

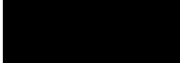
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16 March 1955

MEMORANDUM FOR: Assistant Director for Research and Reports



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SUBJECT : Communist China's Agricultural Failures

REFERENCE : 

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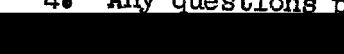
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1. Pursuant to discussions by 
 of ORR, it is requested that your office prepare a short study outlining Chicom agricultural failures. Examples of specific failures, and where available, admissions by Chicom leaders of weaknesses in the agricultural programs and program-
ming should be included.

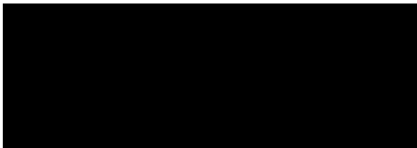
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2. The inclusion of a brief summary of the agricultural problems facing the Chinese, in terms understandable to the non-economist, is desirable. Also a listing of sources used in the study, as well as other sources to be consulted would be very helpful.

3. Other than in the brief summary, the study should contain as much unclassified information as possible, and especially that unclassified information which is freely available outside the continental United States. The security classification of all other information should be clearly indicated.

25X1A 4. Any questions pertaining to this request may be addressed to  on extension 8653.

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16 March 1955

THRU : Chief, Economic Research Area, ORR
: Acting Chief, Materials Division, ORR

Chief, Food and Agriculture Branch, D/M, ORR

Transmittal of ORR Project 21.678, "Bloc Agriculture Failures"

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1. The attached project is in response to a request from [redacted] for exploratory research regarding Communist admissions of failure in agriculture in the various Bloc countries. The information is presented per verbal instructions from [redacted]

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[redacted] and St/PR, ORR.

2. M/AG wishes to point out that an unusually large amount of information is available on difficulties being faced by the Bloc countries in their attempts to develop agriculture. Much information has been published by these governments since the advent of the "New Course" consumer goods policy which was inaugurated in many of the Bloc countries about a year and a half ago. The bulk of this material is readily available in the OCD Library. All of the FBIS Daily Reports are available on micro-film, except current issues which are in book form. FBIS Economic Abstracts from 1952 to the present are available in book or card form in the library. Issues prior to 1952 are available from the Record Center. Other publications, FDD translations, ORR projects, and so on, are also available in the library. Other sources of information are the Economic Plans Collection in the OCD Library, the Monthly List of Russian Accessions, and the East European Accessions List published by the Library of Congress, and various [redacted]. "Treasure Island," a collection of translations prepared for the Air Force by the Air Information Division of the Library of Congress, might also prove helpful. In any event, there is plenty of information, and the amount of time spent in extraction and compilation could be excessive. The Food and Agriculture Branch wishes to offer further assistance, but the combination of an already overloaded schedule and lack of personnel will force M/AG to severely limit its support until sometime in the next fiscal year.

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3. Requests for further information may be directed to [redacted] M/AG, extension 2791.

[redacted] 25X1A

Attachment

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[redacted] X-2791.

ORR Project No. 21.678, "Bloc Agriculture Failures"

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1. General.

As requested by [redacted] outlined below are examples of Communist admissions of failures in agriculture. The failures include those due to natural causes as well as those which might be blamed on the poor administration and management of the various Communist regimes. The information presented has been limited to the period mid-1953 to March 1954, although much data exists prior to 1953.

Because this was to be an exploratory study, information pertaining to every level, national, provincial, and local, is shown. M/AG believes that information from the local level is oftentimes more accurate than that from the national level since observations which can be easily made by the local populace act as a check on statements by local administrators. On the national level, severity of difficulties can be minimized or camouflaged. Indirect admission of failure should also be considered. For example, results reported one year may be extremely favorable when compared to the previous year. Sometimes no direct admission of shortages is made, but the situation is explained by saying that the supply is not equal to the increased demand brought about by a rise in living standards under the Communist rule.

Examples are presented by each major area of the Bloc. It will be noted that the primary sources of most of the data given are Bloc publications, newspapers and magazines, which are unclassified, and radio broadcasts, which are also unclassified, or occasionally, for official use only.

2. USSR.

a. (National level) Decree by Central Committee CPSU, "On Measures to Further the Development of Soviet Agriculture." [redacted]

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Numerous citations of failures in Soviet agriculture are given in this decree, covering various sectors in the agricultural economy such as livestock industry, potato and vegetable growing and so on.

"The development of stockbreeding is in a particularly unfortunate way... The number of cows in the country up to the present time has not reached the prewar level by 3.5 million head, and compared with 1928 has decreased by 8.9 million head... Productivity of cattle is low, losses from cattle plague are great... The fodder base for stock breeding in collective farms is poorly developed; there is little good hay, silage, root fodder, and potatoes. Shelter facilities for cattle are unsatisfactory.

"The serious lag in production of potatoes and vegetables is a great drawback in development of agriculture.

"On many state farms the harvest of crops and the productivity of livestock are low. Bad management is tolerated, there is heavy unproductive expenditure and over-expenditure of money and materials, and production costs are very high.

"Owing to untimely and poor tending of grain, oil-bearing, collective and state farms lose a great deal of agricultural production."

b. (National level) Khrushchev's report at the plenary session of the Central Committee of the CPSU, "on the further increase in the production of grain in the country and on the reclamation of virgin and idle land." [REDACTED]

[REDACTED] STATSPEC

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"Flax cultivation is in an intolerable state of affairs. The area under flax cultivation on collective farms has slumped by 1/3 during the past 3 years. Its yields, and particularly the marketable yield of flax fiber and seeds, continue to remain exceedingly low. The material incentives for flax seeds have proved to be ineffective.

"The cost of state farm production is still very high."

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c. (National level) Decree of Central Committee of CPSU, "on Results of Spring Sowing, Tending of Crops, Harvest Preparations and on Ensuring Fulfillment of the Plan of Agricultural Produce Procurements in 1954." Current Digest of the Soviet Press, 11 August 1954, Unclassified.

"The struggle against agricultural crop pests and diseases is organized extremely unsatisfactorily, as a consequence of which the spread of agricultural crop pests and diseases has increased during recent years in a number of areas. One of the basic reasons for such a situation is the completely inadequate supplying of agriculture with insecticides."

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d. Khrushchev's report at Plenum of Central Committee CPSU. [REDACTED]

[REDACTED] STATSPEC

(National level) "As a result of protracted grain harvesting period up to 1/4 of the harvest on collective and state farms is being lost. In some cases these losses amount to even more than 25 percent."

(Oblast level) "In Krasnodar Krai (with favorable conditions for livestock breeding) the productivity of cows is exceptionally low and amounted, last year, to 1,290 kilograms against 1,530 kilograms in 1940 and 1,442 kilograms of milk in 1953. The 1954 plan for milk procurement and purchase was fulfilled only by 74 percent.

"In Kostroma Oblast the number of cows increased by 20 percent in comparison with 1949 but the production of milk decreased by 10 percent."

(Local level) "Collective farms in Shkiryatovsky raion in Tula Oblast receive from one egg-laying hen 6 to 16 eggs per year on the average. In the raion as a whole 340 eggs are being produced from each 100 hectares, in other words 3 eggs per hectare. Each egg here is not an ordinary, but a golden one."

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(National level) "Last year state farms failed to fulfill their plan for an increase in number and productivity of cattle and sheep. Milk yields per cow have increased per year by only 12 kilograms instead of the 220 kilograms envisaged in the plan. The increase in weight of fattened pigs and wool clippings per sheep have even decreased in collective farms in many oblasts as compared with 1953."

3. China.

a. (National level) Report on the work of the government made by Chou En-lai, Premier of the People's Republic of China, at the September 23 meeting of the first session of the First National People's Congress. [REDACTED]

[REDACTED] STATSPEC

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Scattered through this rather lengthy speech are references to difficulties being encountered in agriculture, with the floods in the Yangtze and Huai River basins being blamed for non-fulfillment of agricultural production plans. Agricultural production is admitted to be "backward," and "because the acreage under cultivation is still not large enough, [the] peasants still live at a rather low level."

b. (National level) Chen Yun's statement at the September 23 meeting of the First session of the First National People's Congress. [REDACTED]

[REDACTED] STATSPEC

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This statement on the consumer goods position also refers to the recent floods, and states that the "supply cannot meet the demand for daily commodities and consumer goods." After several comparisons of present output of various agricultural commodities with pre-World War II output, Chen Yun indirectly admits that shortages exist by saying that, "it is axiomatic that the reason why supply and demand failed to balance is not because of any reduction in supply, [but] because the demand increased still faster than the supply." Heavy exports of grain, meat, and oil-bearing crops are defended as

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necessary for industrialization, and it is admitted that "the rationing of flour,.....

and edible oil is not supported by all the people."

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25X1A c. (National level) [REDACTED]

[REDACTED] "Den Min Dih Pao editorial January 15 on spring plowing

said peasant production morale 'not very steady,' misgivings on part of peasants must be dispelled. Autumn plowing, collection of fertiliser not well done. In calamity and other areas, working cattle slaughtered. Fall planting of wheat and rapeseed delayed by late summer crop harvests." Unclassified.

Official Use Only: Comment: Spring planting comments most pessimistic since

CHICOM regime established. Regional papers state some peasants entering agricultural

producer cooperatives prefer sell cattle instead of investing them in co-op.....

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25X1A d. (Provincial level) [REDACTED]

[REDACTED] "Edible Oil Shortage in Canton (Kung Shang Jih Pao, pro-Nationalist, March

24, 1954). Dispatch from Canton. The Chinese Communists have been compulsorily buying up the peanut crops in Kwangtung for export to Russia for some time. As a result, there is an acute shortage of peanut oil, which is the principal form of edible oil in Kwangtung."

Article goes on to state that shipments from other areas were too small to meet requirements. The ration of peanut oil has, therefore, been further reduced in all parts of Kwangtung except Canton, where the Communists want to put up a false front for the benefit of overseas Chinese in Hong Kong and Macao.

e. (Local level) Source: State, Review of Hong Kong Chinese Press, 25 February 1954,

Unclassified. "Famine in North Kwangtung (Hsing Tao Jih Pao, pro-Nationalist, February 25,

1954). (Dispatch from Shiuwan) These are serious signs of famine in several hsien

in northern Kwangtung, including Kukong, Yingtak, Yungyun, Chingyun, and Yanfa. It is

estimated that at least 40,000 peasants in Kukong, Yingtak, Yungyun, and Chingyun are

"living on subsidiary food or on wild plants. Hundreds of them have died of starvation or food poisoning. This fact was admitted recently in the Communist 'North Kwangtung Nung Min Pao' (Peasants' Journal). The paper said that in December last year, about 900 peasants died of dysentery or malaria in some northern Kwangtung areas as a result of feeding on a diet of wild vegetation."

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f. (National level)

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"December 10 Jen Min Jih Pao in commenting on 1954 China grain production mentioned planned target soybean production fulfilled by 90 percent, 97 percent of 1953....."

Comment: This is first indication CONGEN has noted of soybean crop less than 1953.

Soybeans have been most important CHICOM export commodity.

g. (Local level) Source: CIA, FDD Summary No. 397, 25 February 1955, Confidential.

"Sweet-potato crops flooded--Peiping, Jen-min Jih-pao, 4 January 1955. Because of rain and snow, sweet-potato crops in some areas have been flooded, resulting in broken vines, rotting, and freezing. According to the statistics of 18 hsiens and shih in the Hsu-ch'ang, Hsin-yang, Nan-yang, and Shang-ch'iu special administrative districts of Honan, 75,150 plants have been flooded and 7,657 broken." Report goes on to mention damage in other areas.

h. (National level) Source: CIA, FDD Summary No. 397, 25 February 1955, Confidential.

"Ministry of Food Urges Wages Protection of Grain--Peiping, Jen-min Jih-pao, 4 January 1955. The Ministry of Food has issued a directive to grain departments on all levels urging the reduction of moisture content and the extermination of harmful insects in stored grains." Mention is also made of the shortage of granaries and warehouses, the lack of warehouses, the lack of experience in the storing of grain, and it is stated that "during 1954, in some areas, new grain infested with insects was put into granaries, often resulting in severe damage to old grain." Extreme vigilance is to

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be exercised "against the possibilities of enemy elements sabotaging granaries and burning grain."

i. (Provincial level) Source: CIA, FDD Summary No. 397, 25 February 1955,

Confidential.

"Oil production to be increased in Chekiang--Tientsin, Ta Kung Pao, 27 August 1954.

The oil-processing industry [edible oils] is still unable to keep up with the growing demand resulting from the rising standard of living among the people."

j. (National level) Source: FDD Summary No. 397, 25 February 1955, Confidential.

"National State Farms Conference--Peiping, Jen-min Jih-pao, 4 January 1955. A

review of the achievements of the state farms, with the admission that "there is still much disparity in results on the various farms, and numerous weaknesses in management and production methods."

k. (Local level) Source: FDD Summary No. 397, 25 February 1955, Confidential.

"Kiangsu Hog-Purchasing Station Sets New Record--Tientsin, Ta Kung Pao, 21 August

1954." Article praises the Chiang-min hog - purchasing station in Kiangsu for care in handling animals it buys.

This record is compared to "the deplorable situation with respect to the health of hogs coming on the market in Canton. During the first 6 months of 1954, 13.14 percent of the hogs slaughtered by the Municipal Food Products Company were unfit for sale as food. From 1 to 16 June, an average of 23.2 percent were unfit for food, and on 2 June the number reached 42 percent. Eighty-two percent of the hogs slaughtered at the north slaughterhouse are diseased and some days all the hogs are diseased."

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4. European Satellites.

a. (National level) [REDACTED]

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"On account of unfavorable weather in the autumn and winter, the autumn-sown crops have suffered much damage. Moreover, some of crops sown last autumn were put in the soil after unsuitable primary crops." (Hungary)

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STATSPEC b. (National level) [REDACTED]

[REDACTED] "The yield of wheat and rye is not, however, satisfactory: It is no higher than the average for many years." (Hungary)

c. (National level) Resolution of the Central Committee of the Hungarian Workers Party. [REDACTED]

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Several references to agriculture, including the following: "Agricultural production fails to live up to requirements. Particularly backward is the situation as regards the crop yields of bread grains and the development of the breeding of horned cattle."

d. (National level) Comment by Szabad Nép on the Report of the Central Statistical Office of Hungary on fulfillment of the 1954 National Economic Plan. [REDACTED]

[REDACTED] STATSPEC

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The editorial notes that "the collection of agricultural produce is not proceeding satisfactorily, and that there is a considerable slackness in discipline in connection with deliveries. Agriculture did not fulfill the produce-collection plan completely; there was a lag in the fulfillment of the wine-collection plan, too." The editorial adds that "the latest figures for January show that deliveries of pig quotas are also proceeding slowly...."

e. (National level) Address by Zenon Mowak, before the Second Plenum of the PZPR Central Committee at the July 2-3, 1954 meeting in Warsaw. [REDACTED]

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"Mowak soundly criticized [Polish] Party organs for their failure to assume the guidance and control of the problem of increasing farm output and for having permitted the farmers to fail to fulfill their livestock and milk delivery plans during the first six months of this year. He also criticized the state machine stations for their failure to cooperate fully with the State and collective farms and the machinery and chemical industries for their failure to provide sufficient supplies and maintain sufficient distribution of fertilizers and farm machinery."

f. (National level) Extracts from speech by Polish Prime Minister, Bierut to the Second Congress of the PZPR on March 10, 1954. The speech deals largely with progress (or lack of it) under the Six Year Plan. [REDACTED]

[REDACTED] 25X1A

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Criticism of agriculture includes the following statement: "Whereas in the period 1950-53 industrial production increased by 118 percent, the agricultural production increased by only 10 percent. The comparison between these figures proves the excessive lagging behind of agriculture, and also that the discrepancy between the development of industry and agriculture has assumed a serious character, breaking down the further development of the national economy. The development of agricultural production not only failed to fulfill the tasks of the Six Year Plan but the last four years displayed numerous faults and shortcomings."

g. (National level) Summary of speech delivered by Premier Sivoky at the recent meeting of the Central Committee of the Czechoslovak Communist Party. [REDACTED]

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[REDACTED] STATSPEC

This speech is primarily concerned with a review of the present situation and plans for future development of Czechoslovak agriculture. Problems regarding animal husbandry

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are referred to as "serious," and it is stated that previous solutions to these problems have been unsatisfactory. Mechanization is proposed as "the essential means of eliminating the lagging of animal production." Attention must be given to fodder crop production.

h. (National level) Speech by Premier Sivoky at the Czechoslovak Communist Party Congress. [REDACTED] STATSPEC

"Substantial" increases in agricultural production are called for. Shortages of meat are admitted. The number of swine and sheep has increased, but beef and dairy cattle have decreased "as a result of the shrinkage of the size of herds kept in the border regions." The output of milk has gone down. Other difficulties are mentioned.

i. (Local level) Source: CIA, FDD Summary No. 384, 14 February 1955, Confidential.

Rumanian publication, Steagul Rosu (Bucharest), 26 November 1954, criticizes a livestock breeding station and state farm which neglect proper care of livestock.

j. (National level) Source: CIA, FDD Summary, 14 February 1955, Confidential.

Polish publication, Trybuna Ludu (Warsaw), 3 January 1955, notes that "reports from all wojewodztwos [provinces] indicate that not all compulsory deliveries of livestock were completed by 1 January 1955."

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