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NSC BRIEFING

11 March 1954

- Cent. Com CPSD

SOVIET DECREE INDICTS AGRICULTURAL FAILURES AND ATTACKS LAGGING GRAIN PRODUCTION

I. Major points in 2 March decree.

A. Cristian

program.

B. attack on inadequate grain production.

A

Reverses Malenkov and Khrushchev ONGICAIN position of last fall.

- II. Decree lists failings of general agricultural program.
 - A. Livestock and fodder program lagging.
 - B. Industry fails to produce sufficient agricultural equipment.
 - C. State Planning Commission censured for misguiding agricultural production.

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- III. Decree specifies failures in grain production.
 - A. Yields are deficient and acreages less than in 1940.
 - B. Production behind requirements of population and "growing export needs."
- IV. Grain deficiency reflected in shifting Soviet trade pattern.
 - A. Grain exports fell sharply in 1953.
 - 1. Shipments to UK only 10 percent of 1952 but USSR substitutes large gold sales.
 - B. Export of grain counted upon to play major role in a projected Soviet trade expansion with the West.

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- V. Remedies proposed by decree.
 - A. Planting of over 30,000,000 acres of marginal land in next two years.
 - B. Transfer of technicians and at least 100,000 laborers to new
 - 1 ands this year.

 C. Plans to mercure State procurement by 35-40% over 1954

 But success of these measures
 - 5. But success of these measures limited by unfavorable soil and climate conditions.

VI. Implications

- A. Disappointing progress of agricultural program threatens entire consumer goods program.
- B. New emphasis on grain production indicates difficulty in supplying alternative exports to finance increased imports.

C. Criticism directed both at
Gosplan, headed by Saburov,
considered Malenkov protege,
and party mechanism, headed by
First Secretary Khrushchev.