase the feed supply rapidly enough to meet the needs of an increasing livestock herd.² Contributory factors would include lack of mineral fertilizer to raise the level of yields, lack of shelter for livestock (for example, one half of state farm cattle in Latvia is still raised by peasant households), etc.

These explanatory factors have had a long history and should have been neither new nor unexpected to the Soviet planners. Nevertheless, the inability to raise agricultural output beyond the 1958 level - coinciding as it does with a steady rise of population, widely advertise promises to increase the standard

¹Production figures for 1960 showed that grain, potatoes and sunflower seed were below the 1958 level, milk and meat were above 1958 but below 1959 levels, sugar-beet output was above the 1958 figure but its utilization for sugar was below that year's level, and wool was roughly at the 1959 level. In the case of vegetables, flax-fiber and eggs, no output figures were reported - an omission which, judging by past experience, indicates a low level of performance.

²During 1960 9.3 million sheep perished on collective and state farms in the RSFSR, Kazakhstan, Kirgizia and Georgia as a result of lack of feed and shelter.

of living, and mounting foreign commitments - has become a source of irritation for the Soviet leadership, and in particular for Khrushchev who has emphasized his personal concern with agriculture.

The experience of the last two years does not preclude a significant rise of agricultural output in the future, when climatic conditions may be more favorable and some of the present shortcomings may be removed. But for the moment, the Soviet policy-makers are paying for their insistence that achievements in agricultural production during a particularly good year represent permanently achieved levels of output from which the way can lead only upward. Having tried to convince themselves and the people that the unusually high 1956 or 1958 output levels were a result of "wise, farsighted policies of the party", they felt compelled in January of 1961 to divert the blame for failure in order to save face. Soviet agricultural output does indeed have a growth potential, but its rates are much smaller than those envisaged by the planners, who are reluctant to admit that this limited potential is largely attributable to continuing elements of backwardness.

One lesson learned by the planners and administrators, if the stock-taking at the plenum is to be taken seriously, is that Soviet agricultural production will rise only if the investments in this area are greatly expanded. Half-hearted palliatives will not do the trick; for example, soil-manure mixtures and peat, even when blessed by such an authority as Trofim Lysenko, are not infallible substitutes for mineral fertilizers. Also the distribution of available investment is not a simple matter. A distinction must be drawn between investments intended to decrease labor input per unit of output and investments directly aimed at increasing output. While the introduction of a potato-digger will certainly decrease the volume of labor necessary during the harvesting season, it is not a substitute for the use of insecticides or the development of disease-free strains of seeding material which can effectively raise the yield per unit of land.

An interesting problem for the planners is not only the distribution of investment as between, let us say, machinery and insecticides, but the quality and balance of the machinery supply itself. Soviet agriculture carries on the books an impressive volume of machinery. What is important for the production process, however, is the ability to use the machinery at the appropriate time for particular tasks required by the production process. Tractors are valuable, but only when the appropriate mounted machinery is available. The discussions during the plenum clearly revealed the inferior quality and poor utilization of many Soviet agricultural machines. It is apparently proving hard to revise the decades-old system by which the Soviet agricultural-machinery industry supplied the MTS with types and quality of machinery often

for the particular soil or for the particular demands of various regions. Some machines performed only one type of field operation leaving the rest of the work to be performed by back-breaking manual labor. Nothing short of a thorough-going revamping of the system, which would allow the output and output-mix of agricultural machinery to be determined by the demand of the farms themselves, is likely to remedy the existing situation. This implies a reorganization and reorientation of the agricultural-machinery industry in the direction of producing a greater variety of complementary types of machinery and implements, possibly in smaller volumes for each type of machinery, so as to make possible a higher degree of specialization, suited to the needs of particular agricultural crops and local conditions. Until recently, the strength of the Soviet agricultural-machinery industry lay in its ability to adjust existing foreign models to conditions of mass production; now it is faced with the challenge of creating new models of original design and producing them at relatively low costs. In order to meet this challenge heavy investments of time and money will be required, and the degree to which these investments will facilitate achievements of established goals during the current plan-period is still questionable.

Apart from investment policies, one of the gravest problems of Soviet agriculture revealed at the plenum was the system of bureaucratic leadership in agriculture. Khrushchev ironically referred to the tendency for central agricultural institutions to cluster in Moscow in the vicinity of the Bolshoi Theater, and proposed to bring the institutions nearer to the farms. Actually the problem is not so much the location of farm bureaus but rather where and by whom vital decisions affecting the farms ought to be made. Should they be made by the farms themselves or handed down the line by bureaucrats of various degrees of authority? In its decree of March 1956 the Soviet government gave collective farms the right to decide on the selection of their own crops within the framework of the state's planned purchases of agricultural products in each particular region. This last clause implied that in practice heavy controls would have to be imposed upon the farms.

The plenum raised the curtain on some interesting examples of bureaucratic controls. Thus the central authorities in the Ukraine, it was revealed, had repeatedly imposed a single date of corn-harvesting upon the whole republic. In Kazakhstan it was ordered that low grain be winnowed instead of straight combine-harvested. The cream of the jest was brought out in a dialogue between A.S. Chuslaev, the chairman of the Saratov district collective farm, and Nikita Khrushchev.

Khrushchev: Did you figure it out by yourselves?

Chuslaev: By ourselves.

Khrushchev: Did someone from above exert pressure with respect to those figures?

Chuslaev: No these are realistic figures.³

³Pravda, January 17, 1961.

This spontaneous dichotomy in the mind of the collective farm chairman between "pressure from above" and "realistic figures" is perhaps the most convincing proof that the degree of interference with the farms is still very large. Apparently even when the decision to interfere is made not in Moscow but in the republic, district or county, it may still be detrimental to local farm production, as well as to the economy as a whole.

Reading the speeches during this recent plenum, those who recall the discussion a few years ago about the so-called decentralization reform in the Soviet Union may be forgiven if they question whether any substantial decentralization was actually put into effect. The leitmotif in the speeches of the lower echelons, the collective farm chairmen and brigade leaders may be summarized as follows: "We (the farms) will provide you (the state) with all that you need in terms of reasonable demands, provided you make an effort to satisfy our production needs and let us conduct our affairs to the best of our ability, without constant interference on your part."

It is uncertain whether the degree of interference on the part of the bureaucratic apparatus is going to be relaxed in the future. The decision at the plenum to reorient the work of the Ministry of Agriculture toward less decision-making and more servicing of the collective farms through scientific instruction and agrotechnical information is not a sufficient proof that controls will be abandoned. The revival of the procurement agency and the strengthened roles of the Gosplan, Central Statistical Administration and party apparatus (at the expense of the ministry) indicate no real lessening of controls.

Since the only reasonable solution of the problem - i.e., freeing agriculture from bureaucratic controls - is apparently still anathema to the party leadership, alternative methods of stimulating output, in particular the idea of providing additional incentives to the individual peasant, inevitably came under examination at the plenum. Although this was not singled out as a specific topic, it loomed in the background of many speeches. Apparently, one of the factors which has discouraged greater production is a ceiling that was imposed on peasant income some time before the Seven-Year Plan went into effect. Speeches by lower echelon participants at the plenum stressed the need for differential remuneration of peasants on the basis of performance, while higher officials complained that even the existing tolerance of private household plots and livestock represented an unwise competition with the socialized sector.

Two developments in particular at the plenum indicated a trend antagonistic to incentives for individual peasants. One was the reported practice of decreasing the livestock herds in the private sector not only as a temporary means to fulfill government obligations in the socialized sector, but also as a matter of policy; the other was Khrushchev's approval of the practice of legislating locally the size of the private plot and the number of livestock in private hands. Thus the indica-

tions point to a cautious but systematic offensive against the private sector, carried on at a pace that the planners hope will not endanger the overall level of livestock output in the country. The plenum set the goals of 13,000,000 tons of meat and 50,000,000 tons of milk to be supplied to the state in the next few years - a considerable rise over the original Seven-Year Plan targets of 11,000,000 and 40,000,000 tons respectively. If these goals are to be taken seriously, we must expect a large-scale transfer of private livestock into the socialized sector.

The problem of socialized versus private agriculture came under consideration at the plenum in another aspect: how to correct the gaps in the supply of various commodities which are particularly demanded by consumers.

That there is still much room for private initiative can be inferred not only from Khrushchev's description of the "happy looking" people who transport apples by air from the Ukraine to various corners of the Soviet Union, but also from a report from Kazakhstan published in December 1960. This report describes the activities of Soviet citizens who had been leasing irrigated land on collective farms to raise onions, using privately-hired labor. The report (in Kazakhstanskaya pravda of December 8, 1960) stated that there were some 880 such onion-raising entrepreneurs in the Alma-Ata district.

There is no doubt that as long as a sellers' market exists in the Soviet Union for various types of food products, the Soviet authorities will find many examples of the entrepreneurial spirit enabling people to operate ingeniously on the fringes of a centrally-planned economy.

To many readers of the plenum minutes, the most amusing topic may well have been statistics. The discussions on this matter may have proved disturbing to some staunch supporters of the Soviet regime abroad, but certainly not to Soviet citizens, who know and participate actively in the endeavor to "improve" Soviet statistics. Clearly, the problem of the "reliability" of statistical data is of vital concern in a planned economic system. Yet the fact is that unless the Soviet government devises some system of independent checks upon the reports of local authorities, neither the exact nor the approximate volume of output will be known to them - and, to paraphrase Khrushchev's words uttered at the plenum, Soviet citizens will have to continue to bake pancakes out of statistics.

What do we know about the accuracy of Soviet agricultural output data? We know, for one thing, that the Soviet gross output figures of various commodities are very "gross" - e.g., that the "barn yield" of grain and sunflower seed output (data supposedly cleansed of Stalin-era exaggeration) is actually a measure of output from under the harvesting combine, containing excessive moisture, chaff and other impurities. We know, too, that the Soviet concept of "meat" is much broader than that which is used outside the Soviet orbit;

it includes, apart from tallow and offal, a number of "by-products" which are not included as meat anywhere else. Furthermore, we know that the gross output of milk is not a measure of its availability for human consumption, since a sizable part is fed to calves and piglets. Outside observers have suspected, and now have had their suspicions confirmed by the plenum, that a proportion of output was subject to double-counting - i.e., that the estimated output by private households, when acquired by the collective farms, was reported again as collective output. One could add that in general the methods of estimating output have been very crude and probably have contained an upward bias. All this leads to the conclusion that while we do not know the exact volume of Soviet agricultural output, neither do the Soviet planners, caught willingly or unwillingly in the web of inaccurate data spun by their system.

The practice of willful cheating with statistics as a means of preserving one's position in the political or economic hierarchy is an old feature of the Soviet system. It is important to determine at what levels and with what frequency this cheating takes place.

The various reports at the plenum concentrated their revelations chiefly upon the lowest level, citing cases where as a result of such "modified" reports, officials were rewarded with the titles of Heroes of Labor and were elected to the soviets of the republics. Such prestige in itself is no mean incentive, if the risk of padding reports can be kept within reasonable bounds and the rapid turnover of personnel can be a means of covering up and escaping responsibility. Much less, of course, was reported about distortions at the district level. The only cases cited involved corrupt practices in last year's record breaking and much-honored Riazan district and this year's rival for such laurels, the Tian-Shan district in Kirgizia.⁴

⁴The following exchange on this subject took place between Khrushchev and Razzakov, the delegate from Kirgizia: Razzakov: However, in the training and education of leading cadres we still suffer from serious shortcomings and mistakes. This is borne out by cases of inflated figures and faking, often concocted by executives (kolkhoz chairmen and party functionaries) themselves.

Khrushchev: And they should be punished, regardless of who they are. If we don't restore order, the plans will be statistically fulfilled, but products there won't be enough of. As is known, you cannot make pancakes out of statistics.

Razzakov: Some of our leaders assume high obligations, but instead of concentrating their efforts on fulfilling them, they embark upon the wrong - and fundamentally criminal - path of purchasing the missing products from the population and state trade establishments. In his theses, Comrade Khrushchev subjected the CC of the Kirghiz Communist Party to a severe yet fully justified criticism for these mistakes. And indeed, the former secretary of the Tian-Shan obkom Isaev, committed a crime by compelling the managers of (con't.)

There is a feature of Soviet statistics which deals not with past output but with goals of future output and deliveries. At the plenum a part of the story was unfolded, showing that in order to meet delivery requirements for artificially high goals, some farms had delivered high-quality seed and had diminished the basic herd; the result was later planting with low-quality seeding material and the retardation of the growth of livestock. But admitting the existence of such practices did not mean their automatic elimination, since their occurrence is a function of the dichotomy that exists between the long-run plans and the short-run performance criteria of success. Until the chief planners settle for more realistic goals, such damaging practices are bound to persist, and Khrushchev's pressure during the plenum for high, hardly attainable goals for Soviet agriculture does not provide much hope for a change.

While some of Khrushchev's specific proposals are - to say the least - questionable, there is little doubt that his statement regarding the government's intention to increase the level of consumption has met with a favorable response from the hard-pressed citizens of the USSR. Whether Khrushchev's promise was aimed at enlisting support for his future plans or merely recognized a consistent demand of public opinion is basically immaterial; the fact remains that the state and party have once more committed themselves to the goal of higher consumption, declaring that now, in contrast with the past, the means for achieving it exist.

Among the decisions of the plenum the most important are: the commitment to increase the volume of investment in the manufacturing of mineral fertilizer and agricultural machinery; the creation of an institution to perform the role of middleman between farms and to direct the supply of machinery and equipment according to the needs of individual farms. With respect to long-range plans for increasing agricultural production, the emphasis upon maximization of output is still the dominant note. There is also a certain similarity between the goals toward which Soviet agriculture is to strive in the future and a measure which was hailed in 1948 as the "Stalin plan for the transformation of nature". At the root of both ambitious sets of goals lies the general notion of making Soviet agricultural output independent of

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raions to buy butter at the state stores and deliver it as part of the fulfillment of milk procurements.

Razzakov went on to relate the punishment meted out to Isaev, but under sharp questioning by Khrushchev he admitted that this was done only "after the letter" (presumably from the CPSU, CC), and that Isaev had at first been "punished" by being named Internal Affairs Minister. After some stinging remarks by Khrushchev, and the inevitable "animation and laughter in the hall", Razzakov said: "Therein lay our serious mistake. We appointed him Minister of Internal Affairs." (Pravda, January 14, 1961)

weather hazards. Stalin saw the solution in the planting of shelter-belts, which would collect moisture in the dry areas; Khrushchev sees his solution in a broad program of irrigation. The first panacea ended in a complete failure and huge capital resources and labor effort went down the drain. The second looks more promising in terms of lasting physical effectiveness, although its economic justification remains to be tested.

Leaping forward to 1965, will the Seven-Year Plan in agriculture be achieved? If the recent plenum is at all meaningful, it can only convince objective observers that the goals will not be met. For one thing, there is the perennial penchant for administrative rather than economic palliatives. Furthermore, the upward movement of Soviet agricultural output is negatively correlated with high goals, fantastic slogans and "statistics". Real improvement will depend upon sound agricultural practices and economically rational decisions. There are no substitutes.

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