

CONSEIL DE L'ATLANTIQUE NORD  
NORTH ATLANTIC COUNCIL

EXEMPLAIRE

COPY

N° 175

ORIGINAL: ENGLISH D  
21st February, 1968

NATO SECRET  
WORKING PAPER  
AC/89-WP/245

SUB-COMMITTEE ON SOVIET ECONOMIC POLICY

THE DISCUSSION ON THE ROLE OF AGRICULTURE IN  
THE SOVIET ECONOMY

Note by the German Delegation

This note calls attention to the continuing unsatisfactory state of Soviet agriculture, using an article written some time ago by POLYANSKY to illustrate the point.

I.

2. In October 1967, D. POLYANSKY, Member of the Politbureau and First Deputy Prime Minister of the Soviet Union, published an article entitled

"On the Rôle of the Alliance between Workers and Peasants in the Reconstruction of the Present-day Village"

in the anniversary edition No. 15 of the Central Committee paper "Kommunist".

3. POLYANSKY's comments are of a fundamental nature. He does not confine himself to demanding an increase in agricultural production but at the same time develops a new, long-term economic policy whose aim it is to eliminate the differences between town and country and to raise the economic, social and cultural situation of the peasant to the level of the industrial worker. He states that the continuous mechanisation of agriculture more and more obliterated the differences between the working conditions of the farmer and those of the industrial worker and would finally lead to the transition from the agricultural collective property to socialised property.

4. POLYANSKY holds the view that a speedy development of the output by Kolkhoses and Sovkhoses is just as important under present circumstances as the continued development of industry. In this way, the disproportion existing between these two branches of the economy could be overcome and a proportionate development secured. This would be the only

NATO SECRET

way to establish the material-technical basis of communism; a highly developed agriculture was indispensable for the transition towards communism. Thus Lenin's legacy of an alliance between workers and peasants would be fulfilled.

5. POLYANSKY states that agriculture, which had been deprived of the necessary means for dozens of years so that other branches of the economy could be built up, now lagged behind. According to him, this does not only apply to the "material-technical basis" of agriculture in the usual restricted sense, but also includes the entire Infrastructure. In POLYANSKY's view, Soviet agriculture should be enabled to meet the country's requirements of agricultural raw materials for food and industry. Not least, he supports the creation of processing factories and repair workshops in the Sovkhoses and Kolkhoses to increase labour productivity and secure higher wages.

6. In order to reach this ambitious economic and social target, POLYANSKY proposes the following measures:

- Redistribution of the net social product in favour of agriculture. Agriculture accounted for about one third of the net social product but much less than its share was expended on its needs;
- Continuous and substantial increase of state funds earmarked for agriculture, especially for investments.
- Price increases for agricultural products; this would bring them into better proportion to the prices for industrial products.
- Wage increases for Kolkhose farmers up to the level of Sovkhose workers and introduction of guaranteed wages.
- Substantial increases of state funds for the so-called "social funds" of the Kolkhoses from which old age pensions, social and cultural institutions etc. are financed.
- Admission of the Kolkhose farmers to the trade unions so that they could profit from the social benefits which are connected with this membership.

II.

7. In his sometimes critical statements POLYANSKY refers to BRESHNEV. This permits the assumption that he did not publish them without the latter's explicit approval. Although POLYANSKY expresses a certain criticism vis-à-vis the planning authority, the direction of the state bank and some ministries

-agencies which come under KOSSYGIN - it would be premature to draw the conclusion that profound differences of opinion in the field of economic and social policy exist between the Party and the state authorities.

8. The article can be interpreted in different ways:

Either POLYANSKY wishes to register the demands of the Sovkhoses and Kolkhoses for the time after 1970 and to appeal to the opposing forces, which are still strong, that they should in future toe the "general line"; or he addresses himself primarily to the rural population to show them that their importance and their claims are in principle recognized by the political leadership. That this did not lead to any practical result up to now may be attributed to the fact that in view of the general world situation - especially the tension in the Middle East and in South East Asia - the Soviet leadership was compelled to reduce the funds earmarked for agriculture and to increase military expenditures. For this reason the amounts originally earmarked for agricultural investments up to 1970 will, in fact, not be reached.

III.

9. Under the aspect of the progress and present state of Soviet economic and social development, POLYANSKY's article raises one of the central problems of the USSR. But what he demands for agriculture and for the introduction of more correct proportions between town and country in a "Communist society" is not new; the "new course" after STALIN's death, KHRUSHCHEV's policy and the Plenary Session of March 1965 are steps on the way towards the realization that the status of the rural population and of agriculture had to be changed thoroughly and fundamentally. However, most of the steps were too small to bring about any satisfactory solutions.

10. Thus the development of society has slipped to a great extent from the hands of the leadership: the population has been urbanized faster than planned in large areas of concentration; on the other hand, the standard of living of the rural population has improved much more slowly. Accordingly, POLYANSKY does not speak of changes in certain parts of the economy and society but of a general plan. This general plan can only be realized in the form of large-scale economic and social planning. If certain areas are to be made more accessible by modern means of transport, it is indispensable to improve the infrastructure. This would permit a reduction of population density in some congested industrial areas which, under many aspects, have grown too much.

NATO SECRET  
AC/89-WP/245

-4-

If non-agricultural enterprises were injected into the rural areas, the existing rural labour could be fully used. This applies especially to wide areas of the USSR where the vegetation periods are extremely short. One of the decisive errors of the industrialisation and collectivisation of the USSR - the destruction of family and small industries in rural areas - could thus be repaired.

11. Soviet agriculture will make every effort to raise the considerable lower production level compared with other East bloc countries by following POLYANSKY's programme which is to be realized within several Five-Year Plans. As far as the yield per hectare of grain, potatoes and sugar beets as well as the milk yield per cow is concerned, the average annual Soviet production from 1961 to 1965 ranged last or in one of the last places in the Soviet bloc. This result will probably be primarily due to the loco supplies of mineral fertilizers. In this field, Soviet agriculture - calculated per kg/ha of arable land - was lowest in the East bloc in 1966.

12. The difference of productivity per agricultural worker compared with the non-agrarian branches of the economy is particularly great in the Soviet Union. It is only one fifth of the performance of an industrial worker. This is one of the reasons why the USSR has a relatively low standard of living in comparison with other East bloc countries. If the standard of living in the Soviet Zone of Germany and the CSSR is placed at 100, it would be about 75 in Hungary and Poland, about 50 in Bulgaria and Rumania (according to Eastern sources). The USSR will probably lie somewhere between Poland and the South-Eastern European countries.

OTAN/NATO,  
Brussels, 39.

NATO SECRET