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VENZHERISM: AN AGRARIAN LIBERMANISM

A lengthy attack on several liberal economists who advocate a shift from rigid state control over agriculture to one in which the law of supply and demand would regulate farm production has appeared in the official agricultural newspaper of the CC, CPSU, Selskaya Zhizn.¹ Since the March 1965 Plenum on agrarian problems this same revisionist proposal has cropped up in media other than the central press but it was not widely disseminated. The rebuttal of this proposal by the conservative Selskaya Zhizn indicates opposition from the Ministry of Agriculture. In fact, what gives the dispute stature are the personalities involved on either side.

Heading the group of liberal economists is V.G. Venzher who, in the postwar period, originally proposed that MTS tractors and machinery be sold to the collective farms as a practical means of raising productivity in agriculture and thus theoretically elevating kolkhoz property to the level of public property. Stalin rejected the proposal in his "Economic Problems of Socialism"² but Venzher was not victimized. It remained for Khrushchev to activate Venzher's idea and in early 1958 the MTSS were disbanded and their machinery sold to the collective farms. Venzher's professional stature has risen accordingly.

On the "hard liners" side in the positions taken in the Selskaya Zhizn article was I. Suslov, one of three economists listed as signatories, and a staff member of the Central committee, CPSU. It is thus obvious that the article reflects the views of the highest Party organ and the party line on the sensitive issue.

1) 22 September 1966.

2) Bolshevik, No. 18, 1952, pp. 1-50, Stalin's last essay.

Venzher and his group, according to the article, have contended that state planning in agriculture is generally inefficient and is particularly unsuited to collective farming. This is so, Venzher has alleged, due largely to the Soviet policy of "planning from above." Such administrative measures by state organs are incompatible with the cooperative nature of collective farms, Venzher has asserted. Nor should the state plan the volume of marketable produce sold to the government organs inasmuch as the state does not plan and provide the collective farms with the material and technical resources that go into farm production. Venzher has further stated:

The nature of collective farm production corresponds more to the order of a free price realization on the market for the marketable produce. Hence the main regulator in economic relations between the state and the kolkhozy should be prices and the interplay of market forces.

These are strong words but in keeping with the courage of an economist who stood up to Stalin.

In Venzher's view, the role of the state in guiding agricultural production should be limited to such indirect influences as supervision of prices, credit, taxes, and the distribution of scientific and economic information.

Another economist on the liberal side, G.S. Lisichkin,³ maintains that farms should bargain directly with the state over the kind and volume of farm products to be delivered rather than the present system of accepting a centrally contrived list of the types and amounts of crops for delivery. Such a process, according to Lisichkin, would give free play to incentives and the market mechanism and thereby raise overall yields and adjust output to market demand.

These are revolutionary proposals which may explain why they have not been given wide publicity. The ideas, in fact, have been kept muted in the press. It remained for the Selskaya Zhizn feature article signed by three economists to flay the forces favoring a free market in agriculture and head off this economic heresy.

The hard-line economists (Kolesnev, Sokolov, and I. Suslov) denounced the suggestions for a free market and

- 3) The bargaining agencies, it is implied, are the kolkhoz unions. Lisichkin also denounced the sovkhos wage system whereby payments are made on physical output while the initiative and intelligence of the worker go unrewarded.

suspension of central planning as ideas whose implementation would be harmful to the entire economy, cause severe price rises, and promote profiteering:

Centralized planning for the procurement of farm products is imperative. The state is unable to relinquish the regulation of the supply of food and raw material for the people and industry.

The extended rebuttal of the liberal economists by the "hard-liners" offers no original or constructive counter-proposals. Their arguments are formulations of the standard party line on the primacy of central planning and procurement embellished with portions of the Brezhnev and Kosygin farm plan as promulgated at the March 1965 Plenum. Democratic centralism is made much of. Local initiative on the collective and state farms is given credit as an effective combination with central planning to maximize farm production and insure fair returns for the farms. Central planning and the division of socialist production in agriculture allegedly guarantee a farm against market fluctuations and makes its financial position more stable. Planning in agriculture in disregard of national requirements and its orientation on the "free" market would create disproportions between agriculture and industry, the article asserts. The liberal economists drew the wrong conclusion from the March Plenum, it is charged.

The "hazards-of-market-competition" myth is held out as a bogey in opposition to "democratic centralism" and is cited as the cause of many ills in the recurrent crises in capitalist economies. The article denounces Venzher and the liberal economists for "idealizing" the role of the free market with its price fluctuations, their stress on value indicators in production processes, and for inability to contribute to the solution of practical problems in the development of agricultural production.

As Libermann is generally recognized as the dean of industrial economic revisionists, so Venzher, at long last, may be accorded his due as the dean of agrarian policy pioneers. For a man who crossed swords with Stalin it is his rightful pride of place and no criticism from the "hard-liners" and the Ministry of Agriculture can deny him his niche. The seeds of the free market idea have been implanted and, like his proposal on the MTS machinery sale to the collective farms, could bear fruit in due season.