

X/15 - RUSS - SLIPPAGE IN BREZHNEV'S AGRICULTURAL INVESTMENT GOALS?

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USSR - Fritz Ermarth)

"Qualified experts in Moscow" queried by Reuter have done some calculating on the basis of figures issued during the last Supreme Soviet session and have come to the conclusion that Brezhnev's cherished investment goals for agriculture, which he set at the March 1965 Plenum of the CPSU Central Committee, have been sharply cut back.¹ Alluding to renewed complaining by Polyansky (in an issue of Kommunist which has not yet reached Munich) about opposition to these goals, these experts conclude that Brezhnev, strongly committed with Polyansky to agriculture, has suffered a political reversal in the area of farm policy.

Bearing in mind the many complexities of Soviet investment figures in agriculture -- distinctions between state and kolkhoz investment, or "productive" versus "non-productive" investment which are not always made explicit --, one finds on close examination that the investment calculations circulated by Reuter are essentially correct. In March 1965 Brezhnev called for a 100% increase in state productive investment in agriculture by 1970, and Gosplan chief Baibakov has just stated that the increase will only amount to 76%. The relevant figures are offered here in amplification of the Reuter story:

A. According to Narodnoe Khozyaistvo 1965, p. 536, state [gosudarstvennye] productive [po obektam proizvodstvennovo naznacheniya] investments in agriculture totaled 20.2 billion rubles during the five-year period 1961-1965, on which comparisons for the current Five-Year Plan period are made.

B. At the March 1965 Plenum Brezhnev stated, "In the new Five-Year Plan...state capital investment for the

1) Reuter, 26 October 1967.

construction of items intended for production and the acquisition of machinery [i.e., state productive investment] will amount to 41 billion rubles.* In other words, the period 1966-70 was to see a 100% increase over the investment level achieved during the previous five years.

C. Baibakov stated at the October 1967 session of the Supreme Soviet, however, that "State capital investment in agricultural productive construction [stroitelstvo, or construction, means in Russian not only building but equipment acquisition and other elements of investment] during the Five-Year Plan will rise by 76% in comparison with the previous Five-year period."² State productive investments in agriculture will, therefore, only reach 35.7 billion rubles during 1966-70, not Brezhnev's 41 billion.³

The figures clearly indicate why annual Soviet investment achievements in agriculture have been lower than original goals,⁴ and one of the reasons why total investment goals for the 1966-70 period have dropped from 310 billion rubles to 303.2 billion. On the basis of Polyansky's complaints on two occasions this year that agriculture has been fighting an uphill battle for

2) Izvestiia, 11 October 1967, p. 3

3) Baibakov also referred explicitly to shortfalls in agricultural investment in his Supreme Soviet speech: "Unfortunately plans for capital investment in agriculture are still being underfulfilled, and as a result, the Central Committee of the CPSU and the Council of Ministers of the USSR has taken a number of measures to set in order construction on the countryside." [Emphasis added]. This wording suggests that, even after cut-backs in rural investment objectives, Soviet goals have not been met. Baibakov went on to call for more effective use of investment resources.

4) RFE Research "Bonanza Farm Report", 10 October 1967, by c.z., p. 4.

*) While there might be some disagreements as to whether Brezhnev's figure applied to state productive investment alone or to total state investment in agriculture, Jerzy Karcz concludes that it appeared only to state productive investment. Soviet Studies, October 1965, p. 153.

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priority which he thinks it deserves,⁵ one must conclude that part of the reduction of investment goals must be ascribed to a political decision on allocations at the Politburo level, although certain frictional elements in agriculture, limiting the pace at which new investment can efficiently be absorbed, are probably also to blame. In short the agricultural lobby, of which Polyansky is a part, has suffered from the pressure on the budget exerted by the competing needs of defense, on the one hand, and consumer demand for industrial products, which the regime wants to placate in its 50th year, on the other. Since Brezhnev has been such an outspoken proponent of high agricultural investment goals since March 1965, and until evidence comes along that he himself has changed his mind about them, one may also conclude tentatively that Brezhnev has suffered something of a policy defeat in the definition of Soviet allocations policy for the remaining years of the Five-Year Plan.

At the same time, one must keep in mind the possibility that Brezhnev has indeed shifted his priorities in the face of competing demands and the need to get final plan figures accepted. It is hard to imagine that his influence has slipped to such an extent that a policy strongly defended by him can simply be overridden by an opposing majority. At the very least he could deadlock deliberations. It may be that Brezhnev has merely left his fellow farm-lobbyists in the lurch.

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5) Pravda, 3 March 1967.