

50X1-HUM

INFORMATION REPORT INFORMATION REPORT

CENTRAL INTELLIGENCE AGENCY.

This material contains information affecting the National Defense of the United States within the meaning of the Espionage Laws, Title 18, U.S.C. Secs. 793 and 794, the transmission or revelation of which in any manner to an unauthorized person is prohibited by law.

CONFIDENTIAL

50X1-HUM

COUNTRY **USSR** REPORT [redacted]

SUBJECT **Analysis of the Internal Contradictions of the Soviet System and Reorganization of the Machine-Tractor Stations** DATE DISTR. **15 Feb 60**

NO. PAGES **1**

REFERENCES [redacted] 50X1-HUM

DATE OF INFO.
PLACE &
DATE ACQ.

[redacted]

THIS IS UNCLASSIFIED INFORMATION

[redacted]

[redacted] a 132-page, English-language analysis "Of the Internal Contradictions of the Soviet System and Reorganization of the Machine-Tractor Stations."

The report is UNCLASSIFIED and contains the following Table of Contents: 50X1-HUM

	Pages
1. Internal contradictions and organization of production	1-11
2. Khrushchev's political orientation toward Leninism and reorganization of the MTS	12-30
3. Farm production rates of growth, productivity of labor and reorganization of the MTS	31-50
4. Saturation of farm production with technical equipment, land tenure and reorganization of MTS	51-84
5. Unevenness of development and unequal exchange Accounting with peasants for farm products and MTS reorganization	85-132

[redacted]

STAT

- end -

[redacted]

50X1-HUM

CONFIDENTIAL

STATE	ARMY	NAVY	AIR	FBI	AEC					
-------	------	------	-----	-----	-----	--	--	--	--	--

INFORMATION REPORT INFORMATION REPORT

ANALYSIS

"On the internal contradictions of the Soviet System and reorganization of the machine-tractor stations"

CONTENTS:

	Pages
1. Internal contradictions and organization of farm production	1-11
2. Khrushchev's political orientation toward Leninism and reorganization of the MTS	12-30
3. Farm production rates of growth, productivity of labor and reorganization of the MTS	31-50
4. Saturation of farm production with technical equipment, land tenure and reorganization of MTS	51-84
5. Unevenness of development and unequivalent exchange. Accounting with the peasants for farm products and MTS reorganization	85-132

Please copy



STAT

THE INTERNAL CONTRADICTIONS OF THE SOVIET SYSTEM AND
THE REORGANIZATION OF THE MACHINE TRACTOR STATIONS.

The purpose of this essay is to analyze the main arguments developed by Khrushchev in his speech before the Session of the USSR Supreme Soviet on 27 March 1958 "On the further development of the collective farm system and the reorganization of the machine-tractor stations" in the light of internal contradictions peculiar to the Soviet farm production system.

1. Internal contradictions and organization of farm production.

It has become quite plain today that the policy of the CPSU as applied to organization of farm production and the Soviet regime's dealings with the peasantry has favored the development of a lingering farm crisis which is manifested by a lack of bread and the products of life-stock breeding for the population.

The uneasiness and the haste with which the present CPSU CC staff has been implementing organizational measures during the past few years bears out the fact that the Central Committee of the CPSU is aware of the whole trouble "on the kolkhose construction front" and realized that "there is a limit to the people's patience".

In the relatively short period of his party leadership (since October 1953), Khrushchev is now carrying out his third major organizational drive ~~which~~ designed to overcome the farm crisis and normalize farm production.

These measures are:

Increase of fixed prices for farm products (cattle-breeding and agricultural products);

Expansion of cereal crop acreage by reclamation of virgin and fallow land (36 million hectares);

Reorganization of the Machine-tractor stations and transfer of ~~the~~ farm-machinery to kolkhose control.

So far, Khrushchev has been busy carrying out these measures with great propaganda fanfare and promises the people "land flowing with milk and honey" in the not too distant future.

Khrushchev's first two measures (increase of fixed prices and reclamation of ~~fixed~~ virgin land), as shown by facts, failed to give the expected results. The state of supply of grain products needed by the population remains unsatisfactory, but the lack of grain fodder required for cattle-breeding is catastrophically great:

While the country's requirement for grain output was set ~~in~~^{to} the volume of 11 billion poods (Decision of the 20th Congress of the CPSU - "Pravda" of 15 February 1956), garnered harvests of grain products for 1956 and 1957 did not exceed 7,0 and 6,0 billion poods, i.e. requirements were covered by 55 - 65%.

A lead article (an editorial) appearing in the USSR Academy of Science journal "Voprosi ekonomiki" and dedicated to MTS reorganization problems (Journal "Voprosi ekonomiki" No. 3, March 1958, article entitled "Discussion of the theses of Comrade N.S. Khrushchev's address"), gives the following appraisal of the situation with regard to ensuring the country's supply with agricultural food products:

"The day when the country's requirements for farm products will be fully met and completely adequate reserves established is not far off."

(Journal "Voprosi ekonomiki" No. 3, 1958, page 13).

In other words, the basic economic journal of the USSR confirms the fact that the country's requirements in 1958 have not been met, that the needed reserves have not been created and it refers again "to the near future", when this task will allegedly be accomplished.

What is wrong - why is it that in such a rich farm country like Russia

the people, for the past 4 decades of Soviet rule, always remained underfed because of a lag in production of grain and cattle breeding output?

The search for an answer to this question must be centered on these contradictions which are inherent in the Soviet State monopolistic capitalism and which have become very much apparent in the organizational structure of the state kolkhose monopoly. The reorganization of the economy of the Russian village on the principles of collectivization served party political interests and provided for the development of excessive communist ultra-imperialism, it served as a source of nourishment and upkeep of an enormous parasitic government machinery - army, party and officialdom. At the same time, however, this collectivization, based on economic and political coercion over the peasantry, led to the result that bureaucracy became the destiny not only of state administrative organs but all kolkhose lands as well. The economic and political bondage introduced by the CPSU with regard to the kolkhose peasantry choked off all initiative on their part, any desire for productive labor. The peasantry, placed in conditions of economic expropriation and unequal exchange between "town and village" (low fixed prices for agricultural products and high prices for industrial goods), in conditions of forced labor and lack of a free market (freely balanced prices), entered the path of covert opposition and sabotage.

The party (CPSU) is interested in safeguarding "the might of the communist empire" and therefore it is interested in the preservation of the kolkhose system which provides for an enormously high degree of peasant exploitation and robbery.

The kolkhose peasantry cannot and does not want to put up with the terror exercised by the party - with conditions of forced labor, unequal exchange, robbery and starvation living. Furthermore, the peasantry does not

want to work "for the uncle, for the party" and resists with all means available, but mostly by sabotage of production work alone.

This is the basic contradiction in the Soviet system of monopole state capitalism as it applies to farm production; it is also accompanied, of course, by various other political factors which impede its development.

In Khrushchev's last farm policy speech "On the reorganization of machine-tractor stations", he gives a fairly vivid analysis of the peasantry's above-noted lack of interest to increase production activity under the kolkhose system and its tendency towards sabotage of "party and government measures".

In his speech, Khrushchev gives the following description of the kolkhose peasantry's attitude towards production increases and illustrates it with an example from his own experience:

" One day in 1945 comrade Stalin asked me how things were going in Kalinovka, my native village, how well the people lived there. I replied they did not do too well. So he advised me to go to Kalinovka and help the kolkhosniks, my countrymen.....

It happened that just then our forces were demobilized and a lot of military property was released by military units. I called the military and asked whether they couldn't ship to Kalinovka a few horses, yokes, vehicles as well as a number of tractors for the MTS of this district. The military people were quite willing to help the kolkhose and sent horses, yokes and other things to the village without charge. Do you think the kolkhozniks were glad?! No. They took a look at the horses and said: So we should have to look after them too, they got to be fed! And why did the kolkhozniks refuse to take them? Naturally because their work at the farm was poorly paid and under those circumstances the kolkhozniks saw no means to quickly raise the national economy and their welfare."

(N. Khrushchev, speech given before Supreme Soviet Congress, "Izvestiya", 28

March 1958, page 3, column 2,3.) -4-

Even in his native village, Kalinovka, Khrushchev had no success with his "organizational" measures to raise kolkhose productive output. Collective farm workers reacted with "sabotage", they replied they had no desire to work "for the uncle, for the party". Besides, it must be assumed that in reality their reply was a bit sharper than that quoted by Khrushchev at the Congress of the Supreme Soviet.

Be that as it may, what Khrushchev found expedient to ~~my~~ say is significant enough. The peasants refused to take the horses without charge only because "they have to be looked after, they get to be fed"!!

The Soviet press cannot conceal the facts of passive resistance among the kolkhozniks, which is expressed by evasion of work schedules and other forms of opposition to the forcible communist methods of production organization. For instance, the journal "Voprosy ekonomiki" (Problems of Economics) states that in the richest farm area of the country (Krasnodar Region) the kolkhozniks of the Krupskaya collective farm worked off (in 1955 and 1956) 55-60% of working time, but in the ^{Budennyi} ~~Budennyi~~ collective farm only 70% of working time was covered when harvesting was in full swing. The journal states:

" On the average, the able-bodied member of ~~an~~ ^{the} artel charged with plant-growing at the Krupskaya collective farm (Krasnodar Region) in 1955 put out only 165 work-days, or 57% of working time; in 1956 the monthly average employment of a kolkhoznik amounted to 17,5 working-days, but during harvest of corn, hemp and other crops it amounted to 14 working-days only.

In the Budennyi collective farm, which is also located in this Region, the able-bodied artel member put out on the average 200 working-days per year, or 70% (counting 290 working days per year).

At the same time a considerable share of the corn and hemp crops remained unharvested causing great losses to the economy and greatly reducing the working-day (collective-farm pay-unit) load (in payments)."

(Journal "Voprosy ekonomiki" No. 8, 1957, page 152)

The example quoted by Khrushchev from "personal experience" is no exception, but rather the general rule. This is evident from the ever recurring delays in the collection of grain crop harvests which are continuously staged under the state kolkhose monopoly, which are staged "~~by law of nature~~ ^{by law of nature}".

In a speech Khrushchev made in 1955 before the January Plenum of the CPSU Central Committee, he stated that "up to 25% of the crop raised, in some cases even more than that, is lost as a result of harvest delays (grain products) in many collective and state farms" (Khrushchev's speech - "Pravda", 3 February 1955). Reports published by USSR statistical offices on grain crop harvests (for 1955, 1956 and 1957) show that no more than one third of the harvest is brought in on time, i.e. within a 10-day limit; one third of the harvest is collected with a delay of over 10 days and one third with a delay of over 20 days after the approach of full ripeness. Rough estimates point out, however, that grain losses amount to 40% of the crop raised when grain crop harvests are delayed for 20 days after approach of ripeness, which was also confirmed by Khrushchev in his speech at the CPSU CC plenary session. On the average ~~but~~ it must be considered that USSR collective and state farms lose 25% of the crop raised due to harvest delays, which, expressed in kind, amounts to 1,5 - 2,0 billion poods of grain (24-32 million tons).

One cannot believe, of course, that the total ~~figure~~ amount of harvest loss can be credited to peasantry opposition and outright sabotage of production schedules by collective farm workers, but it is quite evident that the major share of the loss is indeed due to this factor and the lesser share of the loss is caused by other factors resulting from unsatisfactory organization of production work in collective and state farms.

The grain problem in the USSR is the greatest "bottle-neck" in the whole economic structure of the country, not only by virtue of the above-stated factor of loss of a considerable share of the harvest due to tardy collection, but also of

other no less important ~~farm~~ economic factors, namely, unsatisfactory organization of sowing operations and the poor average (biological) crop capacity of grain products.

In order to illustrate the facts outlined above we shall quote an extract from Khrushchev's speech delivered at the 1954 February-March plenary session of the CPSU Central Committee, in which he described preparation for sowing and sowing operations by themselves in the following manner:

" According to a proverb - " A day swallows a year." In many collective farms, however, spring sowing takes 20-25 days, instead of 5-7 days...

In order to get a good harvest the full seed norm must be sown. This rule is being violated. Collective- and state farms, with the connivance of district committees and district executive committees, sow 80-90 kilograms of wheat, instead of 120-180 kilograms (per hectare), but this sharply lowers crop capacity...

They are hiding behind Williams' theory, his three-field system. They have turned three-field crop rotations into a dogma... Instead of applying Williams' teaching creatively, they started to turn it into a dogma, they tried to adjust it to the drought areas of the South, spread it over the entire area of our immense Soviet Union...

Who does not know that there is no more effective and faster acting means to raise crop capacity than fertilizer, but at the same time scandalous mismanagement is being tolerated in this matter. It was estimated that collective farms may have about 500 million tons of manure and other local fertilizers per year, which is approximately equivalent to 35 million tons of mineral fertilizer. Less than half that much manure is carted out to field. Peat is hardly used at all as fertilizer. Production of mineral fertilizers, so far, has been low. But even what is there, is used poorly. Mountains of mineral fertilizers are left exposed to the open sky at warehouses

and goods-stations for a long time, thereby losing their quality. This is intolerable. Finally, let us consider the damage caused by cattle trampling grain. Quite often, cattle and fowl graze ~~throughout the winter~~ right on collective farm winter crops throughout the fall season. Everybody knows perfectly well that this does irreparable harm to crops, everyone knows it and still he looks at this disgusting picture without a protest. ^{Should} ^{be} ~~Maybe~~ the government ~~is~~ required to come out with instructions on this matter else?.....

Disgraceful things are going on at the Ministry of State Farms... These "ploughmen" have lost the feeling of responsibility for the job entrusted to them.. they are a burden to the government and scream: "We ploughed also". They don't know and they don't care how the economy should be managed. This is a disgrace which must be taken care of as soon as possible ! If lands are tilled which are not used as stud farms, the country will get a lot of additional grain."

(N. Khrushchev, Speech delivered at CPSU CC Plenum on 23 February 1954, "Pravda" of 21 March 1954. Italics by author).

The examples referred to and statements made by Khrushchev in his speech, describing the state of affairs in the organization of farm activities in collective farms and (horse-breeding) state farms, speak for themselves: ^{lack} and very clearly demonstrate the ~~lack~~ of the peasantry's concern for the ^{property} improvement of production organization on terms of government ownership.

Khrushchev declares that spring sowing extends over 20-25 days, instead of 5-7 days, and that 80-90 kilograms of wheat are sown to the hectare, instead of 120-180 kilograms. What does that mean, however? Without a doubt, at the bottom of it all lies the indifference of the peasantry which prevents correct labor organization.

In his speech, Khrushchev broaches the subject "regarding grassland crop rotations and Williams' theory". He states that "introduction of grass-land crop rotations, without due regard to the peculiarity of the separate

areas of the country, is thoughtless, uneconomical and trite, that Williams' teaching was turned into "dogma". One cannot but agree with Khrushchev's arguments. But who is to blame for it, why has such a situation arisen? It is quite apparent that this fact also reveals the peasantry's disinterestedness in production work.

It may be ^{useful} ~~important~~ to note that fodder grass cultivation has been taken up in the Soviet Union on an exceptionally large scale, since the Soviet Union commands huge areas of natural pasture land and meadows. According to Soviet statistical data, 35,7 million hectares, or 19,2% with respect to the total area under grain crops compared with 3,3 million hectares under grass crops in pre-revolutionary Russia, or 2,8% with respect to the total area under grain crops, were covered with grass crops in 1955. (Statistical Collection "Narodnoye khozyaystvo SSSR", issue 1956, pages 106 and 107).

The extension of acreages under grass crops also produced striking after-effects ~~which~~ as the result of coercion and systematic "commandeering" of kolkhose productive labor depriving the peasantry of individual initiative. This also led to useless waste of labor and material resources and huge losses to the national economy.

The drop in productivity of productive farm labor under the state collective- and state-farm monopoly is no less clearly shown by the example given by Khrushchev regarding the use of fertilizers. Khrushchev states that "collective-farms can turn out 500 million tons of manure and local fertilizers per year, which is equivalent to about 35 million tons of mineral fertilizers. But less than half that amount is carted out onto the fields.

In this example of Khrushchev's regarding manure spreading on the fields one cannot but see the ~~disinterestedness~~ ^{disinterestedness} of the collective farm peasantry to increase crop capacity (under state monopoly of the land, over the tools of production and farm labor output).

This statement by Khrushchev is of special interest in connection with the appraisal of the total balance of fertilizers. Approximate estimates show that compared to pre-revolutionary Russia about 500-600 million tons of manure yield per year has dropped from the total balance of fertilizers, which is due to the drop in the horse population and meat cattle. For that reason (reduction of the yearly manure yield) only half of the amount collective farms have available can be taken out to the fields. Characteristic in this respect (loss of interest on the part of the peasants) is Khrushchev's statement to the effect that "mountains of mineral fertilizers are lying around in goods-stations, they are not picked up fast enough and the fertilizers lose their strength." ^{This} ~~It~~ happens at a time when the production volume of mineral fertilizers in 1956 reached merely 10,9 million tons and plans call for raising ~~this production~~ ^{by} ~~to~~ 1960 to 19,6 million tons (Journal "Voprosy ekonomiki" No. 8 of 1957, page 64).

Therefore, when applying the equivalent ^{rate on} ~~ratio~~ manure vis-a-vis mineral fertilizers, as cited by Khrushchev, it becomes utterly clear that the reduction in manure stocks compared with pre-revolutionary Russia was not even compensated by one third by output of mineral fertilizers (the amount ~~remaining~~ ^{destined for} ~~the fields~~ was reduced to 500-600 million tons, which is equivalent to 30-35 million tons of mineral fertilizers, but the total output of mineral fertilizers in 1956 reached only 10,6 million tons).

In his speech, Khrushchev "angrily pounces" upon collective stud-farms, charging their management with "inability and reluctance to run the economy as it should be run". But there is sufficient reason to assume that the "shame", of which Khrushchev speaks, covers not only horse-breeding state-farms, but the majority of collective farms in the USSR as well (see page 8).

The facts outlined above which describe specific organizational aspects of farm production under collective-farm and state-farm monopoly conditions prove

that the basic factor causing productivity decline in land-tenure in the USSR is no other than the peasant's loss of personal interest in work, which has also led to the critical situation not only in the field of grain production but in the cattle-breeding output as well.

Of course, one cannot but admit that one of the factors contributing to the reduction of productivity in farm production is the alienation (separation) of the means of production from the producer, which found its expression in the organization of machine-tractor stations, independent in their activity from the collective-farms, but this factor was only one of many in the general chain of "causes and factors", impeding the development of farm production under ~~the~~ Soviet State monopole capitalism.

Collective-farm peasantry opposition to exploitation by the State and insignificantly low pay, opposition to the State "collective-farm corvée" and to compulsory removal of the output of the peasant's labor has taken ~~wide~~ ^{deep} roots. By means of various organizational measures, which also include reorganization of the machine-tractor stations (MTS), Khrushchev attempts to stifle this opposition, but Khrushchev's measures do not go very far since they do not abolish the collective farm system with its many forms of coercion and for that reason Khrushchev's entire remedial complex is no more than a palliative and cannot radically change the situation.

Therefore it must be assumed that the farm production lag behind the country's requirements and the low efficiency of the collective farm peasantry's labor will not be eliminated in the future, either.

Communist ideologists, and along with them also Soviet economists-
actually
researchers, ~~incommensurate~~ got themselves "entangled in contradictions", which are inherent in the system of state monopole capitalism itself. They always find fault with the countries of democratic capitalism looking for "defects" and basing their charges on Marxist principles. In the meantime they overlook the fact

that it is just in the Soviet system of monopoly capitalism where these "defects" are found.

The truth is that the contrast between town and country has greatly widened during the epoch of Soviet monopolistic capitalism, peasant and farm exploitation has increased on an incredible scale and the gap in the levels of development of industry and farming along with it.

"THE LAG OF THE RURAL ECONOMY", Marx said, "IS NOT DUE TO THE NATURE OF THE SOIL, but it is due to the fact, that the SOIL DEMANDS DIFFERENT SOCIAL RELATIONS." (Marx, volume 3, 1936, page 233).

2. KHRUSHCHEV'S POLITICAL ORIENTATION TOWARD LENINISM AND REORGANIZATION OF THE MTS.

At the 20th Congress of the CPSU (February 1956) Khrushchev proved himself as a demagogue skilled in political intrigue, who knew how to take advantage of the increasingly difficult political situation. Khrushchev's politics may be described as "flexible course politics". The core of this political line is the "denigration" of Stalin and "return" to the "sources" of Leninism. There can be no doubt that the basic aim of this political line by Khrushchev is merely an effort to suppress the opposition to the aggressive policies of the CPSU which are pursued within the country through increased exploitation of the population and on the international scene by diplomatic pressure, political and economic expansion and the arms race. There is also no doubt that this "flexible political course" was designed to promote the weakening of the resistivity of the USA and as well as some Western countries.

True to type, Khrushchev also paints the MTS reorganization in the "colors of Leninism" and carries it out "under the banner of Leninism".

In his speech dealing with the MTS organization, Khrushchev cites

Lenin six times, quoting the latter's authority and theoretical postulates.

Khrushchev's references to Lenin are of interest with regard to the correct appraisal of Khrushchev's political course and understanding of the reasons for the MTS reorganization, which Khrushchev calls the "greatest and most significant event after collectivization".

In his speech Khrushchev refers to Lenin in the following manner:

1. "Vladimir Il'yich Lenin has stressed repeatedly that during the struggle for the triumph of socialism, in line with the circumstances, it will become necessary to improve and change the forms of leadership, to reorganize the government machinery.

These instructions by Lenin will remain entirely valid even after the triumph of socialism...

2. Widely known are Lenin's instructions regarding the importance of modern technical development for the socialist alteration of the small-peasant country-side. In his lecture at the 8th Party Congress on party work in the village he said: "If to-morrow we could turn out 100,000 first-class tractors, supply them with gasoline, provide them with engineers (you know very well that all that is a pipe-dream so far), the average peasant would say: "I am for the commune" (i.e. for communism)."
3. True to the genial Leninist co-operative plan, our party, our government have created the machine-tractor stations in order to help the toiling peasantry to enter the path of productive farm co-operation and to consolidate itself on this path.
4. Lenin called productivity of labor the most outstanding, the most important factor for the triumph of the new social system. We must defeat capitalism and we will defeat it by greater productivity of labor and by a higher standard of living of the people. Appraising the role of machine-tractor stations under present conditions from this position, i.e. the position

to increase labor productivity, it must be admitted that the technical service of collective-farms as rendered by machine-tractor stations lags behind the demands made of them.... But this is only one side of the ^{story} ~~question~~. Not less important is the fact that the presence of two bosses on one piece of land leads to inferior utilization of technical equipment and the land itself.

5. Some of our people say: if we go ahead and sell tractors and other farm machines to collective-farms, we thereby consolidate kollehoze property and weaken state property, which is the highest form of property.

It is true that public property is the highest form of property. This is how Lenin understood it to be. But at the same time Lenin did not set off public property against co-operative property....

In working out his co-operative plan, Lenin held that cooperation has among us, thanks to the peculiarities of our regime, a quite exceptional meaning, that the development of cooperation under our conditions is identical ^{with} ~~in~~ the development of socialism....

Once more, in March 1918, Lenin wrote:

"The cooperative, as a small island in capitalist society, is a clique. The co-operative, once it embraces all society, in which the land has been socialized and factories nationalized, is socialism" (Collected works, volume 27, page 189)

6. After the victory of the Leninist collectivization policy, the recent reorganization of machine-tractor stations is the biggest and most important event in the building-up of socialist agriculture."

(N. Khrushchev, Speech delivered at Congress of USSR Supreme Soviet on 27 March 1958, "Pravda" 28 March 1958, Italics are the author's own)/

In his speech, dedicated to the reorganization of machine-tractor stations, as evident from the quotations cited above, Khrushchev strenuously "dresses himself up in Lenin's political coat" and he does this quite successively in order to stress

his political line, the "denigration of Stalin", which he proclaimed during the 20th Party Congress. But Khrushchev merely "dresses himself up", i.e. parades in Lenin's clothes, because in the basic questions of political-economic relations with the peasantry he fully preserves Stalin's political line, the edge of which is directed to the greatest possible exploitation of the peasantry. Through his organizational measures Khrushchev attempts to "rationalize" the economic status of farm production, quite properly discovering therein elements of regime consolidation and stabilization, but Khrushchev does not go any further and leaves the sources of coercion over the collective-farm peasantry unaffected. The same applies to the sources of "regimentation" and violence over the peasantry against which Lenin rebelled not only at the 8th Party Congress, but at other party congresses as well.

In order to size up the situation noted here we shall proceed to analyze the quotations and theses advanced by Khrushchev as well as Lenin's interpretation of the rural policy and his principal directives on questions of inter-~~relationships~~ relations with the peasantry.

First of all it must be admitted that Lenin's abstract allegation: "Turn over to the peasants 100,000 tractors and the average peasant will say: "I am for the commune"" has by no means been borne out during the 30 year old kolkhoze experiment. It may be that if tractors had been turned over to the peasants and not to the MTS, the peasantry would have been satisfied but in that case the Soviet regime would not have been a Soviet (communist) regime and neither Khrushchev would have come out at a Supreme Soviet congress with his promises to "improve", "raise to a new stage" as well as similar statements. From Lenin's speech at the 8th Congress (his speech "On work in the village") Khrushchev "dug up" the question regarding tractors, but this was not a cardinal, but rather minor question in Lenin's political ideas.

In his speech at the 8th Party Congress (the meeting took place between 18 and 23 March 1919) he called the meeting's attention to the inadmissibility of to submit the middle peasantry to a policy of "coercion" and "regimentation".

Quite clearly Lenin outlined his political aims in this respect in the following manner: Extracts from Lenin's speech:

" Much will depend on the manner of how we will determine our relation to the middle-peasantry. ... (page 300)

When we took over the regime, we leaned upon ~~the~~ all peasantry as a whole. At that time all peasants had only one task - the fight with the land-owners. But even today they are still prejudiced against big economy. The peasant believes: "If we have a big economy it means I will again be a hired man". Certainly, this is not so. But the idea of big economy fills the peasant with hate and reminds him of how the ~~landowners~~ landlords oppressed the people. This feeling has remained, it has not died yet. Most of all, we must be guided by the truth that as a matter of fact nothing can be gained here with violent methods. The economic task here lies elsewhere indeed..... To proceed with violence therefore means to spoil the whole cause. Extensive educational work is required here. We must give the ~~peasant~~ peasant, who not only in our country but all over the world, is a practical worker and a realist, concrete examples in order to show him that the "commune" is better than anything else. (page 303). Nothing is more stupid than even the thought of violence where economic relations are of the middle-peasant is concerned. The task here is not reduced to ~~the~~ expropriation of the middle-peasant, but to take into account the peasant's special conditions of life in order to find among the peasants the ~~most~~ attain the best methods needed to ~~organize~~ system of government and no one should dare to give orders. This is the rule which we have set for ourselves. (Applause from the entire congress. (Page 304).

The middle-peasantry in communist society will be on our side only then when we safeguard and improve the economic conditions of their life.

If to-morrow we could put up 100,000 first-class tractors, supply them with gasoline, provide them with engineers (you know that this is a daydream so far), the average peasant would say "I am for the communes" (i.e. for communism). (page 305,306).

(V. Lenin, Speech at 8th Congress of RKP(b) "On work in the village", Stenographic record of the 8th Congress of the RKP)b), published 1919, pages 300-306. Words underlined by the author).

Lenin's formulations show that he tied the question of supplying peasants with machinery (mainly tractors) to free initiative. In his speech, Lenin says: "To act with violence means to spoil the whole cause. ... There is nothing more stupid than the mere thought of violence in middle-peasant relations."

Therefore, Lenin's formulations leave us no doubt that he was the implacable foe of political-economic coercion and force towards the main strata of the (middle) peasantry. This political concept of Lenin was reflected in the program of the party which was accepted at the 8th congress. In the section "In the sphere of agriculture" Paragraph 10, point 5) of the program it was stated:

"point 5 support of farm communes, as entirely voluntary farmer alliances, for management of a large general economy."

Program of the RKP (b) - CPSU, accepted at 8th Congress. Stenographic record of the 8th Congress of the RKP (b), published 1919, page 350).

Meanwhile, in practice, the collectivization of the peasantry was carried out forcibly and the collective farms themselves were subjected to a form of state monopoly, but the ~~peasantry~~ peasants were turned into hired men of this monopoly (see page).

Khrushchev is very well aware of this status of the collective-farm peasantry and the contrast between the present conditions of the kolkhose system with Lenin's

political concepts, but, nevertheless, Khrushchev declares in his speech in the congress of the Supreme Soviet:

"Our party, our state has created machine-tractor-stations in line with Lenin's genial cooperative plan"etc.

(See page 14)

Consequently, Khrushchev avoids "inspection" of the collective-farm system, which is based on principles of coercion over the peasantry, i.e. in practice he leaves "Stalinism" ~~affirmation~~ in force and merely "hides behind Leninism", for to talk about "faithfulness to Lenin's genial co-operative plan" under modern state kolkhose monopoly conditions makes no sense whatever.

Of course, the creation of machine-tractor stations by itself did not run counter to Lenin's political concept, but the organizational forms of the collective-farm system and MTS in no way coincided with Lenin's outlines and likewise will not coincide with them even after Khrushchev's MTS reorganization and transfer of tractors and other farm machinery to the jurisdiction of the collective-farms themselves, because Khrushchev has no intention to revise Stalin's principles of farm production organization which are based on state monopoly and coercion over the peasantry in the sphere of not only political, but also of economic production activity.

In order to judge and understand Lenin's political course in the peasant question, not only his speech delivered at the 8th party congress, but also that delivered at the 9th party congress, dealing with the prosperous ("kulak") peasant group, is of interest.

At the 9th Congress of the RKP (b), which convened from 29 March to 4 April 1920, Lenin defines his attitude towards the then prevalent opinion of some people regarding "ways to nationalize kulaks" in the following manner:

"Some delegates said here: if capitalists have been nationalized, then why can't you nationalize kulaks? This ~~remark~~ argument has not been

met here with merriment in vain. Really, however we may feel about prosperous peasants not treating someone else's labor without exploitation, there are at the same time at least half a million and maybe even close to a million of them, so how can we nationalize them? That's a pipe-dream. For that we are not strong enough today."

(Lenin, Speech delivered at 9th congress of the RKP (b), stenographic record of the 9th Congress, published in 1920, page 344).

As apparent from the above working, Lenin believed that "nationalization of a million kulaks - is a pipe-dream". On the other hand, he remarks that "we are not equipped for that right now", so he pushes "nationalization of kulaks" aside to be taken up again at some indefinite time in the future.

Subsequent practical actions by Lenin, following the 9th Congress of the RKP(b), testify that Lenin made significant concessions to peasant demands.

Upon ~~after~~ Lenin's proposal at the 10th Party Congress (8-16 March 1921) ~~the~~ transition to the New Economic Policy (NEP) was decided upon.

The principal measures of the new economic policy, the measures taken by Lenin, were:

cancellation of food allotment and authorization to the peasantry for free sale of grain and other products, i.e. regulation of free marketing relations;

passage of currency reform and introduction of gold currency, i.e. regulation of an equivalent exchange for the peasantry's farm products with industrial products.

It must be assumed that internal conditions and the Kronshadt sailor rebellion had a certain influence in shaping Lenin's political decisions.

Encyclopedia Sovietica describes the political situation during the 10th Congress and Lenin's measures as follows:

"Agriculture provided only 55% of pre-war production. ^A ~~The~~ wave of Kulak

revolts rolled all over the country. The Basmach movement (a counter-revolutionary group) was stirring up things in Central Asia. To some extent the Kulaks even succeeded ~~in obtaining~~ to gain support from sections of the middle-peasantry.

On 2 March 1921 the counter-revolutionary revolt broke out in Kronshtadt. The 10th Congress of the Bolshevik Party met on 8 March 1921. It decided to adopt the New Economic Policy (NEP). On 19 March 1921 the VTsIK (All-Union Executive Committee) approved a law calling for ~~the substitution~~ substituting the production allotment by tax in kind. Free sale of grain and other products was authorized."

(Great Soviet Encyclopedia Volume USSR, page 666,667, issue 1948.

Italics are the author's).

The Kronshtadt rebellion started on 28 February and was suppressed on 18 March 1921, i.e. it took place while the 10th RKP(b) Congress was in session (from 8 to 16 March 1921).

In his speech at the 10th party congress^{LENIN} touched upon the Kronshtadt rebellion and drew from it the following conclusions:

Extracts from Lenin's speech:

" Now I want to dwell upon the events taking place in Kronshtadt. We must seriously weigh the ~~important~~ political and economic ~~important~~ lessons this event has taught us....

A petty bourgeois, democratic element has become manifest there, ~~flourishing~~ raising liberal trade slogans and always directed against the dictatorship of the proletariat.....

What is behind the slogan ^(of) liberal trade? It shows that there are so many difficult problems, so many tasks still to be solved in the relations of the proletariat and the petty farmers (Page 21,22)....

We know that only an understanding with the peasantry can safeguard the socialist revolution in Russia as long as no revolution has broken out in other countries....

We should not try to conceal anything but should say quite frankly that the peasantry is not satisfied with the form of relations which has been established in our country, that it does not want this form of relations and that it will not be that way any longer....

The job to reform the petty farmer, to reform his entire psychology and his habits, is a job requiring generations. Only a material basis, technical equipment, use of farm tractors and farm machinery on a massive scale, electrification on a massive scale, can solve the problem involving the petty farmer, only that can "cure", so-to-say, his entire psychology."Page 164, 165)

(V. Lenin, Speech held at 10th RKP(b) Congress, Stenographic record of the 10th Congress of the RKP(b), pages 21,22 and 164,165. (Author's Italics).

Lenin's statement to the effect that "the peasantry is not satisfied with the form of relations established in this country, that it does not want this form of relations", was made prior to Stalin's forcible collectivization implementation, but to a large extent this statement retains its validity also in the present conditions of the collectivized village.

Lenin says "reforming the petty farmer, his psychology and habits is a job requiring generations" and "only a material basis, technical equipment, use of farm tractors and machinery on a massive scale can cure his psychology".

Lenin made these statements when tractors for farm purposes could be counted by hundreds or maybe a few thousand. Since then (March 1921) almost four decades have passed by and what have we learned from Soviet experience?

Lenin's "dream" to turn over to the peasants 100,000 tractors and supply them with gasoline and mechanics was fulfilled by transfer of MTS tractors to collective and state-farms. By the end of 1955, according to Soviet statistical data, 844,000 tractors had been turned over to agriculture,

Therefore Lenin's wish concerning the supply of tractors to agriculture was overfulfilled by 14,5 times, but at the same time the USSR suffers a crisis in the output of grain products and life-stock production and Khrushchev tries to find means to increase production output and overcome the crisis. This situation compels us to believe that the point of the question in Lenin's discussion of the farm problem did not lie in the apportionment of tractors, as Khrushchev emphasized in his speech dealing with MTS reorganization, but rather in the free initiative of the peasantry, as expressed by Lenin in the words: "With forcible methods, as a matter of fact, nothing can be achieved", "There is nothing more stupid than the very thought of coercion where the middle-peasantry's economic relations are concerned." (See above page 16).

Lenin ~~also~~ abolished food allotment, but Stalin restored this "food allotment" in the form of compulsory deliveries of grain products and other produce by collective farms to the state.

Lenin "opened up" marketing relations and introduced free trade and liberally settled market prices, but Stalin introduced monopolistic forms of State trade and the dictate of State prices.

Also Khrushchev follows Stalin's path. The only "liberalization" in the sphere of economic policy led to abolition of compulsory deliveries of products harvested from personal plots in the recent past, but presently to reorganization of machine-tractor stations.

Lenin did not confine himself merely to the abolition of food allotment,

permission of free trade (freely balanced market prices) and currency reform, but he went considerably further and after the 10th Congress he even abolished socialization of the land.

This decree of Lenin's aroused defiance in many members of the party leadership of the Leninist era of government. This sentiment prevails in the speeches made by Osinskiy and Antonov-Ovseyenko, delegates to the 11th RKP(b) Congress, who made the following statements regarding the Leninist land reform at the 11th RKP(b) Congress:

Extracts from Osinskiy's speech:

" Let us discuss the agrarian question. In December 1921 we changed over to a new policy in the land question; this was a tremendous change which was publicized by us to the greatest extent possible. In this new agrarian policy we gave up socialization of the land, we set out on a "new tack". The question arises, has this matter been discussed in party echelons? I have requested the politburo to discuss the matter, - it has not discussed it.....

Comrade Lenin says that this was not necessary for general policy etc.etc. Comrades, policy in this sense is the design for our practical work, this is ^a ~~the~~ question that decides the fate of the revolution. Do we have the right to solve this question by any obscure manner? By no means at all!"

(Osinskiy, Stenographic record of the 11th RKP(b) Congress, issue 1922, page 77, Author's Italics).

Extracts from Antonov-Ovseyenko's speech:

" Kulak dominance is spreading in the villages, the Kulaks are beginning to buy up land from the poorest peasants; as a result conditions alien to our system are ~~being~~ taking hold and we must deal with them."

(Antonov-Ovseyenko, Stenographic record of the 11th RKP(b) Congress, issue 1922, page 69)

Osinskiy's and Antonov-Ovseyenko's speeches show that Lenin, on the strength of his power and authority, revised the agrarian policy of the party and abolished socialization of the land and that the peasantry took the "start to buy" land as abolition of nationalization.

It is quite clear that Lenin carried out his reforms under the pressure of the political situation in the country and the sentiments which prevailed among a wide segment of the peasantry. Lenin's reforms were carried out by him under pressure of internal events and the Kronshadt rebellion, which is evident from his speech delivered at the 10th Congress and the remark: "that the peasantry is not satisfied with the form of relations which has been established in our country, that it does not want this form of relations and that it will not be that way any longer". ((See above page 21). One cannot but admit however that Lenin even two years before the outbreak of the Kronshadt rebellion, i.e. at the 8th RKP(b) Congress, put the question regarding mutual relations with the peasantry on the plane of "economic concern for the peasantry" as the basic guiding principle in the party's policy for the village. At the 8th Congress he declared: "In communist society the middle peasantry will be on our side only then when we safeguard and improve the economic conditions of their life" (See above page 17).

At the same 8th RKP(b) Congress a speech "On the agrarian policy" was rendered by Kurayev in which he ^{gives} ~~interprets~~ his (and apparently also Lenin's) ^{middle-} appraisal of the state of mind of the peasantry and its attitude towards the policy carried out by the party:

Quotations from Kurayev's speech:

" Only thanks to the fact that the peasantry broke with the ~~bourgeois~~ bourgeoisie and during the October days stood on the side of the proletariat, made it its leader, took advantage of its fighting experience, only thanks to that it got the land, won and secured it for itself, boldly destroying the last remnants of

the feudal system in the village. (page 195)... But right after the peasantry had taken over the land and secured it for its own interests, a line of dissidence began to show ~~amongst the~~ ^{within} the peasantry, among certain of its layers. (page 196)....

Now I will shortly touch upon our agrarian policy in connection with the questions of relations towards the peasantry. Something must be given to the peasantry, the peasantry must be pacified somehow. The peasantry is dissatisfied, it protests, the middle-peasantry hates the communist party. If nothing serious ~~develops~~ develops from this fact right now, it is only because there are no forces to organize them." (page 205, 206)

(Kurayev, Speech "On the agrarian policy" delivered at 8th RKP(b) congress, Stenographic record of the 8th RKP(b) congress, pages 195-206 (Italics are the author's).

In line with Kurayev's remark made at the 8th Congress and Lenin's remark at this congress and subsequent congresses the question arises: Has the party been able to pacify the middle-peasant element through its later policy in the Stalin era?

In his speech Kurayev declares, that "something must be given to the peasants, peasantry must be ^{pacified} ~~satisfied~~ somehow. The peasantry is dissatisfied, it protests, the middle-peasantry hates the communist party. (see above).

Kurayev spoke of the middle-peasant's hatred for the communist party at the 8th RKP(b) Congress in March 1919. Almost 40 years have passed since that time, i.e. generations have come and disappeared.

Questions on the same plane as elucidated by Lenin at the 8th Congress and later at the 10th Congress (see pages 15 and 19) are raised. "The peasants are still prejudiced against big management", Lenin said. The peasant thinks: "if it's big management it means I am a hired-man again".

And what actually happened? The peasants proved themselves to be quite sagacious, because under the collective-farm system, of course, the peasant is a hired-man and nothing better. Lenin said that generations were required to ~~change~~ ^{revamp} the psychology of the petty farmer. Has this psychology been "revamped" since then. The critical situation in the output of grain products in the USSR and ~~life-stock~~ ^{ies} production justify the assumption, along with many other factors discussed above in connection with the appraisal of internal contradictions, that the CPSU has been unsuccessful for the past 40 years in revamping the psychology of the petty farmer in the USSR.

In this connection a comparison between Leninist and Khrushchevist measures would suggest itself: Kurayev declared that "something must be given to the peasants, the peasants got to be appeased". And Lenin "gave": abolition of food allotment, free trade with the products of peasant labor, abolition of the socialization of land.

Khrushchev's entire policy from the moment he took over the regime, essentially in the peasant question, in the government's mutual relations with the collective-farm peasantry, comes to one and the same formula: "something must be given to the peasants, the peasants got to be appeased." And Khrushchev gives: price-increases for laid-in farm products, change of the planning system and concession of greater initiative to collective farms, reorganization of machine-tractor stations and transfer of machine equipment to collective farms.

With regard to the above-said the question arises: Do Khrushchev's sops satisfy the peasant elements of the peoples of the USSR ?

To answer this question means to foresee the likelihood of further CPSU "meanderings" in the question of mutual relations with the peasantry, which is hard to do at present. It can only be said that Khrushchev's

measures are merely "sope" compared with the Leninist measures, and that means that the peasantry "is not appeased", and therefore the peasant problem will not be solved and the prosperity and "abundance" held out by Khrushchev will not be attained.

On this subject a few statements made by the former ~~xxxx~~ Yugoslav Communist Party ideologist Milovan Djilas are interesting. In his book "The New Class" he arrives at the following conclusions:

"...The conflict between the regime and the peasantry grew sharper as industrialization advanced and as authority and power of the new class increased... (page 69).

Stalin said in his time, on the eve of collectivization, that the question "Who will win?" had arisen even though the Soviet government had not met serious opposition from the politically and economically unorganized peasantry. The new class was not confident of its position as long as there existed any other property owners besides itself. It could not afford to risk sabotage in the food or agricultural raw material supply. This was the immediate reason for the offensive against the peasantry. ... (page 75).

The system as a whole inevitably leads to lack of interest on the part of the producers themselves, namely the workers (and peasants V.) The system also leads to low quality of output, drop in productivity, slow-down of technical progress and undue wear and tear of equipment. Communism continuously tries to raise productivity of individual workers, not counting, or almost not counting with the degree of labor productivity as a whole. (page 133)

(Milovan Djilas, "New Class", published 1958 in Russian by NRS.

Italics are the author's).

As evident from the extracts quoted above, Milovan Djilas comes to

the conclusion that "the conflict between the regime and the peasantry became more aggravated as industrialization advanced". Such a formula is not quite correct with respect to the USSR peasantry. The Kronshtadt rebellion of 1921, which reflected the mood of the peasantry, broke out even before industrialization was carried out and the subsequent peasant discontent which prevails even to this day is caused not only by industrialization but also by the policy of coercion which is based on depriving the peasantry of its right to ownership of the products of its labor, of the land and farm implements of production. We cannot believe that ^{this} policy of the CPSU was pursued solely in order to accelerate industrialization even though there is no question that industrialization also is a basic element of this policy since it assures "pump-over" of resources from agriculture to industrialization and ensures the armament drive. Dzhilas' thought will be correct if we expand it and understand it to mean that the USSR peasantry has gained least of all from industrialization, in spite of the fact that 500,000 tractors, 400,000 combines and other machine equipment have been provided for agriculture. Machinery, provided for farming, was not assigned (realized) as property to the peasantry and mechanization of farm activities was not accompanied by increased welfare of the producers. It is here also that we must look for the main roots for the drop in efficiency in the use of equipment and the drop in general efficiency of farm activities. Here also lies the main reason for MTS reorganization, as an effort to bring about an increase of efficiency in the use of farm production equipment in agriculture. Quite correct is Dzhilas' statement to the effect that "the system as a whole inevitably leads to a lack of interest on the part of the producers themselves." This statement is particularly true with regard to the peasantry which has been squeezed ^{into} ~~in~~ the clutches of the state collective-farm monopoly and which prevents it from doing freely creative work.

Dzhilas further states that "the Class could not risk sabotage in the supply of ~~farm~~ food products or agricultural raw material." To limit the aims of collectivization only by factors of "sabotage" by the peasantry in the supply of farm production would be incorrect since collectivization, as a main task, ~~served~~ ^{served} to deprive the peasants of ~~the~~ chances of "accumulation" and, on that basis, of peasantry rebirth as a strong political (massive) enemy and ~~the prospect~~ ^{the prospect} of restoration of democratic capitalism. Naturally, along with that, it also served the aim to eliminate "sabotage" in delivery of farm products, but this was a subordinate factor.

With his NEP, his "New Economic Policy", Lenin was not worried about chances of restoring democratic capitalism. What is ~~more~~ ^{even more}, various statements made by Lenin lead us to believe that he strove toward it consciously. It is quite clear that Stalin, and now Khrushchev, are afraid of this chance, correctly assuming that this would lead to the liquidation of the CPSU, as a class, standing over and above society, as an exploiting privileged caste.

Among the population of the USSR, Lenin's name ~~is~~ brings back memories when the people experienced some of a period ~~of~~ ^{of} government liberalization politically and some improvement economically. Lenin, the people realize, accomplished this by implementing a number of far-reaching political-economic measures during the NEP period. Khrushchev is quite aware of this feeling and, leaning on Lenin's name, he carries out his own measures while trying to win for himself ^{authority} respect and trust by large masses of the population. If Khrushchev manages to achieve this he has indeed stabilized the power of the CPSU.

However, regarding Khrushchev's measures designed to raise the people's welfare one cannot but consider the scantiness of his chances in this field, which is explained by a large number of internal and external factors.

3. Farm production rates of growth, productivity of labor and reorganization of machine-tractor stations.

During the post-revolutionary period (in the USSR in comparison with Czarist Russia) sown areas and harvests of such crops as cotton, sugar beet and potatoes increased considerably. As a result of this some changes took place in the distribution of labor; labor expenditures for above-mentioned crops relatively increased at the expense of ~~reduction~~ ^{relative reduction} (in the total balance of labor expenditures) of labor expenditures on output of ~~grains~~ grains and life-stock production.

In the total balance of labor expenditures in farm output, nevertheless, labor expenditures on output of grains and life-stock production take up a dominant position (over 80% of specific weight). Therefore the level of grain output and life-stock production (in the USSR in comparison with pre-revolutionary Russia) in a comparative estimate of productivity of labor and peasantry welfare is a decisive index.

In view of the foregoing it appears that comparative data on development of the grain economy and life-stock raising in pre-revolutionary Russia and in the USSR are of considerable political-economic interest for estimating the efficiency of the Soviet farm system.

It must be assumed that a comparison of the rates of development of these two basic branches of farm production (grain and life-stock raising) in pre-revolutionary Russia and in the USSR will give a clue to the understanding of processes taking place in the Soviet village, will make it possible to arrive at an estimate of the comparative level of the productivity of labor and at an estimate of the efficiency of the collective-farm-state-farm system of production organization in the USSR in comparison with privately-owned land-tenure.

Grain output and live-stock production
in pre-revolutionary Russia

According to official statistics published in Soviet economic journals, grain output in pre-revolutionary Russia increased at a fast rate.

In a thirty years' period (from 1866 to 1900) the harvest of grain products increased by almost 200% (170%).

In his book "The economic development of Russia in the 19th and 20th century" the Soviet Academician Professor P. Khromov notes the following:

" .. in connection with the technical progress which was experienced in agriculture, the relatively diminishing farm population of Russia achieved a greater amount of agricultural production.

The farm population in Russia in 1859 amounted to 94,3% of the total population, in 1897 it amounted to only 87,4% and in 1911 - 86,1%.

The average grain harvest in the years 1864-1866 amounted to 1,9 billion poods, but for the 5-year period from 1896 to 1900 it came to 3,3 billion poods (increase by 1,7 times).

Various serfage partitions, however, severely hindered progress in agriculture.

~~It should be noted~~ The "American" path of development of agriculture provided to an immeasurably great extent ^{FOR} the increase of the the country's productive forces, this highest criterion of ~~the~~ social development."

(Prof. P. Khromov "Economic development of Russia in the 19th and 20th centuries" published by USSR Academy of Science 1950, pages 161 and 163 - Italics are the author's).

According to the same research statistics compiled by Prof. P. Khromov, grain harvests in a 14-year period - from 1900 to 1913 - ~~increased~~ were raised from 3,5 billion poods to 5,4 billion poods, i.e. they increased by 54,2%, as shown by the following data:

" Dynamic of gross yield of grains and acreage under crop for the period from 1900 - 1913 (for 72 provinces and Oblasts):

Years	Grain yield in million poods	Acreage under crop in thousand dessiatinas (1 dessiatina=2,7 acres)
1900	3496,7	76.789
1913	5404,1	92.643
% of growth	154,2%	117,7%

Note: Throughout the Russian Empire the grain harvest amounted to 5637 million poods in 1913."

(From Prof. P. Khromov's above-cited book, page 408)

Above-listed statistics on grain harvests show that grain harvest rates increased rapidly:

over a 35 year period (1866-1900) - 70%, or 2,0% on the average per year;
over a 14 year period (1900-1913) - 54,2%, or 3,8% on the average per year.

It should be noted that the growth of grain harvest rates exceeded the average-yearly natural population growth by almost ~~two~~ two times. The population growth amounted to 2,23 per 100 inhabitants a year for the five-year period 1908-1913. (Throughout the Russian Empire).

The considerable increase of the grain harvest can be explained to a greater extent by the average crop capacity growth than by the ~~immense~~ expansion of crop acreage: grain harvest (in the period 1900-1913) was increased by 54,2% along with a 17,7% expansion of crop acreage (see above).

On the basis of above data it appears that the average crop capacity of grains increased in the following correlation:

Years	Gross grain yields in million poods	Acreage under crop in million dessiatinas	In poods - average crop capacity from 1 dess. from 1 ha	
1900	3496	78,8	44,3	35,4
1913	5404	92,6	58,3	46,6

Note: 1 dessiatina is equivalent to 1,25 ha;
1 centner is equivalent to 6,25 poods.

Consequently, according to factual grain harvest and crop acreage data, average crop capacity on the basis of one hectare was raised:

	<u>Average crop capacity from 1 hectare:</u>
1900	5,6 centners
1913	7,4 -"
Increase of average crop capacity in 14 years (7,4:5,6)	32,1%

The above statistics on expansion of crop acreage, increase of average grain crop capacity and increase of gross harvest yields permit us to make the following conclusions:

Under circumstances where a fairly low standard of farm production technical equipment prevailed (lack of tractors, combines and electrical power), the rates of development of the grain economy in pre-revolutionary Russia under private land-ownership were highly energetic and safeguarded the ever increasing demands ^{of} the population and life-stock breeding in grain production.

The grain harvest increase in pre-revolutionary Russia was accomplished by a no less energetic increase of life-stock breeding output.

In his above-mentioned report, Prof. P. Khromov gives the following outline of the development of life-stock breeding:

" Life-stock and life-stock breeding output, throughout the capitalistic period of development in Russia, increased, roughly speaking, by slightly more than two times along with an increase of grain output by 2,7 times, along with a very considerable increase of technical crops and potatoes and along with an increase of the Russian farm population by 2,2 times. Productivity of labor, therefore, ~~was~~ increased.

The increase of labor productivity in agriculture was made possible by expansion of acreage under crop and increase of grain crop capacity, by increase in the number of cattle and its productivity. Abundance of land permitted development of the economy in breadth.

Life-stock dynamic in the reform period (1865-1870) was as follows:

Horses	18,6 million heads
Cattle	26,2 "-"
Sheep and goats	53,9 "-"
Pigs	9,7 "-"

The lag of agriculture in pre-revolutionary Russia, particularly with regard to labor efficiency growth rates, was aggravated by the presence of all kinds of leftovers of village serfdom, ^(which were) finally destroyed by the October revolution. "

(Prof. P. Khromov, above-quoted publication, page 170, 172. Italics are the author's).

Prof. P. Khromov, as evident from above extracts, comes to the conclusion that "life-stock breeding output ^{and cattle,} throughout the capitalist period of development in Russia (reform period), increased by more than two times", along with an increase of grain production by 2,7 times. This fact speaks for itself and points to the rapid ^{progress} ~~development~~ of farm production.

It must be assumed that Prof. P. Khromov's estimate ~~shows~~ increase of cattle and life-stock breeding production (in the reform period) by more than 2 times - is a bit low, which is due to failure of pre-revolutionary Russia statistical offices to maintain cattle census. Prof. Khromov admits that himself in the following manner:

"According to a definite source ("Operations of the special finance-economic committee" of 25 Nov. 1916 No.190, page 33), cattle losses until August 1916 had reached one fourth, as a result of combat operations".

(Prof. Khromov, cited work, page 416).

A complete inventory of cattle was made in 1916 and it was found that the number of cattle which had been counted according to statistical data until the beginning of the war (1913) had decreased by about 25%. On this basis, life-stock in pre-revolutionary Russia, figured for 1916, must be increased for a practical estimate of its level and growth rates. "Great Soviet Encyclopedia" determines the number of ~~livestock~~ ^{life-stock} according to 1916 census data as follows:

	<u>Livestock in 1916</u> <u>in million heads</u>
Horses	35,8
Cattle	60,6
Sheep and goats	121,2
Pigs	20,9

("Great Soviet Encyclopedia" volume USSR, edition 1948, page 919)

By adding 25% to the number of livestock on hand in 1916, the resulting total may be taken as a guide in order to ~~submit~~ establish the approximate life-stock level in the pre-war year 1913.

By means of this correction we will get the following life-stock dynamic in pre-revolutionary Russia beginning with the reform period (1865-1870) and ending in 1913:

	Livestock in million heads			
	1870	1913	1916	Increase by %
Horses	18,6	47,7	35,8	256%
Cattle	26,2	80,8	60,6	308%
Sheep and goats	53,9	161,6	121,2	301%
Pigs	9,7	27,9	20,9	287%

The above estimate shows therefore that the number of livestock increased by almost 3 times during the period 1870-1913, or for an approximate space of time of 40 years.

In his above-quoted book, Prof. P. Khromov concludes that labor productivity has increased by 50-60% during the period of "capitalist development in Russia", i.e. during the reform period (1870-1913, expressing himself as follows:

" A typical phenomena of capitalism is the extreme unevenness of its development, which is particularly reflected in a sharp lag of agriculture behind industry. This lag of agriculture, as Marx showed: "does not have its source in the nature of the soil, but is due to the fact that the soil demands other social relations.." During the period of capitalist development in Russia the productivity of labor in agriculture increased by about 50-60% against a triple increase in labor productivity in industry and 2,5 times increase in railroad transportation."

(Prof. P. Khromov, above-quoted book, page 415).

How correct Prof. P. Khromov's estimate regarding "productivity of farm labor increase by 50-60%" is, is hard to say, for the increase in production in the decisive branches (grains and live-stock breeding) points to a greater increase of labor productivity when the progressive reduction in the farm population is taken into consideration. This is also indi-

cated by the author's (P. Khromov's) statement to the effect that the production of farm output increased by 33% over a period of 13 years (from 1900 to 1913). (page 412).

Prof. P. Khromov makes also a very interesting (in the light of the present status of farm production in the USSR) comparison with the USA.

He notes:

" The farm population of the USA, which is several times smaller than the farm population of Russia, tilled the same amount of land and produced a larger farm output."

(Prof. P. Khromov, above-quoted book, page 414).

The data on the level of production of grains and life-stock breeding output cited below show quite convincingly that the lag behind the USA has not been reduced, but, on the contrary, has even increased to some extent.

CPSU leaders repeat persistingly that in the USSR "the largest farm production in the world" had been created, but this "large economy" achieves less farm output with a considerable larger farm population than this is the case in the USA. And this happens at a time when equipment of farms with machinery has increased by a great many times. This fact points to the low efficiency of farm labor in the era of the state- and collective-farm monopoly (see below).

2. Grain production and life-stock output in the USSR.

Post-war Soviet statistics do not provide any data on actual grain harvests, i.e. so-called "garnered grain harvests". Nevertheless, there is an expert way to arrive at an estimate of gross garnered grain harvests, which is by means of studying isolated speeches made by CPSU leaders as well as statistical data which has been published regarding garnered grain harvests, if only in percentages.

By accepting as a basis for an estimate a report rendered by Malenkov in 1952 at the 19th CPSU Congress, when he estimated the biological grain harvest to come to (approximately) 8 million poods, as well as data from the statistical year-book (for 1956) on the harvest dynamic of garnered grain (expressed in percentages) for the period 1950-1955, and finally, an expert appraisal of the loss of harvest during collection (the difference between biological harvest and storage in graneries amounts to 25% on the average), "garnered" grain harvests in the USSR may be determined by the following figures:

Garnered grain harvests in the USSR -

	1937	1950	1952	1955	1956	1957
<u>Garnered grain harvests:</u>						
In billion poods	5,6	5,3	5,5-6,0	5,8	7,0	6,0-6,2
In million centners	902	848	900-960	928	1120	960-990

Note: The garnered grain harvest for 1937 as shown here was determined by the fact that the biological harvest was figured at 1.202 million centners (Stalin "Voprosi leninisma" page 582) and with a reduction of 25% from this harvest for losses suffered during collection. For the other years, the year 1952 and the garnered harvest dynamic ~~as per~~ data taken from the year book for 1956 (page 101) were taken as a basis, also for 1956 and 1957 conjuncture data on speed of collection and data on crop acreages.

Above data on collection of gross garnered harvests (by expert appraisal) show that only during the bumper harvest year 1956 were 7 billion poods of grain collected and this harvest exceeded the 1913 harvest by only 1 billion poods.

In comparison with sown areas under grain crops, we can estimate the average actual crop capacity of one hectar under grain crops as follows:

	1937	1950	1955	1956	1957
Sown areas in million has.	104,4	102,9	126,4	128,3	129,8
Garnered harvests in million centners	902	848	928	1.120	990
Average crop capacity from 1 hectar in centners	8,6	8,2	7,3	8,7	7,6

The main conclusions suggesting themselves by comparison of indices of development of the grain economy in the era of private small-scale farming in pre-revolutionary Russia and in the era of "large-scale" (in size of area for one farm) collective-farm-state-farm agriculture will be the following:

1. The rate of expansion of areas under grain crops in the era of USSR kolkhoze-sovkhoze monopoly turned out to be considerably lower than in pre-revolutionary Russia in the era of private small-scale land-ownership:

a) in pre-revolutionary Russia areas under grain crops expanded in 14 years (from 1900 to 1913) from 78,8 ^{million} dessiatinas (98,5 million has.) to 92,6 million dessiatinas (115,7 million has.), i.e. they expanded by 17,7%, i.e. 1,26% per year;

b) within the entire period of Soviet rule, areas under grain crops until 1957 extended to 129,8 million hectares compared to 104,6 million hectares under grain crops in 1913 (within the present USSR borders), i.e. they expanded by 24.0% i.e. during 40 years of Soviet rule, which amounts to a yearly rate of expansion of 0,6%.

Besides, the expansion of areas under grain crops was reached only after ~~the end of the period of~~ fallow and virgin lands ~~reclamation undertaken as a~~ result of special measures taken by the CPSU in the period 1953-1957.

(In 1950 areas under grain crops (see above) came to the level of 1913). During the period 1954-1956 - for three years \pm 21,6 million hectares of virgin and fallow land were tilled by collective-farms and 14,2 million hectares were tilled by state-farms (35,8 million hectares of virgin and fallow land were tilled altogether).

2. The growth rate of average crop capacity in the era of the kolkhoze-sovkhoze monopoly turned out to be much lower than in pre-revolutionary Russia under private landownership:

a) in pre-revolutionary Russia the average crop capacity of grains increased in 14 years (1900-1913) by 32,1%, i.e. by 2,3% a year (see above, page 33);

b) throughout the period of Soviet rule, the average crop capacity of grains in many areas of the country, prior to reclamation of new lands, was lower than in pre-revolutionary Russia and, on the whole, did not exceed the average ~~pre-revolutionary~~ pre-revolutionary Russia (7,5-8 centners from 1 hectar), crop capacity estimated on the basis of actually garnered harvest indices.

c) The harvest estimate right up to 1953 based only on "biological" harvest (standing grain) gave rise to confusion and disorientation as far as actual grain crop capacity and volume of garnered harvests are concerned. Thus, it was intended to bring average crop capacity up to ~~127 million tons~~ ^{12 centners per one hectar and gross} grain yield up to 127 million tons (7,9 billion poods) by 1950 for the 1946-1950 Five-Year plan. In reality, however, no more than 85 million tons (see page 39) were harvested and the average crop capacity did not exceed 8,2 centners per one hectar. The Five-Year plan's (1946-1950) aim to exceed the 1909-1913 crop capacity level by 4,6 centners per one hectar proved to be unrealistic ("Bol'shaya sovyetskaya entsiklopediya, volume USSR, page 899).

3. Unsatisfactory organization of sowing and harvesting operations under kolkhoze-sovkhoze state monopoly conditions has led to the development of a lingering agricultural crisis which has become apparent by inadequate supply of grain output to cover the people's demand and inadequate supply of grain fodder for stockbreeding.

At the CPSU CC plenum in February 1954, Khrushchev, in his speech, told the plenum that "the amount of grain which is left to collective farms after commitments to the government have been fulfilled does not meet the needs of the social economy." ("Pravda", 21 March 1954).

In other words, Khrushchev admitted the catastrophic situation with respect to providing enough grain production for the country's needs.

At the CPSU CC January plenum in 1955, Khrushchev supplemented the above statement and declared that "grain requirements for cattle-breeding have practically not been considered here in the past. It goes without saying that we have to make a drastic change in our policy regarding fodder supply to cattle-breeding." ("Pravda", 3 February 1955).

Regressive phenomena have appeared in the gross yield of garnered grain in the era of state kolkhoze-sovkhoze monopoly in comparison to the era of private farm ownership in pre-revolutionary Russia:

a) the gross yield of garnered grain in pre-revolutionary Russia in 1913 reached 5,6 billion poods, according to official statistical data, in reality, however, this yield (by analogy with insufficient ^{life-stock} ~~market~~ data) was higher and, apparently, amounted to about 6,5 billion poods;

With expansion of land under crop (owing to reclamation of virgin lands) by roughly 25 million hectare compared to areas under grain crops in 1913, the gross yield of garnered grains, for the 1953-1957 Five-Year period, did not exceed 6,2 billion poods, on the average.

b) in spite of considerably increased mechanization of farm operations in comparison to pre-revolutionary Russia, as characterized by the availability in Soviet agriculture, in beginning of 1957, of 1.577.000 tractors (15 times the amount), 385.000 combines and 631.000 trucks (see journal "Voprosy ekonomiki" No.10, October 1957, page 99), grain harvest

collection is delayed over long periods and losses during collection extend in the USSR to 1,5-2,0 billion poods of grain a year (in relation to standing harvest)

c) according to ~~the~~ 6th Five-Year plan directives (1956-1960) a gross garnered grain yield of 11 billion poods (180 million tons) is contemplated. Grain harvest results in 1956 and 1957 show that this target will not be met (the average grain yield during the first two years of the Five-Year period came to about 6,5 billion poods).

In the rates of development of live-stock breeding in the USSR comparable to pre-revolutionary Russia, we witness a still less favorable situation than in the sphere of grain economy development.

Statistical data show that livestock capita for the entire period the Soviet regime has been in existence have failed to reach the level which prevailed in ~~the~~ pre-revolutionary Russia.

Fluctuation in livestock capita in the USSR compared to pre-revolutionary Russia is characterized by the following statistics:

	In million heads				
:	1913	1916	1922	1928	1938 (1.7)
Horses	47,7	35,8	24,1	33,5	17,5
Horned cattle					
incl. cows	80,8	60,6	45,8	70,5	63,2
incl. cows				30,7	
Sheep and goats	161,6	121,2	91,1	146,7	102,5
Pigs	27,9	20,9	12,1	26,0	30,6

Note: Livestock capita for 1913 was determined roughly according to estimate shown on page 35.

Livestock capita for 1916-1938 was taken from data contained in "Bol'shaya Sovyetskaya entsiklopediya", volume USSR, page 916, 919

As apparent from above-cited data, livestock capita dropped almost ~~by~~ 50% ~~in~~ 1922. Then, in the NEP period, the peasants, encouraged by return to private initiative and free ownership, quickly restore livestock capita, which, by 1928, already exceeds the 1916 level (in horned cattle, sheep and goats).

Due to collectivization and peasant opposition (slaughter of cattle because of forced collectivization), livestock capita drops again, especially severely between 1930 and 1933, and by 1938 it reaches a low level than in 1928.

Between 1939 and 1940, prior to the outbreak of WW II, livestock capita increased due to Soviet annexation of the Baltic states, western regions of the Ukraine and Belorussia, Bessarabia and Northern Bukovina, but then it goes down sharply as a result of war and mass destruction. Fluctuation in livestock capita in the post-war period 1946-1956 is expressed by the following data:

	In million heads			
	1946 (On 1 January 46)	1953 (On 1 Jan. 53)	1953 (On 1 Oct. 53)	1956 (On 1 Oct. 56)
Horses	No data available	15,3	15,3	No data available
Horned cattle	47,6	56,6	63,0	70,4
Cows incl. herein	22,9	24,3	26,0	30,9
Sheep and goats	70,0	109,9	135,9	145,7
Pigs	10,6	28,5	47,6	56,5

Note: Livestock capita ~~was~~ is based on data taken from the reference book "Narodnoye khozyaistvo SSSR", 1956, page 118, and for 1956 it is based on data taken from the journal "Planovoye khozyaistvo" No. 7, for July 1957, page 13.

Comparative data show that only the supply of pigs in 1956 has been able to exceed the 1928 level by almost 2 times, but for horned and small cattle the capita does not exceed the 1928 level and for horses the capita has dropped over two times.

A still more striking picture is offered with the lag in livestock-

breeding when the livestock level of 1956 is compared with that of 1913:

	Livestock capita in million heads	
	In comparison 1913	1956
Horses	47,7	15,5
Horned cattle	80,8	70,4
Sheep and goats	161,6	145,7
Pigs	27,9	56,5
Total	318,0	288,1

Above data giving the number of livestock lead us to make the following conclusions:

The collectivization of livestock in collective farms and the economic policy of the CPSU, ~~which~~ designed to deprive the peasants of private land-ownership and initiative, caused a drop in the rates of increase of cattle and reduction of the general productivity of farm output:

the drop in the number of livestock in absolute quantities was accompanied by lowered cattle conditioning due to insufficient supply of grain fodder for cattle-breeding;

the reduction in livestock and its productivity occurred during a period of population growth, which promoted severe deterioration in the caloricity of the population's food.

Above ~~data~~-cited data on the volume of grain production and movement of livestock capita allow us to make an appraisal of the main problem of production activity - i.e. the standards of productivity of labor in a society where production is organized on the basis of state kolkhoze-sovkhoze monopoly.

In his speech, delivered at the session of the Supreme Soviet and dedicated to the reorganization of M.T.S., Khrushchev paid special attention to the problem of labor productivity and why he did so is quite plain to see.

In his speech, Khrushchev declared:

" It is one of the primary tasks of the Party to provide for a considerable increase in production of farm products with the lowest possible ^{expenditure} ~~costs~~ of labor. The struggle for a raise in labor productivity is the basic problem of our domestic policy. Lenin called productivity of labor the greatest and most important element for the victory of the new social system. We must defeat capitalism and we will defeat it by greater productivity of labor and a higher standard of living of our people."

(N. Khrushchev, speech at Supreme Soviet session, section 3, "Pravda" 28 March 1958).

Khrushchev, repeating Lenin's well-known statement regarding the importance of productivity of labor "for the victory of the new socialist system", states that productivity of labor is the "main problem of domestic policy" and he ties this "basic problem" in with the MFS reorganization.

It is not accidental, of course, that Khrushchev dwells on the labor productivity problem, because Khrushchev is quite aware of the extremely low level of labor productivity in ~~the~~ USSR farm ~~own~~ output. It must be realized that Soviet economic publications, which orient themselves by announcements made by CPSU leaders, fail to give a realistic interpretation of the level and dynamics of labor productivity in agriculture in comparison to pre-revolutionary Russia. Therefore, it is possible only to give a rough estimate of the level of labor productivity in farm output in the USSR by means of using factual farm population movement data and indices describing the grain crop production level and cattle-breeding development level, i.e. (on quantitative employment of the farm population) of the basic branches of farm production.

According to Soviet statistical data the movement of farm and urban population in the USSR, as compared to pre-revolutionary Russia, is described as follows:

Years	Urban population by million persons	Farm population by million persons	Changes in the structure of the farm population (by 1913) Spec.weight : Decrease in million persons	
1913				
Within pre- sent limits of USSR)	$\frac{28,1}{17,6\%}$	$\frac{131,1}{82,4\%}$	82,4%	—
	159,2 - 100,0%			
1926	$\frac{26,3}{17,9\%}$	$\frac{120,7}{82,1\%}$	82,1%	10,4
(Per census)	147,0 - 100,0%			
1939	$\frac{56,1}{32,9\%}$	$\frac{114,5}{67,1\%}$	67,1%	16,6
(Per census)	170,6 - 100,0%			
1940	$\frac{60,6}{31,6\%}$	$\frac{131,1}{68,4\%}$	68,4%	—
(Incl.annexed areas)	191,7 - 100,0%			
1956	$\frac{87,0}{43,4\%}$	$\frac{113,2}{56,6\%}$	56,6%	17,9
(In April)	200,2 - 100,0%			

(Statistical guide "Narodnoye khozyaystvo SSSR", issue 1956, page 17).

Above data on population movement in the USSR in comparison to pre-revolutionary Russia (1913) show that by 1939 the farm population, as compared to 1913 (within ~~the present~~ ^{contemporary} borders of the USSR), had decreased by 16,6 million persons, but that it increased again to the 1913 level (131,1 million persons) due to annexation of a number of areas.

In the course of World War II and after its termination the farm population, by April 1956, ~~increased~~ ^{drops} to 113,2 million persons, or decreases by 17,9 million persons compared to 1913.

If we take the population of 1913 at 100, the movement of the farm population in the USSR will be described as follows:

Years	Movement of farm population		
	Population in million persons	Decrease in million persons	In %% as of 1913
1913	131,1	—	100,0 %
1926	120,7	10,4	92,0 %
1939	114,5	16,6	87,3 %
1940	131,1	—	100,0 %
1956	113,2	17,9	86,3 %

For the period under consideration (1913-1956) the urban population increased from 28,1 million persons in 1913 (within the contemporary limits of the USSR) to 87,0 million persons in 1956, or increased by 58,9 million persons, including, due to absolute reduction in the number of farm inhabitants by 17,9 million persons and due to general population increase in the country (natural population increase within contemporary borders) by (58,9 - 17,9) - 41,0 ^{Million} persons.

Consequently, according to population movement data for the period 1913-1956, we find a reduction of farm man-power resources, which is described in the contemporary borders of the USSR by the correlation of 86,3 : 100 (reduction by 13,7%).

In order to compare quantitative population movement with production volume indices in the grain- and cattle-breeding branches of farming of present-day USSR and pre-revolutionary Russia, we have to make an amendment (for comparison's sake) by taking the population figure of pre-revolutionary Russia within the limits of "The Russian Empire" in 1913.

According to the "Russian Statistical Year-Book" for 1914, the population of the Russian Empire amounted to:

" On 1 January 1914 the population of Russia amounted to

175.137.800 persons, which includes an urban population of 30.642.000 persons"

("Statisticheskyy yezhegodnik Rossii" for 1914, published by Tsentral'noye statisticheskoye upravlyeniye" Petrograd 1915).

By making an amendment ~~by~~ population count (in conformity with the borders of the Russian Empire in 1913), we will have the following correlation of farm population (population index) in the USSR for the period 1956-1957 and pre-revolutionary Russia:

	1913 In pre-revolutionary Russia	1956 In USSR	Index - ratio of USSR population to population of Russia
Urban population:			
in million persons	30.6	87.0	2.84
in %	17.5%	43.4%	
Farm population:			
in million persons	144.5	113.2	0.78
in %	82.5%	56.6%	
Total population:			
in million persons	175.1	200.2	1.14
in %	100.0%	100.0%	

Above-listed data on grain output, livestock level and rural population movement in the USSR as compared to pre-revolutionary Russia make it possible for us to provide an index of these values and use these indices for an estimate of the level of labor productivity of the rural population.

It should be considered, however, that in the farm population, ~~not~~ taken as a whole, not everyone is directly engaged in production activity, but this, in general, does not affect the conclusions drawn from these indices regarding the labor productivity level of the farm population.

~~Subsequently~~ From farm population count data and production indices, we will obtain the following indices:

Indices	Unit	1913	1956-1957	Indices (1956 re:1913)
Rural population	in million persons	144,5	113,2	0,78
Grain production (Gross garnered harvests)	billion poods	5,6	6,5	1,16
Livestock:				
Horses	million heads	47,7	15,5	0,32
Horned cattle	"	80,8	70,4	0,87
Sheep and goats	"	161,6	145,7	0,90
Pigs	"	27,9	56,5	2,02
Industrial crops	million ha.	4,9	12,3	2,51
Vegetable-melon crops	"	5,1	11,4	2,23

Note: Farm population count, garnered grain ~~excess~~ harvests and livestock are taken from data listed above (page 31-49). Data on industrial crop acreages and vegetable-melon acreages are taken from the statistical journal "Narodnoye khozyaistvo SSSR", issue 1956, page 106.

Above figures allow us to make the following basic conclusions:

1. In pre-revolutionary Russia, for a period of about 40-43 years from 1870 to 1913), livestock increased, roughly speaking, by 2,5 - 3,0 times and grain-harvest by 2,7 times, with a "considerably greater increase of industrial crops. The farm population increased during the same period by 2,2 times (see page 30-31).

By ~~appraising~~ appraisal of Prof. P. Khromov's research, farm labor productivity increased 50-60% during this period (see page 36).

2. After the revolution and for a period of about 40-43 years (compared to 1913), horned cattle live-stock, sheep and goats decreased, but the horse count dropped even three-fold. The total number of pigs increased during this same

period increased 2,2 times, the grain yield increased by 16-20%, the technical crop yield ~~increased~~ (according to data on acreages under crops) increased 2-2,5 times, along with a 22% decline in the rural population.

The proofs produced on the scope of ^{the farm population's} production activity and dynamics justify us to assume that the growth rates of productive labor under kolkoze-sovkhoze monopoly conditions were two times lower than they were in pre-revolutionary Russian agriculture with its backward technical equipment.

The lowering of growth rates of productive labor in the USSR as compared to farm production in pre-revolutionary Russia took place on terms of continuously increasing mechanization of farm activities, assignment to agriculture (as per status of beginning 1957) of 1.577 ~~thousand~~ thousand tractors, 385 thousand combines, 631 thousand motor trucks.

The slowdown in the growth rates of gross grain ~~output~~ and livestock breeding output caused a critical situation in the supply of the nation's food products and this situation was even aggravated by the rapid numerical growth of the urban population (increase by 1956 2,8 times compared to 1913).

3. "The main domestic political problem - the increase of labor productivity" in farming was not solved, inspite of intensified mechanization. The reorganization of machine-tractor-stations and transfer of their machinery to CPSU collective farms serves the purpose to increase the collective-farms' responsibility and personal interest in the development of farm output (grain and livestock-breeding) and the increase of labor productivity.

4. SATURATION OF FARM PRODUCTION WITH TECHNICAL EQUIPMENT,
LAND TENURE AND REORGANIZATION OF MTS.

Evaluating imaginary CPSU achievements in the field of farm production and saturation with technical equipment, Stalin made the following remarks at the 18th Party Congress in March 1939:

" It can be said without exaggeration that our country is well advanced from the standpoint of production technique, from the standpoint of saturating agriculture with new technical equipment. Confidantly it can be said that reconstruction of our ~~housing~~ ^{agriculture} on the basis of new, modern technique has mainly been completed."

(Stalin, Speech at 18th VKP(b) Congress, "Questions of Leninism" page 575)

In reality, the situation regarding "saturation" of farm production with technical equipment was unsatisfactory not only at the time the 18th Party Congress convened but also during the session of the Supreme Soviet in March 1958 when Khrushchev delivered his "history-making" speech on the reorganization of machine-tractor stations. The question did not involve the amount of technical equipment, but its quality and the manner this technical equipment was used.

Almost two decades after Stalin's speech at the 18th Party Congress, the CPSU CC mouthpiece - the journal "Kommunist" makes the following confession in February 1957 which describes the state of affairs in the matter of saturating farm production with technical equipment:

"Agriculture is still inadequately supplied with power-driven traction and improved machinery. Still now we do not have a machine system providing for complete mechanization of production of farm crops for the different regions of the USSR.

The question of quality of tractors, combines and other farm machinery remains to be especially acute. (page 52).

Neither do we have any scientifically proven systems of farming in regard to specific ^{i.e.} imately economic zones, machine systems which conform with natural conditions."

(Journal "Kommunist" No. 2, February 1957, article "Raising the grain economy", page 51,52. (Italics are the uthor's).

The journal further develops its "arguments" regarding the inadequacy of technical equipment of farm production and comes to the conclusion that "a vast quantitative supply of tractors and combines is required in order to shorten delays in farm operations and improve their quality" (page 53 of article quoted).

From the article in the "Kommunist" journal it is quite apparent that actual supply of farm production with technical equipment remains extremely unsatisfactory; increase of the tractor and combine fleet by double its present size is ^{necessary} ~~insufficient~~, consequently also an enormous increase of expenditures for capital investment; also ^{required} ~~insufficient~~ is a modernization of the majority of farm machinery and primarily the basic farm machines - tractors and combines.

This leads us to the conclusion that the CPSU, in carrying out its MIS ~~urgent~~ reorganization by transfer of farm machinery to kolkhoze control, also pursues the following aims:

1. Turn over to the kolkhozes ^{the} obsolete technical equipment which is at the disposal of machine-tractor-stations and make the peasants (kolkhozes) pay proper sums (over 20 billion Rubles) for this technical equipment, i.e. once more infringe upon the peasants' interests;

2. Let the kolkhoze peasants shoulder all expenditures connected with future modernization of farm machines and increase of the farm machine park.

In his address at a meeting of the Supreme Soviet, Khrushchev expressed himself as follows regarding use of technical equipment and "grounds" for reorganization of machine-tractor-stations:

" ... kolkhoze labor force - finds itself somehow deprived of the chief weapons of production - tractors and other machines, which prevents the most effective use of labor force and technical equipment. Since the complex technical equipment is under control of machine-tractor stations, kolkhozes cannot ~~cannot~~ have direct charge of it....

At ~~the present~~ a given level of development of production ~~and~~ a certain discrepancy appeared between kolkhozes' actual demands for mechanization and the form of their industrial-technical servicing by the MTSs....

If we appraise the role of machine-tractor-stations from the standpoint of labor productivity increase it must be said that kolkhozes' technical servicing by MTSs lags behind the claims made to it....

Of no less importance also is the fact that the presence of two masters on one piece of land leads to deterioration in the use of technical equipment and the land itself... A chief index for MTS work was the fulfilment of the plan for soft ^{soil} tillage hectares of land. This frequently resulted in MTS workers, in their pursuit of soft ^{soil} tillage hectares, carrying out unnecessary operations which failed to arouse the interests for crop capacity increase...

With the ~~increase of~~ increased arming of agriculture with technical equipment, the present system governing distribution of tractors and other farm machinery has outlived itself. Machine-tractor stations take everything that's given to them regardless of whether kolkhozes of the given district need certain types of machines or not. But an end will be put to this wasteful practice once kolhozes themselves will buy technical equipment.

Conversion from industrial-technical service by MTSs to free sale

of tractors and other farm machinery to kolkhozes will raise farm management to the highest level..... Kolkhozes will be able to carry out their orders equipped with new, more advanced technical equipment, which will satisfy the specific demands of the economy of the various areas of the country."

(N. Khrushchev, report at Supreme Soviet session, "Pravda" 28 March 1958

(Italics are the author's))

in his report,
In essence, Khrushchev repeats statements made in the journal "Kommunist", ~~in his report~~ only he uses different words. He says that "an end will be put to the wasteful practice" in technical equipment supply problems, that once kolhozes will be reorganized "they will be in a position to carry out orders with more advanced technical equipment in line with demands".

In a lead article published in the USSR Gosplan journal "Planovoye khozyaistvo", which is dedicated to MTS reorganization (No. 3 from March 1958), the very important question regarding "supplying agriculture with machinery in line with demands" is posed once again.

This journal sets forth this requirement in the following terms:

" One of the most important tasks faced by planning organs and primarily the USSR Gosplan and the gosplans of Union Republics at the present time is to prepare scientifically supported perspectives also of the means to develop farming and stockbreeding for the years 1959-1965. In this connection, special attention should be paid to a plan covering ^{supply} ~~mechanization~~ of agriculture with machinery systems according to the requirements of each and every agricultural zone of the country."

(Journal "Planovoye khozyaistvo" No. 3 March 1958, Lead article, page 12)

The above-quoted statements, not only by the two "authoritative" USSR journals, but also by Khrushchev himself, leave no room for doubt that mechanization of farm operations and the quality of available farm machine stocks are very inadequate and that this has caused tremendous national funds to be ^{EXPENDED} ~~wasted~~ uselessly and largely thrown "out the window". -54-

The above-said confirms ~~also~~ also that Stalin's ~~remarks~~ ^{praises uttered} at the 18th Party Congress and his extolling "party and government achievements" in the sphere of mechanization of farm production ~~were~~ ^{were} no more than a bluff.

Interesting in this respect are the data on the saturation of farm production with machinery, supplied to us by Soviet statistics by the following figures:

	1940	1950	1954	1957 (beginning of year)
<u>In agriculture only</u>				
1. Total of tractors (in thousands)	531	595	795	—
" " " in 15 HP "	684	933	1,388	1,577
" output of tractors in million HPs	10,3	14,0	20,1	—
2. Total of grain combines (in thousands)	181,7	211,2	337,9	385
3. Total of trucks (in thousands)	228	283	465	631
<u>From the above</u>				
<u>Included in MTSs:</u>				
1. Tractors (in thousands)	435	482	649	—
" of 15 HP (in thousands)	557	739	1,077	—
2. Grain combines (in thousands)	153	173	265	—
3. Trucks (in thousands)	40	57	89	—

(Statistical Record "The USSR National Economy", published in 1956, pages 144,145,147. Journal "Economic Questions" No. 10 for 1957, page 99).

In 1954, the fleet of tractors throughout USSR agriculture increased in relation to the year 1940 by 49% (from 531,000 tractors to 795,000) and the number of combines (grain) increased by 85% (from 181,000 combines to 337,000). In 1957, in relation to the year 1940, the fleet of tractors (of 15 HP) increased by 130% and combines by 112%.

The major share of the entire fleet of tractors and combines was concentrated in MTSs, namely: 649,000 tractors or 81% of the total stock and 265,000 combines or 78% of the total stock. With regard to the fleet of trucks, MTSs had at their dis-

posal, during the same year, (89,000 automobiles) 19% of the total stock of automobiles available to USSR agriculture (465,000).

In addition to tractors, combines and trucks, MTSs had at their disposal other farm machines also, like for instance: 580,000 tractor-~~drawn~~ drawn plows (in 1954), ~~530,000~~ ^{607,000} tractor-drawn seeders, 266,000 tractor-drawn hay-mowers and other farm machines.

The major share of the fleet of farm machines was assigned to sowing and harvesting of grain products. It should be noted that along with a considerable increase of the stock of farm machines in 1957 compared to 1940 (tractors by 130% and grain combines by 112%), gross grain yields increased, roughly speaking, by 1-1,5 billion poods, or more or less by 25-30% (see page 38), but this increase in the grain yield was mainly achieved as a result of plowing ~~under~~ virgin and fallow lands under grain crops.

This leads to the conclusion that increased technical equipment of the farm production failed to be accompanied by equivalent improvement in the cultivation of the soil and efficiency in collecting ^{of} grain harvests.

In this connection, Khrushchev's statement (^{see} ~~quoted~~ above) is of interest. He said that "the system of distributing tractors and other machines had outlived itself. Machine-tractor stations take everything that's given to them regardless of whether kolkhozes of a given district need one or another type of machine or not. However, an end will be put to this waste once the kolkhozes themselves are in a position to buy technical equipment!".

Of course, what Khrushchev said here is open to question because ~~what~~ he continues to stress here is not the main problem but only a secondary one.

Khrushchev does not abolish nor can he ~~abolish~~ the very system of monopolistic state capitalism, he does not abolish the system of state industrial monopoly and state farm monopoly in the form of state kolkhozes, but merely reorganizes ^{the} method of employment of technical equipment. The manifestation of all those short-

comings and deficiencies enumerated by Khrushchev and which he tries to eliminate inevitable under conditions by his "MIS reorganization" is ~~merely the result of the~~ universal state monopoly.

Indeed, why should we expect industry to reorganize itself and provide kolkhozes with better farm equipment, better machinery?

USSR industry operates under conditions where competition has been eliminated, it operates according to "planned directive" and the market for industrial production is assured regardless of its quality. Nothing will be changed due to the fact that kolkhozes will buy technical equipment and not the MISs.

Kolkhozes are greatly restricted in their operations by "directives issued by party- and other organs" and the question whether they will buy machine equipment or not will not be decided by the kolkhozes themselves but by party district organizations and government glavki (central boards). Finally, ~~it must be understood that,~~ in view of the prevalent industrial monopoly and competition-free state industrial enterprises market, ~~these enterprises~~ are not interested in finding means to improve the quality of machines in line with farm production requirements. For that reason, technical progress will lag behind and this lag will continue to impede development of farm production.

As noted above, Khrushchev refers to Lenin's theories and "proves by Lenin" the correctness of his political-economic measures. What is very "strange" however is that Khrushchev fails to recognize in the clearly evident "decay" of farm production the reasons and phenomena so convincingly discussed by Lenin in his work entitled "Imperialism as the highest stage of capitalism" in connection with the problem of state monopoly and monopolistic prices.

Lenin reached the following conclusions:

" State monopoly in capitalist society is only a means for securing profits...

(page 205)

Free competition is the main virtue of capitalism and commodity production

in general; monopoly is the direct opposite of free competition... (page 252)

Since monopolistic prices are being established, even though temporarily, incentives for technical, and therefore all other kind of progress, forward movement, disappear to a certain extent... (pages 262, 263)

The rentier State is a state backed by parasitic, decaying capitalism and this ~~and~~ circumstance cannot help but influence all social-political conditions... (page 265)

(Lenin, "Imperialism as the highest stage of capitalism"; Collected works, Volume 22, edition 4, pages 205, 252, 262, 265).

Following Lenin's reasoning, we should say: the state kolkhoze monopoly is only a means to secure profits, which is made possible by a system of state monopole prices on farm production which are based on a compulsory low level in payments to kolkhozes for state deliveries, as well as a system of high state monopole prices for industrial products, which are completely out of supplied to the peasantry for prices ~~markedly higher~~ in proportion to those paid for farm products;

since monopolistic prices are set up, incentives for technical and therefore all other kind of progress and movement ahead have disappeared;

the Soviet state is a state backed by parasitic decaying capitalism and this circumstance influences all social-political conditions, most profoundly however it affects the conditions of farm production organization, which has also led to the development of a lingering crisis, to a lag in output of farm products and inadequate supply to the population.

"Stagnation of technical progress and decay", of which Lenin spoke so eloquently in his works, were fully reflected in the terms of assignment of machine equipment to farm production and throughout the system of organization of sowing and harvesting operations carried out by the MTSs

and kolkhozes. Suffice it to say that the yearly losses of grain at harvest time reach the astronomically high figures of 1,5 billion poods; a considerable, yes, even predominant proportion of these losses is caused by the unsatisfactory quality of grain combines and harvesting by exactly this "combine-garnered" method.

The Soviet Encyclopedia, describing grain harvesting by combines, comes to the conclusion that great losses are inevitable, which is apparent from the following statement:

"Harvest time is determined by the degree of ripeness of the grain - milky, waxy and hard ~~grain~~ ripeness. Harvesting during milky ripeness renders "puny" grain, during hard ripeness - great losses are caused through falling grain.

Where grain is harvested by combines, hardening of the grain on the root must be achieved."

(Small Soviet Encyclopedia, volume 4, page 254).

Major losses of grain ~~caused by~~ ^{during} combine harvesting are quite natural and this is the reason why combines are used only to a limited extent in countries other than the USSR.

In this connection, the Soviet Encyclopedia notes:

"In number of combines the USSR occupies first place in the world.

In 1938, the USA had about 70,000 combines, Canada 10,500, Argentina 24,900 combines, in the European countries they could be counted by a few separate units ^{only}: England had 60, Germany 20 and France had 100."

(Small Soviet Encyclopedia, volume 10, page 204)

Nevertheless, the USSR had increased the number of combines to 631,000.

It may be said that from the time when complete collectivization took effect right up to the present time, i.e. during roughly 27 years, grain losses during harvesting in excess of the regular norm amounted to at least 25-30 billion

poods. In cash this loss represents as much as 30-35 billion Gold Rubles. (In 1913, when gold currency was still in effect, one pood of wheat and rye was ~~priced~~ priced at 1 Ruble 20 kopeks to 1 Ruble 35 kopeks.

The main reasons which caused these huge losses to the national economy were mentioned further above. ~~The terms on which technical equipment was supplied to agriculture, especially the quantitative inadequacy of technical equipment (tractors, combines), the qualitative (suitability) of technical equipment and the poor organization in the employment of technical equipment (failure to supply spare-parts etc.) but also the sag in the peasants' personal interest and the suppression of the peasants' working initiative were important factors contributing to the drop in efficiency of farm production and increase of losses in grain harvest operations.~~ ~~interest~~ ~~supplied~~ ~~interest~~ ~~to agriculture, especially the quantitative inadequacy of technical equipment (tractors, combines), the qualitative (suitability) of technical equipment and the poor organization in the employment of technical equipment (failure to supply spare-parts etc.) but also the sag in the peasants' personal interest and the suppression of the peasants' working initiative were important factors contributing to the drop in efficiency of farm production and increase of losses in grain harvest operations.~~ ~~the impediments to~~ ~~hindering~~ ~~technical progress"~~ ~~the impediments to~~ ~~hindering~~ ~~technical progress"~~

Also on the subject discussed above - ~~the impediments to~~ ~~hindering~~ ~~technical progress"~~ ~~the impediments to~~ ~~hindering~~ ~~technical progress"~~ under the Soviet monopolistic bureaucratic system of production, a few comments made by Bulganin (former USSR "premier") during a speech he delivered at the 1955 July Plenum of the Central Committee of the CPSU may be of interest.

Discussing USSR industrial production, Bulganin described the state of tractor- and automobile machine-building in the USSR as follows:

"Development of new technology in auto-tractor and farm machine building is quite unsatisfactory. Models of trucks and light automobiles put out soon after the end of WW II are ~~definitely~~ ~~definitely~~ behind the best foreign-made models in the following indices - specific fuel consumption, work performance, construction weight, speed.

The cultivator tractor "Belorus" put out in 1953 weighs 3 tons, but the same type of tractor made in England, the "Fordson-Major", 1951 model, weighs 2 tons. Chassis of the "ZIS-150" truck weigh 3 tons, but the weight of the chassis of the American "Studebaker" truck model 1954, which is in the same class with the "ZIS-150" ~~is~~ ~~is~~ only 2 tons".

(Bulganin, speech at CC CPSU July Plenum, "Pravda", 17 July 1955)

Bulganin's statements speak for themselves, so there is no need for further comment. It is quite clear that Lenin's theory on the inevitability of stagnation of technical progress under conditions of "universal monopolism, regulation of prices and non-competitive markets" came to be fully ~~realized~~^{reflected} in Soviet reality. This is also reflected in the organization of mechanization of farm production, the quality of technical equipment (machines) per se, repletion with technical equipment according to field- and local requirements and, finally, the organization of mechanization on operations itself.

In connection with the above remarks, Allen Dulles' statements regarding "the incompatibility of socialist industrialization with improvement of the economic situation of the workers" appear to be entirely correct. (State Department Bulletin dated 21 October 1957).

In justifying the need for reorganization of machine-tractor stations and transfer of technical equipment, Khrushchev says that "... the kolkhose labor force finds itself deprived of the main tools of production - tractors and other machines, which prevents the most effective employment of labor and technical equipment".

Almost thirty years have passed since the days when complete collectivization was foisted on the peasants ~~by force and without their consent~~ and only now does the CPSU arrive at such a "wise" conclusion.

"Khrushchev, the clever one" took over and determined what had ~~been~~^{was even} always been known to everybody and what ~~had been expressed~~ expressed by Marx in the following terms:

"At the end of the 15th and beginning of the 16th century, the process of so-called "primary accumulation" - compulsory separation of the direct producer from the means of production is violently installed. This tragic event in

the history of the human race is steeped in "blood and fire".

(K. Marx and F. Engels).

In his speech, Khrushchev refers to the "kolkhose labor force" and its isolation (in view of the presence of MTSs) from the means of production. Khrushchev is correct in saying that this is only the "labor force", but by no means are these peasants free producers. When Marx speaks of "producers" he ~~is talking about~~ ^{means} independent land-owners.

After all, it does not make a bit of difference to the peasant who is subjected to a state kolkhose monopoly and forced labor whether the means of production are in the custody of MTSs or whether they are stored in kolkhose sheds. Why is it then that the peasants from Kalinovka, Khrushchev's "native village", refused to accept horses merely because "they got to be fed and you got to look after them"?

To understand that we also have to find an explanation for the large-scale mismanagement prevailing in kolkhoses and farm production generally: the peasantry as a whole fails to be attracted to labor under socialization of the soil and the tools of production. Khrushchev does not abolish the principle of socialization and therefore his "reorganization of MTSs" is no more than a palliative and promises no radical changes whatever towards improvement ~~of~~ in the organization of production, improvement in the employment of technical equipment and increase of the output of farm production. Only some minor changes to the better may be in the offing, but to "cure the system" from the ills besetting it is out of the question.

In ~~pushing~~ Khrushchev's drive towards reorganization of MTSs, he claims that "the technical service rendered by MTSs to kolkhozes fails to meet the demands required, furthermore, that MTSs have been ~~waiting their~~ ^{exerting un-} ~~time~~ necessary efforts on tillage of favorable soil", in other words,

they concentrated on fulfillment of tasks according to the plan and failed to show concern for increasing the crop capacity of the soil. He also believes that "the presence of two masters on one piece of land leads to deterioration in the use of technical equipment as well as the soil." (see also pages 52,53) .

One can only agree with the fact that Khrushchev's remarks make sense, for concentration on "soft-ground tillage" and "two masters" on one and the same piece of land could not possibly effect improvement of farm production and in the end this has led to unproductive expenditure of labor and deterioration in the exploitation of land, like dozens of other ~~reasons~~ ^{factors} emanating from the internal contradictions inherent in the Soviet economic-political system.

All these defects ~~on~~ which Stalin complained about in his time and which Khrushchev stresses now are rooted not in the organizational structure and its "shortcomings", but in the viciousness of the social-political system itself, which is based on terror, on ~~robbing~~ ^{depriving} the people of their industrial initiative and the right to private ownership of the land and the tools of production as well as the right to think and work in freedom.

These are also the reasons why the people overexert themselves trying to fulfill impossible tasks but the productivity of the nation lags behind other advanced countries, which expend immeasurably less industrial effort in the production of ~~commodities~~ the same type of commodities. Khrushchev himself discussed this subject very plainly at the 1954 March Plenum of the Central Committee of the CPSU (see page 7 above) in his criteria on the organization of farm production.

Now Khrushchev (at the Supreme Soviet Session) talks about "two masters on one and the same piece of land" and that it leads to deterioration in the proper exploitation of the land.

The trouble is not that there are "two masters - MTS and kolkhoze",

but that, generally speaking, there is no master at all. It must be assumed that the transfer of technical equipment will not change this "masterless" situation, for it is not the kolkhoze peasantry which owns the land as ^{lawful} ~~private~~ property, but the "featureless" state and, as Milovan Djilas points out "the new class of proprietors - the communist party".

We may assume that Khrushchev himself realizes this but he is "wrapped up in the system's vicious circle" and ~~he is either unable or unwilling~~ to break the bonds of this system ~~which~~ which brings him to conflict with himself.

Only recently, that is at the 1955 February Plenum of the CPSU CC, Khrushchev took the position that MTSs are the sovereign masters not only over the organization of farm production, but even that they are masters of the land. At this Plenum (four years ago) Khrushchev said:

"Without the MTS the kolkhoz cannot plow, sow, cultivate crops and collect harvest in time.... The machine-tractor station on the farm must be our fortress. MTSs, kolkhozes and sovkhoses are the chief creators of material values in agriculture".

(N. Khrushchev, speech at 1955 February Plenum of CPSU CC, "Bravda", 3 February 1955, page 5, column 1).

At the CC CPSU February Plenum, as evident from the above extract, Khrushchev thought that "the MTS should be our fortress on the farm". But only 4 years later Khrushchev believes that MTSs should be liquidated because they retard development of the farm economy.

Khrushchev stressed the all-important role of MTSs even at an earlier date - 6 years ago, shortly after Stalin's death, at the September Plenum of the CPSU CC in 1953, he stated:

"The most important and the most decisive role in the further development of agriculture belongs to the machine-tractor stations."

(N. Khrushchev, speech at September Plenum of CPSU CC, 1953, "Pravda", 15 September 1953, page 4, column 1, chapter "On improvement of operations of machine-tractor stations".)

Khrushchev is all wrapped up in the vicious circle of the Soviet system: he increased prices on a number of farm commodities - with negative effect; he held on to corn, as if to a safety belt - with negative results; he poured out huge resources in development of new lands (virgin lands), but the anticipated results failed to be achieved.

At present Khrushchev implements the reorganization of MTSs, "as the biggest and most important event after collectivization" and attaches to this reorganization decisive importance in developing farm production, in improving farm land exploitation.

But can improvements in farm-land utilization be expected from the fact that instead of two party officials - MTS director and kolkhoze chairman - only one official - kolkhoze chairman - will deal with farm problems? Besides, this official - the kolkhoze chairman - is not the real master. Khrushchev himself very convincingly pointed this out at the February-March Plenum of the CPSU Central Committee.

In his speech at the Plenum of the CC, Khrushchev referred to complaints which kolkhoze chairmen directed to local party organizations, which "terrorize" the job of the kolkhoze chairman.

On this subject Khrushchev said in his speech:

"The chairman of a kolkhoze is the central figure in kolkhoze production but the ~~subordinate~~ regard in which he is held by men in charge of district organizations is actually ~~so~~ shocking sometimes...

A large number of district organization leaders treat kolkhoze chairmen badly. Every directive has a post-script added: If this is not complied with, you, as kolkhoze chairman, will be brought to trial,

held
you will be ~~made~~ criminally liable and so forth".

(N. Khrushchev, speech at February Plenum of CPSU CC, 1954, "Pravda",
 21 March 1954, page 5, column 2)

Khrushchev gave a very colorful description of the role of a kolkhoze
 chairman, to wit, he is "an official completely subordinate in his actions
 to the ~~district~~ ^{rayon} party organization". He described the methods of "leader-
 ship", used by party organizations, as methods based on coercion and
 terror: "bring him to trial, let him be held criminally liable" etc.

Khrushchev spoke of these methods in 1954 but that did not prevent
 him to stress the all-important role of local-~~district~~ ^{rayon} organizations with
 regard to their management authority over kolkhozes and the strengthening
 of this role in view of the new conditions brought about by the liquidation
 of MTSs, on the occasion of a subsequent Supreme Soviet session.

In his speech at this session, Khrushchev offers his proposal regarding
 strengthening the role of local party organs in the following terms:

"Measures planned by the party concern themselves with ^{further} ~~the~~ development
 of Soviet democracy, the increase of the role played by Union Republics
 and local ~~party~~ organs in the management of agriculture ...
 Where formerly many problems connected with kolkhoze production acti-
 vities have been solved at MTSs, it will now be up to the ^{Rayon} ~~District~~
 Executive Committees (Rayispolkoms) to concern themselves with these
 questions."

(N. Khrushchev, speech at Supreme Soviet session, "Pravda"
 28 March 1958, page 5, section 6, column 1 and 2).

Aside from his verbose demagoguery, Khrushchev actually calls for an
increase of the role and authority of ~~district~~ ^{rayon} party organizations. Rayon
 executive committees, of course, are completely subordinate in their

activities to the decisions of the rayon party committee and a Rayispolkom chairman is directly subordinate to the secretary of the rayon committee of the party.

Consequently, under the new set-up, previous conditions remain in effect and there is even an increase in the "capacity of the rayon party organization" for administrative interference with the production activity of the kolkhose, but the kolkhose chairman will continue to carry out the functions of an "official" who blindly fulfills the decisions made by the rayon committee of the party and rayispolkom, as a "section" of the party rayon committee,

Under these circumstances, Khrushchev's remark regarding "two masters on one piece of land - MTS and kolkhose" is no more than empty chatter.

The essence of the problem is not that the land is in the hands of "two masters", but that the fertility of the soil has dropped under land nationalization conditions, soil fertility growth rates were held back and signs of mismanagement have become evident on an enormously wide scale, abandonment of formerly fertile lands, lands bogging up, erosion of huge land masses etc.

The phenomena of drops in the soil fertility growth rates and lowering of soil fertility in the main traditionally-tilled land areas under Soviet land-exploitation conditions as compared with conditions of private landownership in pre-revolutionary Russia, has been discussed further above (see pages 30-50). Therefore I would like to quote some data extracted from the Soviet press describing land utilization conditions as a whole:

"Izvestiya" 25 June 1957, article entitled - "Better use should be made of the land": Our land is irreplaceable national property.... There are a lot of farms which do a bad job of land utilization. About 15 million hectares are idle and fallow, i.e. actually turning into a desert. Some personal plots of land, due to mismanagement and careless behavior, are covered with shrubs or turn into bogs. In Krasnodar Kray alone, about 100,000 hectares of Kuban black soil are

covered with weeds. The main reason why there are serious defects in the proper utilization of land is that at present there is actually no All-Union, nor Republican legislation ^{on land} in force at all."

Journal "Sotsialisticheskoye sel'skoye khozyaistvo" No. 3, March 1956
 article entitled "Combatting soil erosion":

"Erosion causes a lot of damage to road building, it causes flooding of ponds, reservoirs and navigable rivers, erosion products are carried over meadows and hayfields. According to estimates ~~from~~ ^{by} Academician Praslov, in the USSR ~~there are~~ ^{there are} ~~xxx~~ about 195 million hectares of sandy soil, most of which is subject to wind erosion as well as sandy areas which are already destroyed by wind erosion."

Journal "Kommunist" No. 8 - August 1955, article by Prof. Udachin:

"We see the results of predatory exploitation of the land: naked steppes, without a single bush or tree, shallow streams not sheltered by forests, bogging of space, many ~~xxxx~~ ^{rayons} covered with large areas cut up by a ~~deep~~ thick net of gullies and ravines. As a result of mismanagement part of the land turns into brush and becomes swamp-land."

These excerpts from the Soviet press give a fairly good picture of the large-scale mismanagement which has taken hold as a result of land nationalization and which undermines the national wealth, disrupts the welfare of the nations inhabiting the USSR. For that reason, the land utilization problem cannot be explained the way Khrushchev attempted to explain it in his speech when he said that the organizational structure and the presence of "two masters on one piece of land" prevented proper and productive land utilization. The crux of the question, as we see it, lies in a much greater problem, namely in the social-political system of the USSR itself and in the many internal contra-

dictions which "lacerate" this system.

Of some interest in connection with the above remarks are statements made by the former head of the communist party of Yugoslavia, who in his book "The New Class" ~~discusses~~ ^{considers} the problem of communist rule in correlation with economic development and assumption by the "class" of party bosses of the right to own "socialized" property.

In this book Milovan Djilas discusses this problem on the following plane:
 " communist bureaucracy had to build ~~such~~ an economy which would provide for consolidation of the regime under its control. Under the pretext of doing away with exploitation and organizing a class-less society, it built a closed economic system based on that form of property which promotes undivided party rule....

In the beginning they/ directed and administered the entire economy in furtherance of idealistic aims proclaimed by them but now they do so in order to retain absolute power over the economy and over the country.

(page 129)

Monopoly of property, obsolete methods of production, no matter, where and which, are at variance with world economic demands. Monopolistic property or freedom, this is the question posed now on a universal scale.

(page 150)

Every regime, if it has the means, will simultaneously set itself a goal - for those who strive for it. Ruling class property is nothing else but rule of this class over ~~the~~ people's property. (page 200)

(Milovan Djilas, "The New Class", page 129, 150, 200)

Milovan Djilas is right when he says that "communist bureaucracy was built on a closed economic system, based on that form of property which promotes undivided party rule." Khrushchev's MTS reorganization

does not interfere with this "undivided rule of the party over ~~the~~ property" at all.

With regard to the processes which are to be found in farm production and which are discussed above, but particularly with regard to the "internal conflict" or "internal contradictions" of the Soviet system, the following statement made by M. Djilas is just as pertinent:

" However, as long as the communists fail to change their system, as long as they retain absolute power and hold a monopoly over all property, they are not able to arouse for long the interest of some workers, not to mention even the labor force as a whole." (page 133 of "The New Class").

The remark made by Milovan Djilas, this "repentant communist", to the effect that the communists, as long as they retain absolute power and a monopoly over all property, will not be able to arouse the interest of the labor force, i.e. personal interest in work, is interesting mainly because the remark is made by an "erstwhile builder of communist society", who learned this truism from experience. This statement of M. Djilas is interesting in view of Khrushchev's organizational measures and the transfer of machinery to the custody of kolkhoses. It is interesting also with regard to this question: Is Khrushchev's decision to transfer the machinery equivalent to a partial repudiation of monopoly over all property?

Khrushchev himself provides the answer to this question in his speech; he says "it is not". In saying so, of course, he uses all sorts of verbose "turns and twists" ~~with~~ intermingled with Leninist dialectics, but his "theoretical exercise" in Marxism-Leninism must, in the final analysis, be understood to mean that "kolkhose property is to be regarded as property belonging to the people as a whole", but really this means that the state monopoly extends over all kolkhose property and that MTS reorganization

and transfer of machinery by no means revises the principles of universal state monopolism.

Let us quote a few sentences from Khrushchev's speech regarding MTS reorganization. These terms illustrate the position of the CPSU CC on the subject "nature of kolkhose property" and the position of ~~Khrushchev~~ Khrushchev himself.

Imitating Stalin, Khrushchev himself asks the question:

" does the contemplated MTS reorganization not come in conflict with Marxist-Leninist theories, do we not weaken public property by the sale of tractors to kolkhoses?"

(Khrushchev, "Pravda" 28 March 1958, page 3, chapter 4, column 3)

Khrushchev answers this question with a reference to Lenin's statement regarding cooperative building and says:

" It is true that public property - is the highest form of property. This is what Lenin called it. However, at the ^{same time} ~~same time~~ Lenin did not set public property off against cooperative property.....

Preparing his cooperative plan, Lenin started from the premises that, thanks to the peculiarities of our regime, cooperation in our country has a quite particular meaning and that the increase of cooperation in our conditions is identical with the growth of socialism. I like to draw your attention to how Lenin, as early as March 1918, only a few months after ~~the~~ victory of the proletarian revolution, with his genial insight, pointed to a qualitatively entirely new role for cooperation under conditions in the Soviet Union."

(Kh. goes on quoting Lenin: Collected Works, volume 27, page 189 (page 14, paragraph 5 of this Analysis).

These statements by Khrushchev are not only of theoretical interest for appraisal of the "communist cooperation" problem, they are of interest also for appraisal and understanding of Khrushchev, as ^{an intriguing} ~~a political~~ operator.

Khrushchev refers to Lenin's remarks made in March 1918, i.e.

a time, when Lenin himself did not yet realize himself what would happen to his experiment in building a "classless society".

Let us ask ourselves the question: What stage of Lenin's period should we refer to - the period of March 1918, or the period of March 1922?

It is quite plain to everyone that the forms of the state system of the USSR were crystalized by March 1922 to a greater degree than this was the case in March 1918, besides Lenin by that time had already reached certain conclusions.

What are the conclusions Lenin had ~~arrived at~~ ^{reached by} that time?

At the 11th party congress, which was held in March 1922, in his last political address to a party congress and, as a matter of fact, his last political speech altogether (after the congress Lenin became ill and in January 1924 he died) Lenin gives a completely final characteristic on the forms of the Soviet state system taking shape and brands them "state capitalistic" forms.

Lenin was not afraid to call things by their proper name, even though "branding" a state system established by him "state capitalism" could not be suitable to him for political reasons, something which he indirectly mentions in his speech when he says: "The situation is completely unprecedented in history: The political power which is in the hands of the proletariat, the revolutionary vanguard, is quite adequate, but at the same time - there is state capitalism" (Lenin, page 18 of the stenographic record of the 11th RKP(b) congress, published 1922).

On the subject of state capitalism, ^{Lenin} states the following in his political address to the congress:

Extracts from Lenin's political address:

"... on the subject of state capitalism we are lapsing into a mental ^{we philosophize} quandary, into liberal thinking, ^{should} as to how state capitalism ~~is to be~~ ^{used to be}

interpreted and we go ahead and look up the old books. ...

Even Marx didn't get around to writing a single word on this subject and ~~then~~ he died without leaving us a single firm quotation and irrefutable instruction ..

(page 17)

State capitalism is a type of capitalism which has to be put into certain frames and ~~which~~ we have not learned ^{how} ^{it} so far to put into such frames. That's the story in a nutshell. It will already be up to you people what sort of state capitalism this will be. The situation is entirely without precedent in history: the political power which is in the hands of the proletariat, the revolutionary vanguard, today, is entirely adequate, but along with it - we got state capitalism."

(Lenin, stenographic record of the 11th congress of the RKP(b), published 1922, pages 17,18). (Italics are the author's).

As evident from his speech at the 11th RKP(b) congress, Lenin called the meeting's attention to the necessity to "curb" state capitalism. He says: "state capitalism is a type of capitalism which has to be put into certain frames and we have not learned so far ~~we~~ how to put it into such frames. It will now be up to us what sort of state capitalism this is going to be."

Lenin's abolition of land socialization a few months prior to the congress and his other political-economic measures, the whole Leninist "NEP" ~~were~~ actually to a certain degree intended to "curb" the beginnings of state capitalism (see pages 12-29).

Lenin himself, in his book "State and Revolution", which he wrote prior to the revolutionary seizure of power, showed distinctly that forms of monopolistic state capitalism are reactionary forms and that they run counter to workers' and peasants' interests.

As a foreword to this book of his he wrote:

" The imperialistic war enormously accelerated and exacerbated the process of conversion of monopolistic capitalism into state-monopolistic capitalism.....

The most advanced countries are becoming - we are speaking of their home-
fronts - military convict prisons for the workers".

(Lenin, "State and Revolution", Foreword, Collected works, volume 25, page 354, issue 4).

Lenin's "forecast" with reference to democratic capitalist countries failed to materialize, but it was fully materialized in the USSR, where, in line with Lenin's expression, "the home-fronts were turned into military prisons for workers and peasants". The following interpretation given in the Soviet Encyclopedia on the meaning of "State Capitalism", based on Lenin's concepts, sounds quite convincing in this respect:

~~" Under state capitalism the state apparatus has exclusive control of all the most important branches of industry, it regulates prices, allots raw material, food products, commands the labor forces etc.~~

This nationalization of the economy, in Lenin's words, is equivalent to military-state monopoly capitalism, or, expressed more plainly and clearly, military penal servitude for the workers."

(Small Soviet Encyclopedia, volume 3, page 405, issue 1936)

Thus, the Encyclopedia (published in 1936) explains that "nationalization of the Economy", on such a universal range as practically applied in the USSR, is - military-state monopoly capitalism, or, plainly speaking, military penal servitude for the workers. However, facts and the truth are no basic quantities for the CPSU leaders in their present-day political utterances. Therefore, Khrushchev today, very much like Stalin in the past,

with all the means at his disposal tries to "attach" the label of "socialism" to the social-political order of government prevailing in the USSR and the label of "socialist cooperation" to the forms of state kolkhose-
sovkhose monopoly.

Khrushchev says (see page 71 above) that "Lenin did not set off public property against cooperative property", but this is plain scholasticism, because Lenin neither identified state property and cooperative property, as Khrushchev actually does today.

Expounding his "reasons" for the expediency to transfer mechanical equipment to control of kolkhoses, Khrushchev states:
We are concerned with ^{of}
" ~~This is our method~~ of gradually raising the level ~~in the~~ collectivization of kolkhose property and thus lift it to the level of public property....

Projected measures for further development of the kolkhose system and reorganization of MTSs promote expansion of kolkhose property and its identification with ~~state property~~ public property.

For that reason, why should we be afraid to consolidate kolkhose property... those people who are afraid to expand kolkhose property, look at this property from the position taken during the early phases of collectivization and forget that not only in quantitative but even in qualitative relation kolkhose property has now become something else from what it was 25-30 years ago."

(Khrushchev, "Pravda", 28 March, page 3, section 4, column 4).

In Khrushchev's interpretation the only statement of any importance is that "MTS reorganization provides for expansion of kolkhose property and its identification ~~with public property~~ with public property." Khrushchev substitutes the term "state property" with the term "public property", considering that this term

conforms more to the basis of "realized socialism", a reasoning that the state kolkhose monopoly is not a form of state monopoly, but a form of "socialist cooperation".

It is not by chance either that Khrushchev raises the subject regarding the prevalence of "fear" in party circles in connection with the transfer of mechanical equipment to kolkhose control. This "fear" was a subject of discussion ^{in 1929} at the 16th party conference in Moscow by the delegate of the Uzbek SSR (secretary of the Uzbek communist party central committee), Akmal Ikramov, who was shot by Stalin some time later.

At the 16th party conference, Ikramov defined the apprehensions and "fears" expressed by some party circles in connection with the approaching forcible ~~forzefit~~ kollectivization and solution of the problem of supplying kolkhoses with mechanical equipment in the following manner:

" This is what has been announced from this rostrum: There you are talking about collectives, but once they get stronger, once they obtain adequate production elements, once they get enough working capital, they'll talk to you, the proletarian state, in the same language, here it will be a kulak and there an individual enterprise."

(A. Ikramov, address at 16th party conference of the VKP(b), Stenographic record of 16th party conference, published 1929, page 203).

Ikramov explains the reasons for fear by saying that the kolkhose peasantry "will talk to the regime in the same language, here it's a kulak and there an individual enterprise", i.e. in other words, getting economically stronger and feeling himself more independent, he will increasingly insist on his legal rights and primarily the right to enjoy the fruits of his labor.

Although Khrushchev fails to mention the reasons for some party leaders' "fear" in the present circumstances, it must be assumed that the reasons have remained the same, because he "consoles"-these communists who are fearful of the reorganization of MTSs by saying that ~~it~~ "kolkhose property became something else ~~was~~ from what it was 25-30 years ago."

It must be assumed that the question is not that "kolkhose property became something else", but that the coercion machinery has changed and the anaesthetization of the farmers has achieved certain results, but certain party elements do not believe in this, thereby revealing the contradictions between peasantry and party.

As a foundation for the new system of supplying farm production with mechanical equipment, Khrushchev intends to lay down the principles:

"VOLUNTARINESS" and "PERSONAL INTEREST"

In his report he says:

" The trade in machinery, spare parts and other products needed by kolkhoses and sovkhoses must be organized on entirely new principles. Technical equipment and other products will be sold on voluntary bases only.....

The new machinery sales procedure will compel directors of National Economic Councils (sovnarkhozy) and enterprises to take a different approach also towards ^{organization of} ~~the~~ technical equipment production. There is a lot of disorder in this business today. A plant ~~sells~~ ^{attempts to put} a piece of machinery on the market, but whether it meets the present level of production, whether it is economically profitable ~~for~~ ^{to} kolkhoses and the state, all this is of small concern to the directors...

At the present time, tractors, as a rule, are ^{sold} equipped with a

hydraulic control system. Nevertheless, our industry continues to put out heavy, inefficient and uneconomical hook-up farm machines even in such cases where designs of new one-type hook-up machines have been made. Let us take this for an example. We have a hook-up hay-mower weighing 650 kilograms, it is operated by one person and its output is 40 ha. a day. In all of 1958 the "Kazsel'mash" plant sold only 80 of these machines. At the same time, the plant in Lyuboretski received ^{an} order to make 11,000 hook-up hay-mowers this year. The weight of this hay-mower is 1500 kilograms, it takes two men to operate it and its output is only 35 hectares. (see page 5, column 1)

Party, Soviet and farm specialists should realize that the principle of material personal interest is the key ^{to} the proper solution of the problem of further development of the kolkhoz economy, that without skillful application of this principle there is no way for successfully advancing along the road towards gradual transition to communism." (see page 5, column 3)

(N. Khrushchev, "Pravda", 28 March 1958, page 5, column 1 & 5)

Khrushchev declares that "technical equipment and other products will be sold only on a voluntary basis." This "voluntariness" in buying and selling will take place along with preservation of all previous economic principles of the Soviet system, which rests on the bases of complete universal coercion. Let us ask ourselves the question -- is it possible to expect from Khrushchev's innovation ("free trade in technical equipment") radical improvement and "revolution" in the supply of technical equipment and use of this technical equipment when there is no change in the very system of economic interrelations which are based on universal state monopoly and coercion?? We believe it is quite impossible to expect that. We must assume that also Lenin's conception (see page 58) that under monopolization conditions "incentives for technical and consequently any other progress disappear to a certain

extent" very clearly illustrates the fact also, namely, that the cause not only rests in "free trade with technical equipment", the trouble is much deeper, it is inherent in the very system of ^{the} economic structure of the USSR, in the monopolization of industrial and agricultural production by the state. Even though he did not discover any "new economic laws", Lenin was right when he said: "monopoly is the direct opposite of competition". Now Khrushchev wants to introduce the principle of "free purchase of machinery" under monopoly conditions and thereby create "incentives" for industrial output of machines of a better quality and satisfying the demands of farm production, or call to life "a substitute for competition".

The example cited by Khrushchev regarding output of mowing machines is quite eloquent: from 11,080 mowing machines only 80 satisfy demands, according to Khrushchev. But if farm production required ~~not~~ altogether 11,080 mowing machines, what are kolkhozes to do under "the new conditions" - buy them freely or not buy them at all? Apparently, they will take what they are given. There also is the difference between conditions of liberal democratic capitalism and conditions of Soviet monopolistic capitalism, the difference between a free competitive market and the Soviet monopolistic state market. And Khrushchev's "substitutes" are not able to change this situation.

Soviet scientists are able to design an earth satellite and Soviet industry is able to build this earth satellite, but Soviet monopolized industry and trade are unable to satisfy the vital needs of the population and the vital requirements of farm production. Even Khrushchev mentioned it and "complained" about it saying there was a "lot of disorder" in the output of technical equipment and there was little concern on the part of plant directors "whether the machines are economically profitable". There is the paradox.

Khrushchev's second proposal - "on solving the task of further development of the kolkhoz economy on principles of material personal interest" is just the same "substitute" as the first proposal.

Already a quarter of a century ago, Stalin fought for "non-financing by the State and personal interest" in industry and other branches of the ~~economy~~ economy, but, as Khrushchev says, the situation remains the same and again "the question must, somehow, be decided once more". But how to solve it, even Khrushchev apparently does not know.

In their entire activity, MTSs have proved that this form of farm production service comes very dear. MTS maintenance costs financed from the budget have increased every year, at the same time the boost of expenditures has outstripped in geometrical proportions the rates of increase of farm production and the ^{growth} rates in the scope of operations of the MTSs themselves.

This is confirmed by the following data:

	1940	1955	Increase in %
Total of land under crops in the USSR - in million ha.	150,4	185,8	124%
Total product of MTS work assigned to plowing	227,0	625,0	275%
Number of MTSs	7069	9009	126%
Average-year number of MTS workers	537 thousand persons	3,120	581%
Financing of MTSs from the USSR budget	7,4 in billion Rubles	32,7	441%

Above indices on the operations of MTSs were taken from the following

sources: land under crops and scope of MTS operations are taken from the statistical almanac "The USSR National Economy" (Narodnoye khozyaistvo SSSR), published in 1956, pages 106 and 138; Financing of MTSs from the budget according to data taken from Zveryev's statements on the USSR budget for the corresponding years (for 1939 and 1956)

Above-quoted data on MTS activities permit us to make the following deductions:

Compared with the year 1940, acreages under crops in 1955 extended by 24%, but the scope of MTS operations (transferred to soft-soil plowing) increased almost three times (275%);

extension of the scope of plowing operations had the manifest aim to raise crop capacity of grain products, which actually failed to be accomplished and the average crop capacity in grain products remained on a low level (see page 38);

the average-year number of MTS personnel had INCREASED in 1955 compared to the year 1940 almost 6 times (581%), while the scope of operations in land under crops increased by 24% and in soft-soil plowing almost 3 times (275%);

financing of MTSs from the budget for the same period (in ~~1955~~ 1955 in relation to 1940) increased 4,5 times (441%).

These figures justify the assumption that machine-tractor stations have proved to be a too "expensive" form of state monopoly and, while swallowing considerable budget-financed funds, ^{they} failed to render the result anticipated in so far as crop capacity and gross grain yields are concerned.

At the same time we must not fail to realize that during a certain stage, namely during the period after introduction of compulsory collectivization and progressive peasant opposition to this measure, MTSs played their role as an organ of party dictatorship in the village (champion and executor of party directives), i.e. in Khrushchev's terms, the party's "stronghold" in the village

and this is the role MTSs carried out most prominently.

In reality the main role of MTSs was limited to:

a) pumping grain resources out of the peasantry in the form of "pay in kind for MTS services" and by means of grain harvesting methods also direct delivery of grain to the elevators;

b) coercion over the peasantry and application of coercive forms of collectivization ("consolidation" of the kolkhoz system).

In his speech, Khrushchev considers the "merits" of MTSs in the following terms:

" Thanks to the MTSs we have achieved the position that MTSs not only have consolidated themselves but by and large have even become large-scale, economically strong socialist enterprises..

MTSs have carried out a major role in the development and consolidation of the kolkhoz system....

MTSs in the past have proven an important instrument in grain accumulation.

Now that grain and a few other kolkhoz products ~~supplied~~ delivered as payment in kind cost more than sovkhos products, MTSs have ceased to be such an instrument.

Our party, organizing MTSs, never swore eternal faith to this form of kolkhoz industrial-technical service, it never considered the MTS project an end in itself....

The time has come for a way in the relations between state and kolkhoses to get along without such an intermediary ~~chain~~ link as the MTSs."

(N. Khrushchev, "Pravda", 28 March 1958, page 3, column 1 and 2. Italics provided by the author)

It may be noted from the above extracts of Khrushchev's speech that he stresses the "high cost of the MTSs", "past merits of MTSs in ~~compulsory delivery~~ ^{coercive establish-}ment of the kolkhoz system" and "the means under present conditions to squeeze the grain out of the peasants by forced state deliveries and doing away with the intermediate link (MTSs)."

It should be noted also that MTSs turned out to be an extremely bureaucratic form of industrial organization. The MTS administrative apparatus (excluding the production staff) increased to 450-500,000 persons.

According to data provided by the journal "Voprosi ekonomiki" (No. 12, December 1957), the administrative-managerial apparatus of one single MTS amounts to 55-66 persons and the administrative expenses in proportion to total expenditures come to 8,5 to 19%.

The MTS managerial apparatus (about 500,000 persons on 9,000 MTS units) existed parallel with the administrative-management apparatus of kolkhozes, which, based on tentative figures, employs 4,5 million persons, which includes ~~guards, drivers etc.~~ maintenance personnel (guards, drivers etc.) This applies to the period after the consolidation of the kolkhozes. The breakdown is as follows:

		1940	1955
Number of all kolkhozes	In thousand units	236,9	87,5
Included herein agricultural artels	" " "	235,5	85,7
Amount of kolkhoz farmsteads	" million farmsteads	18,7	19,7
No. of farmsteads per 1 kolkhoz	units	81	229
Administrative and maintenance personnel of kolkhozes:			
a) per one kolkhoz	persons	20-25	45-50
b) Total	million persons	4,7-5,9	3,9-4,5

Note: The number of kolkhozes and farmsteads is derived from data supplied by the statistical handbook "Narodnoye khozyaistvo SSSR", issued in 1956, page 100. Data on administrative-maintenance personnel were taken from "Pravda", 10 June 1940, entitled i.e. an article titled "Unrational waste of work-time" ("Besrassudnaya trata trudodnyey", as well as other sources.

In connection with the reorganization of machine-tractor stations, the CPSU apparently intends partly to cut down the MTS managerial apparatus and partly to transfer it to the newly organized Repair-technical stations (RTS). It must be noted that the kolkhoz system of production organization has brought to life a new type of activities and the necessary personnel which carries out these activities. To these activities belong: planning of production tasks and calculation; planning and calculation of working-days (unit of payment in collective farms) worked off by the peasantry; keeping stock and guarding of materials etc; calculation of financial operations and salaries; guarding of socialized warehouses, farms etc.; administrative functions in connection with surveillance over the peasantry etc. The administrative-managerial apparatus of kolkhozes as well as the maintenance apparatus diverts millions of people to non-productive work.

5. UNEVENNESS OF DEVELOPMENT AND NON-EQUIVALENT EXCHANGE
SETTLEMENT WITH THE PEASANTRY FOR FARM PRODUCTS
AND REORGANIZATION OF MTSs.

Speaking at the 12th Congress of the RKP(b) in April 1923, the People's Commissar of Foreign Trade, L.B. Krasin (party member from 1890 on - stenographic record of the 12th Congress page 700) described the general "trend" of the party's domestic financial policy with regard to the peasantry and foreign policy on the international scene in very condensed terms. 35 years have passed since that time. Much has changed with regard to the domestic as well as international status of the Soviet Union, but the general trend of the Soviet financial policy has basically remained the same and Krasin's formulations are still of interest for that reason.

At the 12th Congress of the RKP(b) Krasin said the following:

"Can the Soviet State treasury render substantial aid to the peasants in rehabilitating their economy? It cannot. Is industry able to render substantial assistance? It cannot, because industry itself still walks on crutches.

After all, we got to be honest and tell the truth: help to the peasants will come from nowhere, but on the contrary, all of us, the Red Army, industry, the State machinery, sit on the peasants' back, (page 116)

... "Arkos", our London Company has issued gold credits to our organs from British sources amounting to 49 million Rubles. This fact ~~goes~~ ^{goes} to show you that to make our enemies help us in a certain way is not Utopia when a certain ~~policy~~ political action is involved (of course, it must be a political action). Do we conduct such a policy, - a policy which must be based on the principle to increase contradictions, arouse greed, setting part of our enemies to fight others ^{not only} on an international scale ~~also~~, but also within the ^{Borders} limits of one country, ^{within} inside a certain ^{Group} class of industria-

lists, in order to exploit all of them? (page 117)

(L. Krasin, stenographic record of the 12th Congress of the RKP(b),
published 1923, page 116 and 117, Italics by author).

Krasin, the "old Bolshevik", with his long record of party membership, did not ^{n/}miss words and described the ~~past~~ contents of the RKP(b) political line quite correctly, besides, this description remains basically correct~~ly~~ in appraisal of the present-day CPSU policy, not only with regard to the kolkhoz peasantry but also with regard to the sphere of international politics.

Indeed, as Krasin stated, "sitting on the backs" of the peasants continues right up to the present. The pivot around which the entire domestic CPSU financial policy turns is "non-equivalent trade (exchange)" with the peasants and the government's large-scale speculation with indispensable goods (food, clothing and others), i.e. ~~pumping of~~ the peasants' resources continue to be pumped into industry and used to cover the incredibly high expenditures of the regime's military, ^{police} and bureaucratic machinery. It is true that industry no longer "walks on crutches", as Krasin stated, but nevertheless it calls for modernization and in farm machine-building (see ^{above} ~~change~~) and a number of other goods needed by the peasants (building materials, clothing etc.) it fails to meet the demands of agriculture.

The "pumping" ^{over} of the peasants' resources made possible a very high level of development of the military industry and defrayal of costs to maintain army and state apparatus, but it hindered the development of agriculture.

On the international scene the policy of the CPSU follows a very much similar course, as outlined by Krasin:

".. make our enemies help us in a certain way,... aggravate contrasts, arouse greed, setting some of our enemies to fight others not only on

an international scale but also within in the borders of one country, within a certain ^{group} ~~class~~ of industrialists, so that we can exploit all of them."

The policy of Khrushchev & Co. today follows the very direction outlined by Krasin. This is confirmed by a great many facts: Menshikov's behavior in the USA and Khrushchev's letter on extension of trade; subversive activity in South America, Near and Far East; business transactions with England (order for mine-sweepers and others); conclusion of trade agreement with West-Germany etc.

At the 15th Congress of the VKP(b), which convened in December 1927, in his political report to the Congress, Stalin acknowledged the fact that there was "unevenness" in the development of the Soviet economy, which results in agricultural development lagging behind development of industry.

Analyzing the rates of farm development, Stalin arrived at the following conclusions:

" In pre-war Russia the yearly growth of farm production came to 3,2 - 3,5% during the ten-year period 1900-1911. As a matter of fact the yearly growth of our farm production (according to plan) amounts to 4,8% for the five-year period 1926-27 to 1931-32. ... But we should keep in mind that while the gross output of nationalized industry will double by 1931-32 and show an increase of about 70% over the pre-war level, farm output at that time will exceed the pre-war farm output by only 28-30%, i.e. less than one third.

In view of this the rate of development of our ~~gr~~ agriculture cannot be considered as satisfactory...

What is the way out of this? The way out is to convert small and

scattered farm enterprises into large and consolidated enterprises on the basis of public cultivation of the land..."

(Stalin, Political report at 15th VKP(b) Congress, stenographic record of the 15th Congress, published in 1928, pages 55,56 (Italics by the author).

Stalin mentioned that the yearly growth of farm output in Russia before the revolution in the 10-year period 1900-1911 amounted to 3,2 - 3,5% and that a yearly increase of 4,8% was scheduled for the period of the 5-year plan (1926-27 - 1930-31) but that this "planned" growth, as he saw it, would be assured by "consolidation of diverse enterprises", or collectivization.

When we look at the actual situation as it applies to development of the grain economy and cattle-breeding (see above pages 31-50), the planned growth rates of farm output "burst like soap bubbles".

It is quite evident that the main reason of a whole "series of reasons" causing the sharp lag in farm production was the sagging of the peasants' personal interest and the "pumping-over" of resources from the agricultural sector to industry. This provided the regime with a state kolkhoz monopoly ^{farm} but at the same time it failed to assure development of the economy.

The agricultural lag has worried CPSU leaders in the past and still worries them today, but one of the main reasons for this worry are considerations of military-strategic nature.

In a long speech, also delivered at the 15th Congress of the VKP(b), the present chairman of the Supreme Soviet, Climent Voroshilov, in discussing militarization and Red Army buildup, stated that the defensive capacity of the country plainly tied in with the state of farm output. What he actually said is this:

" ... As far as agriculture is concerned I am going to say

two words only. Its role and its significance in the defense of the country are ~~quite~~ tremendous. ... All ~~sectors~~ ^{questions} providing for a faster and more ~~realistic~~ ^{realistic} development of agriculture have been considered in the 5-year plan and this will in turn increase its defense capacity."

(K. Voroshilov, Stenographic record of the 15th Congress of the VKP(b), published in 1928, page 885, Italics are the author's).

At ~~the party congress~~ ^{the party congress} in December 1927 Voroshilov said that "real development of agriculture has been provided for in the 5-year plan", but such development failed to take place even ~~when~~ ^{had} the war started (by 1941) and this led to enormous human losses due to ~~malnutrition~~ ^{by the time} and starvation. (Total losses of the USSR during the 1941-1945 war are fixed at approximately 32,8 million persons, which includes losses at the fronts and prisoners of ~~war~~ war amounting to 7 million persons).

Besides, U.S. Land-Lease, but in particular U.S. food supplies, played a decisive role in saving the Soviet ~~home-front~~ ^{front} from disintegration in the years 1943-1944.

Quite notable is the fact that the 15th VKP(b) Congress, in discussing policies affecting the peasants, held pumping-over of resources from the agricultural sphere to the industrial sphere to be inadmissible. A resolution passed by this congress on the subject of "Directives on the draft of the Five-Year Plan for the national economy" reads as follows:

" ... With reference to town and country, socialist industry and farm economy. It is not correct to impose demands for maximal pumping-over of resources from the agricultural sphere to the industrial sphere, because this demand not only calls for political rupture with ~~the peasants~~ the peasants but also for a breakup of the raw material base of our industry, a breakup of its domestic market,

a rupture of exports and violation of the whole national economic system."

(Stenographic record of the 15th VKP(b) Congress, column "Resolutions and decrees of the 15th VKP(b) Congress", page 1293).

The incorrectness of Trotski's political demands, i.e. "... rigid concentration and intense pressure on the workers", ~~expressed~~ advanced by him in 1923 (page 1293 - stenographic record of the 15th Congress) was ~~made~~ also noted in the above resolution.

Adoption of this resolution in the 15th Congress, i.e. "on the inadmissibility to pump-over resources from the agricultural sphere to the industrial sphere" did not prevent the CPSU from basing its entire future economic policy on just such a foundation. In order to achieve this aim it introduced a policy of compulsory low prices for farm products supplied to the state kolkhoz monopoly and exclusively high prices for industrial goods delivered to the peasants. (See further below).

As a matter of fact, Stalin in the past and also Khrushchev today implements a thoroughly identical financial policy; with an emphasis on maximum concentration of budget ~~resources~~ funds to assure financing of armaments on an exceptionally high level and ~~payment~~ ^{payment} of the huge expenditures required for maintenance of the regime's state machinery.

In 1930-1931 ~~Stalin~~ ^{Stalin} carried out a tax reform and as a result of this reform the ~~main~~ ^{principal} ~~budget~~ ^{RECEIPTS WERE} ~~credited~~ ^{in the form of} by two budget revenue items: turn-over tax and deduction from profits.

Khrushchev not only failed to lessen the tax load carried by the basic strata of the population (workers and peasants), but even ~~increased~~ ^{RAISED} it, which is reflected in the increase of ~~the~~ ^{RECEIPTS ACCRUING IN} budget/turn-over taxes and deductions from profits:

ACCRUING

In billion Rubles

Years	Budget receipts:		
	Deductions from profits	Turnover tax	Total
1928	0,5	1,8	2,3
1931	2,1	11,6	13,7
1940	22,4	108,3	130,7
1950	39,8	238,4	278,2
1955	117,5	233,2	350,7
1958	130,3	300,5	430,8

(Sources: Prof. K. Plotnikov "The socialist state budget", pages 17,21 Reports by USSR Finance Minister Zverev on the USSR budget - "Pravda", 1 April 1940, 14 June 1950, 4 February 1955, 20 December 1957).

Kolkhoz reform and submission of one hundred million peasants to a policy of monopolistic state prices gave Stalin the chance to raise taxes, hidden in the price of commodities, in 1931, as opposed to 1928, almost six and a half fold and to continue raising them in a never-ending spiral upward. As opposed to 1940 1931, budget receipts derived from deductions from profits and turn-over tax in 1940 increased almost 10-fold and in 1950 almost 20-fold.

During the space of 5 years - from 1950 to 1955 - budget receipts from these items increase once more by 72 billion Rubles and for the 3-year period - from 1955 to 1958 - by 80 billion Rubles.

E. Preobrazhenskij, an economic-finance specialist in Lenin's times, gave out a few paraphrased statements which are in line with his concepts in the sphere of taxation. These statements give a good illustration of the fiscal policy formerly carried out by Stalin and now continued by Khrushchev.

In his work "The ^{BASIC} ~~principal~~ law of socialist (capital) accumulation" Preobrezhanskij recommends "implementation of a price policy which will be no more than another form of taxation" and coordinates the means to put into effect such a fiscal policy "with concentration of all heavy industry in

the hands of one single trust".

Preobrazhenskij writes:

" Concentration of the entire heavy industry in one single trust enormously increases the potentiality for carrying out, on monopoly bases, a price policy which will be only another form of taxation. Would it not be most profitable to do so in order to get the peasants to pay a large amount by means of a fixed price policy?"

(E. Preobrazhenskij "The basic law of socialist accumulation")

Preobrezhanskij expressed his wishes prior to the implementation of collectivization, i.e. before the same form of monopolistic "single trust" as applied to industry had been extended to all agricultural production, which, naturally, does not change the contents and economic aim of his entire concept, which, translated to present-day conditions in the USSR, may be expressed as follows:

" Concentration of all industry in one single trust and concentration of all farm production in a state kolkhose monopoly made it possible to carry out a price policy which merely turned out to be another form of taxation."

Under the state universal monopoly the economic character of surplus profits and turn-over tax became practically identical because of importance are only the factors of cost price and sales price and for the budget fiscal policy the difference between these two forms of goods taxation consists only in the technique of payments to the budget, which Soviet economists describe as follows:

" Profit and turn-over tax- the most important parts of net profit. They have, in essence, identical economic character."

(Journal "Voprosy ekonomiki" No. 3, March 1954, page 26).

agricultural

With regard to the ~~tax~~ sector of output, the CPSU laid down a principle of inequivalent exchange as a basis for its monopole price policy. This inequivalent exchange is based on artificial lowering of state fixed prices (paid by the state for state purchases) for agricultural raw material and food products as compared with prices for industrial articles.

As early as 1923, at the 12th RKP(b) Congress, L. Trotski used the method of equivalent ~~appraisal~~ ^{valuation} of a set of industrial goods ~~in relation~~ ^{with respect} to grain (rye) in Soviet conditions relative to the pre-revolutionary year 1913.

In his report "On Industry" L. Trotski, in particular, described the drop in the peasants' purchasing capacity as follows:

" .. by a skillful, expedient policy and economical organization we must carry to the mill of socialism a maximum portion of what we conventionally call surplus value, which is created by the entire working population of our Union. What means do we have to do that?...

The question boils down first of all to the exchange of farm products for industrial products....

Are industrial products accessible to the peasant? What ^{price} correlation is there ~~in prices~~ between farm products and industrial products? ... For textiles, for soap, for kerosine, for leather goods, for matches, salt and sugar, for vegetable oil, in the amount just about required for everyday life, the peasant must now pay 167% more than what he paid in 1913, i.e. he must deliver instead of 1 pound of grain for the ^{corresponding} ~~equivalent~~ amount of products 2.67 pounds, or 2.6 times more.

During the past 3 months they expected relief, but the coefficient went up to 175%, i.e. the peasant pays for city industrial products needed by him already two and three fourth times more grain than he paid in 1913:

Norm of consumption per head	1913		1923		
	In pounds of rye flour flour				
	Price.	Cost.	Price.	Cost.	
Textiles	9,4 arshins	4.33	40.7	20.07	188.7
Soap	4.8 pounds	5.0	24.0	13.84	66.4
Kerosine	14.0 "	1.67	23.4	3.22	45.1
Leather goods	1 pair of boots	233.0	233.0	545.7	545.7
Matches	2.3 packs	3.3	7.6	6.33	14.6
Salt	30.4 pounds	0.3	9.1	2.35	71.4
Sugar	10.0 pounds	4.33	43.3	18.3	183.0
Veget. oil	5.0 pounds	7.33	36.6	7.39	37.0
Total per head		-	417.7	-	1,151.9
Increase of coefficient over 1913					2.75

(L. Trotsky, Stenographic record of the 12th RKP(b) Congress, published 1923, pages 291,292).

L. Trotsky's speech at the 12th Congress is of great interest in a political sense not only in the light of appraising the question regarding the Soviet price policy, but also in the light of appraising collectivization itself and the entire future CPSU policy which even up to the present is concentrated on maximum exploitation of the peasants.

L. Trotsky selects 8 commodities and ^{valuates} ~~prices~~ them according to the 1923 price level for industrial goods and rye flour, as well as the price level for 1913. He sets the ~~index (coefficient)~~ ^{index (coefficient)} of price increase for industrial goods with respect to 1913 at 2.75, in other words, he estimates the drop in purchasing power and the deterioration of the peasants' economic situation at this figure. At the same time Trotsky says:

" WE MUST CARRY TO THE MILL OF SOCIALISM THE MAXIMUM SHARE OF WHAT WE CONVENTIONALLY CALL SURPLUS VALUE, WHICH IS CREATED BY THE ENTIRE WORKING POPULATION OF OUR UNION."

It must be assumed that even Trotsky, inspite of his wide experience and intelligence, could not imagine, when he made his speech, to what tremendous extent the CPSU would increase ~~the~~ removal of "surplus value" from the workers. The figures shown on page 91 of this report on growth dynamics of budget receipts describe the increase in the removal of "surplus value"

clearly enough.

With the passage of time the gap in the prices for industrial commodities and farm products continued to widen. Monopolized industry turned out to be an expensive enterprise and the increase of expenditures for maintenance of the armed forces and the huge state apparatus called for new sources of budget receipts, additional profits from industry. Lowering prices for industrial commodities under these circumstances proved to be illusory. The peasants reacted to the policy of "fleecing" and parasitism by the regime with cutting down the volume of production output.

At the 16th Party Congress (in July 1930) Stalin, in his report to the Congress, was forced to admit that the situation regarding food supply to towns and cities was catastrophically bad.

In his report to the Congress, Stalin gave the following data on movement of gross grain yields and grain commodity output, i.e. output ^{realized} ~~effected~~ by the peasants:

	In % with respect to 1913	
	Gross yield of grain products	Commodity output of grain products.
1913	100,0%	100,0%
1927	91,9%	37,0%
1928	90,8%	36,8%
1929	94,4%	58,0%

" This goes to show that in the line of commodity output of grains we are far from having attained pre-war norms. This is the reason for our grain difficulties, which have become particularly acute in 1929. This also is the crux of the grain problem.

We are faced with more or less the same picture, but even with more alarming symptoms in the field of life-stock breeding... The fact is that instead of raising life-stock breeding norms with respect to 1916, the last year gave clear indications of a drop below that norm (see pages 67 & 68).

For this reason the task of increasing the number of sovkhoses and merging small farm establishments into large collective farms is the only means to solve farm problems in general and grain problems in particular (page 69).

(Stalin, Stenographic record of the 16th VKP(b) Congress, pages 60,61,22, Published in 1935 (Italics are the author's).

At the 16th Congress in 1930 Stalin declared that "the only way to solve the farm problems is to expand sovkhoses and kolkhoses". Kolkhoses and sovkhoses were "expanded", but the agricultural problem, in both the field of grain production and cattle-breeding remains to be solved even to the present time, i.e. 30 years later. The reason for that must be found in the opposition of the peasants against the policy of compulsion, in which the compulsory low prices (non-equivalent exchange) play a major role.

The ~~poli~~ CPSU policy after the forced collectivization of the peasants regarding accounts with kolkhoses for farm products supplied ~~is~~ is still today ~~based on the same principles~~ based on the same principles of compulsory low fixed prices, or non-equivalent exchange.

Extension of the state monopoly to state grain purchases and grain sales ~~production~~ afforded the CPSU the means to apply to grain the same principles it applied ~~to vodka~~ it amounts to wide of high taxation ~~they apply~~ to vodka, in plain language, ~~directly to wide~~ grain speculation on a ~~large~~ government scale. The CPSU has extended a similar "principle" of state ~~deliveries~~ purchases and sales to other kinds of farm production (raw and food products) and industrial articles of general consumption: cotton and cotton fabrics, sugar beet and sugar, oil-seeds and vegetable oils etc.

This state ("legitimized") speculation with critical commodities was described by Stalin in the following political-economic terms:

"There is no such thing as free play of prices on our market. We ~~fix~~ fix ~~set~~ grain prices on the whole. We fix the prices for industrial goods."

(Stalin, Problems of Leninism", page 260).

This "fixing" of prices in Stalin's formula in practice has led to the suppression of the peasants' interests at first and later to the suppression of the interests of the whole population, to suppression in the clutches of state monopoly and state speculation.

In his work "Soviet money", G. Kozlov, the Soviet financial "theoretician" lays the following "theoretical foundation" under the building of Soviet speculation and money utilization, as an instrument of this speculation:

" The number of products of public labor which can be obtained for a monetary unit are fixed according to plan by means of the pricing system. Correlation between prices for various goods does not correspond to correlation of cost prices of these goods. In other words, with each individual purchase we can, for the same amount of money, obtain (through prices) goods embodying a varied amount of public labor. (page 228).

Goods sold in state and cooperative trade are the direct lever by which ready money is drawn into the coffers of the Gosbank (page 243)

(G.K. Kozlov "Soviet money", Gosfinizdat 1939, pages 228, 243

Italics are the author's).

Kozlov writes that "for the same amount of money we can obtain (through prices) goods embodying a varied amount of public labor". Under Soviet universal monopoly this, ~~ix~~ of course, is true in practice: in the purchase of grain from the peasants the price is forcibly fixed low (10 kopeks per kilogram), in purchasing grain at a state store the price is forcibly fixed high (2 Rubles per kilogram).

According to data from "The State plan for developing the national economy for the year 1941" ("Supplement to the decree by the Council of Peo-

Commissars
 of the USSR and Central Committee of the VKP(b) No. 127
 of 17 January 1941) ~~state prices~~ ^{fixed} prices for grain (in kernel) were ~~fixed~~ ^{determined}
 as follows:

" By Glavmuka (Chief Administration of the Flour and Groats Industry)

Expense on grain for 1 centner		<u>9 Rubles 67 kopeks</u>	
Included herein: costs for procurement per 1 centner	-	55 kopeks	
" " storage	"	53 "	
" " sale	"	55 "	
" " drying	"	48 "	

(Decree issued by the Council of Peoples' Commissars of the USSR and
 VKP(b) CC dated 17 January 1941, attachment No. 314, page 585)"

Therefore, guided by this decree, we see that the fixed price for
 grain in kernels (rye and wheat) in the pre-war year 1940 was made up
 as follows: 9 Rubles 67 kopeks minus costs for procurement and storage
 2 Rubles 11 kopeks, i.e. (9,67 - 2,11) = 7 Rubles 56 kopeks per centner
 (1 Ruble 21 kopeks per 1 pud). At the same time, sales prices for baked
 bread were fixed as follows: wheat bread 1 Ruble 70 kopeks per kilogram and
 rye bread 85 kopeks per kilogram.

According to Russian pre-revolution statistics, prices for wheat in
 kernel were 1 Ruble 30 kopeks per 1 pud and prices for baked wheat bread -
 8 kopeks per 1 kilogram.

According to the same above-cited decree the prime cost of grain
 alcohol was fixed at 25 Rubles per 1 centner (25 kopeks per 1 liter), while
 the sales price per liter of 55% vodka was fixed at 25 Rubles per liter.
 (Attachment No. 308 page 580). The prime cost of sugar was fixed at 83 Rubles
 per 1 centner or 83 kopeks per 1 kilogram, with a market sales price of
~~83 Rubles per 1 centner or 83 kopeks per 1 kilogram~~ 8 Rubles per 1 kilogram.

Returning to the subject of non-equivalent exchange raised by
 Trotskiy (see above page 93), it is quite apparent from the above-quoted
 example on prices that the CPSU, in the period 1924-1940 not only failed

to lower the index of the gap in the exchange of grain ~~production~~ products for industrial goods, but even raised it many times over, applying a policy of compulsory prices for agricultural and industrial goods to achieve this aim. (See above: sales prices for sugar, bread, alcohol and fixed prices on grain).

A few interpretations provided by the Soviet financial theoretician and specialist A.K. Suchkov may be of interest in order to illustrate the organization of the Soviet state speculation with grain by accounting techniques and withdrawal to the budget of some tens of billions of Rubles (40-50 billion Rubles) of profit derived from this speculation in the form of turn-over tax. In his published work "USSR State Revenues" (published in 1949), A. Suchkov, writes as follows, with regard to accounting in line with the system of state grain monopoly:

" Stockpiling and distribution of grain products is accomplished everywhere by a system of All-Union Zagotzerno (USSR Ministry for Provisions) Associations. (Zagotzerno = All-Union Office for Storage and Distribution of Grain)

The principal mass of grain products - about 97% - is distributed by the Zagotzerno system for industrial processing to bakery-, alcoholic drinks, brewery-, pastry enterprises and other branches of the industry. The principal consumers of grain products are the bread-baking industry where the price level on bread is determined by the level of the sales price on flour. ...

The large turn-over tax receipts on grain products and the enormous weight this turn-over tax exerts on the sales price call for especially careful calculation of the turn-over tax amounts in each type of product in each zone.

Turn-over tax, calculated ~~according~~ according to the fixed rates, is allotted in the supplier's account by a separate line and immediately transferred to the budget, simultaneously with transfer to the account of the "Zagotzerno" base of the amount due the latter. The Gosbank takes the amounts stated in the commission off the cash account of the purchaser and transfers ^{them} to the cash account of the supplier and the amount of turn-over tax (from market consumers) to the Union budget account. Price on grain PLAYS A MAJOR ROLE IN THE PEOPLE'S BUDGET, for that reason retail price and its separate elements - raw material cost, processing cost, handling costs and yield of bread from flour are determined by the government.

(A.K. Suchkov, "USSR State Revenues", Gosfinizdat USSR 1949, pages 76,83, Italics are the author's).

In A. Suchkov's description of the State grain monopoly structure and system of accounts set up by the CPSU, some functional aspects of this monopoly and the very important role (specific weight) of the ~~tax~~ turn-over tax in the market sales price of grain are stressed.

The structure of the USSR grain monopoly may be broken down into 3 links:

- a.) State grain purchase (removal from kolkhose peasants) by compulsory state supplies and other methods - "Z. GOIZERNO" USSR Ministry of Supplies;
- b) flour-grinding and bread-baking industry;
- c) trade state and cooperative system.

Suchkov emphasizes that the "PRICE OF GRAIN PLAYS AN IMPORTANT ROLE IN THE PEOPLE'S BUDGET" and that all pricing elements are determined by the government (cost of raw material - grain, processing cost, handling costs and turning flour into bread). The government is "engaged in" pricing matters, of course, not because "grain plays an important role in the people's budget", but because USSR BUDGET RECEIPTS FROM THE GRAIN MONOPOLY PLAY A VERY IMPORTANT ROLE, as a means of taxation through "turn-over tax", as a means of special "excise", which has been placed on the same footing with excises on vodka.

"Soviet Encyclopedia" (the old edition) quite correctly puts the sign of equality between excises and turn-over tax, noting this as follows:

"The most important means of indirect taxation are excise taxes. Turn-over tax, ~~which is a commodity tax of a special kind~~ which has been introduced in a number of countries, is, essentially, a commodity excise, since all goods are taxed by this means. The heaviest tax load for the workers is represented by indirect taxes. Affecting prices of general consumer goods, these taxes are strongly regressive."

(Small Soviet Encyclopedia Volume 7, published 1928, page 259).

In the Encyclopedia's statement that the "turn-over tax is a universal excise and the heaviest tax burden for the workers" - can only be found elements of a certain "political cynicism" against the background of such unbridled speculation practiced by the CPSU by means of ~~the~~ its grain monopoly. Sushkov is right when he says that "turn-over tax plays a major role as far as specific weight in ~~grain~~ bread sales prices are concerned". This specific weight with regard to baked rye bread amounts to 80-85% and wheat bread 90-95%.

It should be noted that the large-scale grain speculation was accompanied by more intensified removal of grain from the peasants, which is explained by the aims of expansion of the speculation itself as well as the requirements of the ~~urban~~ ^{urban} population which has increased ^{by} several times (see page 43).

In order to explain the situation regarding removal of grain products from the peasants we shall proceed to cite data on state grain purchases as they relate to garnered gross grain yields.

In his remarks at party congresses Stalin described the problem of removing grain from the peasants (commodity output) as follows:

At the 17th party congress (In January 1934):

" .. In 1933 kolkhoses delivered to the state altogether over a billion poods of grain, but individual farmers delivered altogether about 130 million poods." (see page 21).

At the 18th party congress (In March 1939):

" Especially interesting is the question regarding the ratio of commodity output to the total ~~output~~ kolkhose-sovkhose grain output. The prominent statistics expert comrade Nemchinov calculated that out of 5 billion poods of gross grain yield before the revolution in Zearist Russia only about 1 billion 300 million poods of grain commodities were put on the market,

which amounts to 26% in the ratio of commodity output to the total grain output reached at that time.

The ratio of commodity output to the total kolkhose and sovkhose output ~~industry~~, as a major industry output grain ~~output, as a major industry output~~, for example, during the years 1926-27, came to about 47% of the total gross yield. Looking at things a little more conservatively and taking the ratio of commodity output to the total kolkhose-sovkhose output in 1938 as 40% of the gross yield, we find that our socialist grain economy was able to put aside and actually did put aside this year about 2,300,000,000 poods of grain commodities, i.e. 1 billion poods more grain commodities than the pre-war output in grains." (page 21)

"Stalin, speech at 17th and 18th VKP(b) congresses. Stenographic records of the 17th and 18th congresses, published 1934 and 1939, page 21).

Stalin, as evident from the above-quoted extract, estimates the commodity output of grain in pre-revolutionary Russia at the volume of 1 billion 300 million poods (26% in proportion to the total gross yield) and the commodity output of grain in 1938 at 2 billion 300 million poods (40-45% in proportion to the gross yield). Stalin "explains" the increase in commodity output by saying that the "kolkhose-sovkhose industry, as a major industry" increased the ratio of commodity output to total output. This contradicts economic realities, since the volume of gross yields failed to rise in proportion to the ratio of commodity output to total output and the increase in grain commodities is ~~explained~~ due exclusively to CPSU repressive policies vis-a-vis the peasants - namely the forcible removal of grain.

During the post-war period pressure against the peasants increased once more and the percentage of grain removed in relation to the gross yield

rose to 60%, which "Izvestiya" comments (with regard to the 1955 harvest) as follows:

" A distinctive peculiarity of this year is the high ratio of commodity output to total output in the grain economy of kolkhoses and sovkhoses; in the present year it reaches 60%, while in the bumper harvest year 1952 it amounted only to 43%."

("Izvestiya" 15 August 1955, page 2)

As reported by the TsSU (Central Statistical Office) of the Council of Ministers of the USSR, the volume of grain commodities in 1956 (bumper-crop year) was calculated at 3 billion 304 million poods, or 52,9 million tons, which is evident from the following:

" The gross grain yield (garnered harvest) in 1956 exceeded the 1955 yield by about 20%..

3 billion 304 million poods of grain was procured throughout the country by 1 January 1957, not considering payments in kind and barter with other products. This is more over 1 billion poods more than has been procured during the best bumper-crop years."

(Report by TsSU, USSR, "Pravda", 31 January 1957).

Official Soviet data irrefutably bear witness to the fact that compared to pre-revolutionary Russia removal of grain products from the peasants was increased in relation to gross grain yield by 2-2,5 times: in pre-revolutionary Russia free sale of grain by the peasants and landholders in proportion to gross grain yield came to 23-26%; in the USSR forced removal of grain products in proportion to gross yield reached 50-60%.

The policy of uninterrupted increase in the removal of grain from the peasants as implemented by the CPSU machine is due to a number of factors the most important of which are:

1. UNEVENNESS OF DEVELOPMENT OF THE SOVIET ECONOMIC SYSTEM, which has become apparent in the severe lag of development of the farm economy (grain economy and life-stock breeding) compared to the development of industry and the growth of urban population and which has compelled the CPSU to resort to increased removal of grain from the farm sector (the peasants) in order to meet the requirements of the urban population:

- a) growth of urban population in proportion to 1913 - 284%
(see page 48) from 30,6 million inhabitants to 87,0 million inhabitants in 1956
- b) growth of gross output of heavy industry in 1956 in proportion to 1913 by 43,5 times
- c) increase of gross yield (garnered harvest) of grain products in 1956 in proportion to 1913 $\frac{125\% (1956)}{110\% (1957)}$
(from 5,6 billion poods in 1913 to 7,0 billion poods in 1956; 6,0 - 6,2 in 1957 (see page 39)
- d) drop of life-stock (productive and working in 1956 in proportion to 1913 (318 million heads in 1913 and 288 million heads in 1956 see page 42) 0,90%

Accomplishment of aims to expropriate and exploit the peasants (political as well as economic) in order to carry out extensive plans for the militarization of the country, increase military power in order to provide for financial "strength" of the budget and economic and political expansion in other countries.

There is no doubt that along with the above reasons which have called forth a never-ending increase in the removal of grain products (in ratio to gross yield) from the peasants, the CPSU also pursued aims providing for increased storage of strategic state grain reserves.

Low gross grain yields (factual garnered harvests) caused development of a general economic crisis in agriculture, since the increased removal of grain (commodity output of grain) led to failure in satisfying the livestock requirements for grain fodder, since the amount of grain left to the peasants

failed to cover these needs. At the January plenum of the CPSU CC (1955) Khrushchev indirectly was forced to admit the critical situation in the sphere of grain supply for livestock feeding; at the same time he had to admit the viciousness of the economic policy of the CPSU. At the CPSU CC plenum Khrushchev stated:

" With the crop capacity we have today and the present structure of lands under crops kolkhoses and sovkhoses are not yet able to cover livestock requirements in fodder. Livestock demands for grain were hardly ever discussed in the past. It goes without saying that we have to change our thinking about livestock fodder supply fundamentally."

(Khrushchev, ^{speech} ~~statement~~ at CPSU CC Plenum, "Pravda", 3 February 1955)

Khrushchev admits that "livestock demands for grain were hardly ever discussed in the past", but what he fails to mention is that even kolkhose peasants were left without grain and that there were times when millions of peasants starved and even died for lack of food.

Soviet theoreticians, following Marxist dogmas (see page 36), believe that the "unevenness of development" - lag of farm output behind industrial development - is characteristic of and peculiar to countries of the capitalist democratic system. However, by the experience of the USSR and its system of state capitalism it is shown clearly that this "law" of economic development is merely the inevitable "sputnik" of the Soviet system.

Lenin's theoretical concept that the "unevenness of economic development and the lag of farm output behind industrial development" was inherent in the democratic private capitalistic system was thoroughly "debunked" by the experience of the USSR, because it is just

this viciousness in economic development which proved to be inherent in the Soviet state structure.

Lenin wrote:

" If capitalism would be able to develop farming, which is lagging behind industry now everywhere, if it could raise the living standard of the masses of the people, which everywhere remains to be one of semi-starvation and beggarliness, in spite of the dizzy pace of technical progress, yes if ..., but then capitalism would not be capitalism, because also the unevenness of development and the semi-starvation level of the masses--are basic and unavoidable circumstances and premises of this type of production."

(V. Lenin, Collected Works, Volume 19, page 120).

In concord with Lenin's manner of speech the present situation as it applies to the economical development of the USSR can be described by the formula:

UNEVENNESS OF DEVELOPMENT AND SEMI-STARVATION LIVING STANDARD OF THE MASSES -- THESE ARE THE BASIC AND UNAVOIDABLE CONDITIONS INHERENT IN THE KOLKHOSE-SOVKHOSE METHOD OF PRODUCTION ORGANIZATION.

The situation of the peasantry deteriorated sharply with the advent of the era of communist imperialism. The peasantry became an instrument for ~~staunch~~ outright ~~unmitigated~~ state capitalistic exploitation by means of the regime's ~~establishment~~ establishment of ~~of imperialistic~~ monopolistic high prices ~~for industrial~~ for industrial goods sold to the peasants, by means of the regime's state machinery and ^{it's} take-over of the farm cooperative system, by means of lowering prices ~~for~~ for farm products.

These circumstances proved to be some of the main reasons (along with the loss of the right of private property) for the loss of personal interest

on the part of the kolkhose peasantry in the productivity of farm output, which unquestionably had ^{some} the effect ~~in the~~ lowering of efficiency of mechanization and ~~was~~ ^{was} one of the reasons for the recent reorganization of machine-tractor stations.

The news report on the election of Nikita Khrushchev to the post of first secretary of the CPSU CC ("Pravda", 13 September 1953) coincides with the announcement of Khrushchev's speech delivered to the plenum of the CPSU CC on the subject "On the measures for further development of USSR agriculture." In other words, in his very first speech as secretary of the CPSU CC, Khrushchev deals with the problem of farm production.

In this speech Khrushchev mainly concentrates on the question of "personal interestedness of the kolkhose peasants", expressing himself on this subject as follows:

" The increase of material incentives for kolkhoses and collective farm workers is of tremendous importance as far as raising capacity of farm crops and development of public stock-breeding is concerned. With this in mind the Council of Ministers of the USSR and the Presidium of the Central Committee of the Party considered it necessary to raise fixed and purchase ^{prices} now being paid for life-stock products, potatoes and vegetables.

Prices for cattle and poultry turned in as compulsory supplies will be raised ^{by} 5,5 times, prices for milk and meat will be raised ^{by} 2 times, for potatoes by 2,5 times, for vegetables, on the average, by 25-40%). As a result of the realization of the above-described measures, kolkhoses and collective farm workers will, in 1953, get additional returns amounting to over 13 billion Rubles and in 1954 - over 20 billion Rubles."

(Khrushchev, speech at September plenum of CPSU CC, "Pravda", 15 September 1953, page 1, Column 4)

As we are able to note from from the above-quoted extract from his speech, Khrushchev emphasizes the great importance of safeguarding "material incentives for kolkhoses and collective farm workers" and mentions increases in prices for cattle and poultry by 5,5 times, potatoes by 2,5 times etc.

May we ask the question - what actually were the prices if it was found necessary to raise them by 5,5 times and 2,5 times ?

The entire (vicious) practice of the monopole price policy ^(discussed above) was actually clearly most ~~highly~~ reflected in this decision of the plenum of the CPSU CC. There is reason to believe that this price increase will not bring about a solution of the problem (see below).

Khrushchev says that the "Council of Ministers of the USSR and the Presidium of the Central Committee of the Party found it necessary to raise fixed and purchase prices" and that "kolkhoses and collective farm workers will receive in 1954 additional returns amounting to 20 billion Rubles".

Consequently, for the year 1954 alone, Khrushchev promised monetary "blessings" to kolkhoses and collective farm workers in the amount of 20 billion Rubles, which means only with respect to the nomenclature of farm commodities indicated above (cattle and poultry, milk and meat, potatoes and vegetables) and only resulting from price increases, but not including added returns from increased commodity output.

But at the 20th meeting of the CPSU (in February 1956) the same Khrushchev in a speech of his again returns to the question of profits for kolkhoses and collective farm workers and revises the statements he made at the party plenum in 1953. What he says there is the following:

" In order to raise material incentives of kolkhoses and kolkhozniks
 for development of ^{INCREASE} ~~growth~~ ^{social PRODUCTION} ~~output~~ and increase ^{OF} ~~the~~ ratio of commodity

output to the total output (tovarnost'), fixed prices for grain, life-stock raising products, potatoes, vegetables, flax and hemp were raised considerably. As a result of these measures and the growth of commodity output monetary returns to kolkhoses for 1954 and 1955 increased by 20 billion Rubles."

(Khrushchev, speech at 20th CPSU meeting, Stenographic record of the 20th meeting of the CPSU, published 1956, page ⁵⁵ 54).

Thus it becomes apparent that not only for 1954, but for 2 years, as Khrushchev says, have returns increased by 20 billion Rubles, besides ~~spreads~~ Khrushchev ~~states~~ this increase in returns already to another nomenclature of farm commodities, namely including grain, flax and hemp along with life-stock raising products, vegetables and potatoes, but also ~~resulting from~~ increase of commodity production.

The conditions outlined above in the sphere of price increases and the CPSU CC's policies on this matter allow us to draw the following conclusions:

1. Khrushchev's good resolutions which he announced at the September plenum of the CC regarding raising of prices proved to be failures and the prices were raised in a considerably lower proportion than it was intended, This was confirmed by Khrushchev himself in his speech at the 20th session of the CPSU;

2. The very way the question regarding the raising of prices in correlation with "collective farmers interestedness in increasing commodity production" was put testifies to the fact that the kolkhose peasantry continues to pursue a latent struggle for its rights, a struggle for a free market and liberally balanced market prices, for that reason the CPSU CC is forced to take issue with this struggle and seeks a "way out of this hopeless situation" brought about by universal monopoly, armanent drives

and the regime's parasitism;

3. Khrushchev's "reform" in the sphere of prices for farm produce proved to be more of a propaganda than practical measure designed to bring the payment relations between state authorities and peasants to a healthier state: on the basis types of farm commodities fixed prices are held extremely low and are indexed to market prices on the level (per individual types of commodities) as 1:10 and 1:15.

4. Khrushchev pursues Stalin's very same policy of unequivalent ^N exchange of agricultural commodities for industrial goods for the peasants, i.e. the very same policy which was discussed and illustrated so convincingly by L. Trotski at the 12th party meeting in 1923 (see page 93 of this research paper), he pursues a policy dedicated to "pumping-over" resources from the agricultural sector into industry, ^{and} to financing of armaments' maintenance of coercive methods.

Therefore, Khrushchev's proclamation of the idea of "material incentives for kolkhoses and collective farm workers" is no more than political eyewash and a tactical maneuver in the political game with the opposition in the party designed to win "trust and popularity" ^{among} in the poorly informed wide party circles.

5. The directives of the 20th congress of the CPSU for the 5-Year Plan for the Development of the National Economy for the period 1956-1960 provided for an increase in "monetary returns and returns in-kind for collective-farm workers by 40% (40%) over the 5-Year period". The congress resolutions pertaining thereto read as follows:

" Due to considerably increased agricultural ~~output~~ and stock-breeding output and raised productivity of labor of collective-farm workers, kolkhosniks' monetary returns and returns in-kind are to be increased on the average by at least 40% to be derived

mainly from increased profits taken out of the social economy."
 ("Pravda", 15 January 1956, "Directives of the 20th Congress of the
 CPSU for the 5-Year plan", page 4, column 7 "For raising productivity
 of labor".)

Results on the fulfillment of the plan for farm production for
 the years 1956 and 1957 in the basic branches (grain and live-stock
 production) show that this resolution, just like so many resolutions in
 the past, will not be carried out. It must be assumed that the CPSU
 decision to release the peasants from compulsory deliveries of farm
 products grown on personal plots in to a certain extent amounts to
 a "compromise with the peasants" and a means to the end of "increasing
 kolkhozniks' monetary and in-kind returns", through increased production
 from private plots, in other words, not from collectivized farming,
 but from personal holdings of the peasants limited to a half of an
 hectare of ground and one cow or goat.

The directives for the 5-Year Plan (1956-1960) provide a basis
 for judging the trend of the CPSU policy in the sphere of fixed prices
 in the future and it becomes clear that this policy will not undergo
 changes and fixed prices for agricultural products will be held to the
 present level, since increased welfare of the peasantry "is planned
 only in line with increase of farm output and farm labor efficiency."

Above remarks are designed to prove that the internal contradic-
 tions of the Soviet system pertaining to pay settlements with the
 peasants will not be removed and therefore the general slump in the
 agriculture will not be removed either.

The procedure of remunerations paid to the peasants for working-days worked off on kolkhose fields fully reflects ~~the~~ nature and ~~the~~ form of the kolkhose system of production organization, as the organizational form of a state monopoly.

In one of his speeches Stalin pointed out that it was not the name that mattered but the substance and he expressed himself as follows:

" Kolkhoses, just like Soviets, are only a form of organization. It all depends ^{OR} what contents are to be poured into this form."

(Stalin, "Problems of Leninism", page 404).

Stalin, of course, discovered nothing new but one cannot but agree into that "all depends on what contents will be poured" ~~in~~ the organizational form of kolkhoses. "Poured-in" was the substance of state monopoly, when principles of cooperative management, principles of "COOPERATION" were replaced by principles of state monopoly of farm production and when the entire management of production affairs of kolkhoses became subordinate to the bureaucratic machinery of the regime (party raikom, raispolkom, farm branches, State bank etc.) and all that was left to the kolkhose peasantry were the right and function of hired-men for the state monopoly.

The state kolkhose monopoly turned the peasantry into an agricultural proletariat with the only difference that the kolkhosnik-hired-man was put into relatively worse circumstances than farm workers (hired-men) of sovkhoses, who receive guaranteed wages for their labor.

The following explanation given by the Soviet Encyclopedia sounds quite convincing in this respect: The economic nature of a kolkhose makes it impossible to guarantee in advance to kolkhozniks firm rates of pay for days worked." (Bol'shaya Sovetskaya entsiklopediya, volume USSR, page 1119).

Farmers in any given capitalist country are able to ascertain in advance how much they are able to recover for labor invested in farm pro-

from the peasants, but also as a result of a certain increase in prices. It is quite evident that the increase in prices was not carried out on the scale promised by Khrushchev at the September plenum of the CPSU CC in 1953 (see above page 107).

Statistical data show that kolkhozniks were paid altogether only 10-12% of the total amount of kolkhoses' monetary returns for working-days worked off. In his report "Budget of a socialist state", Professor K.N. Plotnikov provides figures on the distribution of monetary returns for 7 kolkhoses in Gor'kov Oblast for 1940. These figures amount to a total sum of 283,8 thousand Rubles and are earmarked for the following purposes:

In thousand Rubles		
Designation of expenditures	Amount of expenditures in thousand Rubles	In % to total
Income tax	10,3	3,7%
Insurance payments	15,5	5,5
Repayment of long-term loans	12,3	4,2
Industrial expenditures	114,2	40,4
Administrative household expenses	13,5	4,8
Allotments to cultural needs	9,0	3,2
Allotments to indivisible funds	79,9	28,4
Payment for working-days worked off...	27,5	9,8
Total	282,2	100,0
Non-distributable sum	1,6	-
Total	283,8	-

(Prof. K.N. Plotnikov "Budget of a socialist state", published 1948 page 273).

Therefore, from the total amount of monetary returns for 7 kolkhoses amounting to 283,8 thousand Rubles, 27,5 thousand Rubles, or 9,8% of the total monetary receipts were earmarked for payment for working-days, but 79,9 thousand Rubles, or 28,4% of all monetary receipts were allotted to indivisible funds.

duction, but the kolkhose peasantry in the USSR has been deprived of this right, since not only production, but also investments funds are allotted not by the peasants but by arbitrary rule of the regime's party and Soviet organs.

The miserly payments made to the peasants for worked-off working-days reached such a state of affairs that the CPSU found it expedient ~~accommodate~~ ~~kind~~ in its own interests not to publish approximate USSR data on working-day pay scales. Therefore we can only give an approximate guess on the average expenditures of monetary funds for kolkhosmiks' working-days.

According to statistics published in 1956, total monetary returns received by kolkhoses may be reduced to the following figures:

In billion Rubles						
	1940	1952	1953	1954	1955	Total for 4 years (1952-1955)
Total amount of monetary returns to kolkhoses in billion Rubles....	20,7	42,8	49,6	63,3	75,6	231,3
From these amounts: assigned to indivi- sible funds billion Rubles...			6,7	8,3	9,5	---
Total sum of indivi- sible funds billion Rubles....	27,7	63,1	69,8	78,1	87,6	---

(Statistical record "Narodnoye khozyaistvo SSSR", published 1956, page 128)

The above-quoted figures show that kolkhoses' monetary returns for the period from 1952 to 1955 increased by 32,8 billion Rubles, or by 76% (from 42,8 to 75,6 billion Rubles). Component parts going into this amount of increased monetary returns are funds received as a result of increase of commodity production yield, as a result of increased removal of farm products

It must be assumed and this is also confirmed by various newspaper reports, that during the post-war period the general trend for distributing monetary returns and payments of wages for working-days suffered no changes and that it continued to follow the pattern described by Professor K. Plotnikov, in other words, payments for working-days in cash terms still fluctuate between 10 and 12% in relation to the total amount of kolkhoses' monetary returns. (Grain districts, like Gor'kov Oblast and others).

Noting what is said above pertaining to distribution of kolkhoses' monetary returns it should be considered that the policy of the CPSU was aimed at maximum contraction of cash returns and as far as contraction of cash returns for the peasants was concerned, this policy was implemented by setting low fixed prices as well as by cutting down cash wages for work-days worked off by means of a system of distribution of cash returns and major allotments for various purposes, like for instance: cultural needs (3,2%), insurance payments (5,5%), allotments to indivisible funds (15-30%), income tax (3,7%), administrative expenses (4,8%) etc.

The indicated distribution of kolkhoses' cash returns and the infringement upon the peasants' interests was facilitated by implementation of a system of "clearings", i.e. by means of transferring sums of money due kolkhoses to a payroll account at the Gosbank and introducing a Gosbank control system ^{for} ~~xxx~~ kolkhoses' expenditures of funds only within the limits of the cash plan set up for them and approved by the above-named agencies of the Soviet regime.

The statistical handbook (published 1956) provides statistics on the total amount of work-days charged and total number of kolkhose farmsteads, which compared with the total amount of cash returns gives the following ^{calculated} estimate ~~xxxxxxxx~~ on the basis of one work-day and one kolkhose farmstead:

1940	1952	1953	1954	1955
------	------	------	------	------

	1940	1952	1953	1954	1955
1. Total amount of cash returns to kolkhoses in billion Rubles	20,7	42,8	49,6	63,3	75,6
2. Total work-days charged in million work-days	9,319	8,847	9,005	9,852	10,850
3. Number of kolkhose farmsteads in million farmsteads	18,7	19,9	19,7	19,7	19,7
Cash returns to kolkhoses on the basis of a) 1 work-day (1 : 2)	2 Rub.22 k.4r.86k.	5r.51k.	6r.45k.	7r.ok.	
b) 1 kolkhose farmstead (1 : 3)..	1,106 r.	2.150 r.	2.517 r.	3.213 r.	3.837 rubles

Remark: Statistics on the number of kolkhose farmsteads and number of work-days charged are taken from the Statistical Handbook "Narodnoye khozyaistvo SSSR", published 1956, pages 128,129.

This table shows that kolkhoses' gross cash returns reckoned on the basis of one work-day worked off by a kolkhoznik, in 1952 came to 2 Rubles 22 kopeks and in 1955 to 7 Rubles 00 kopeks and reckoned on the basis of one kolkhose farmstead accordingly 2.150 Rubles and 3.837 Rubles.

It should be noted that this value in returns in monetary expression does not reflect amounts actually ~~received~~ pocketed by kolkhozniks (see above), but also includes amounts (gross) ^{calculated} by state purchase agencies with kolkhoses producing raw material - cotton, flax, hemp, sunflower etc. supplied directly through state purchase agencies to the processing industry.

THE ACTUAL VALUE OF CASH RETURNS POCKETED BY COLLECTIVE FARM WORKERS DURING THE PERIOD 1952 - 1957 CAN BE CALCULATED AS A GUIDE ON THE BASIS OF ONE WORK-DAY WITHIN ONEANDAHALF - TWO RUBLES ON THE AVERAGE FOR THE FIVE-YEAR PERIOD, AND ON THE BASIS OF ONE KOLKHOS FARMSTEAD ON THE AVERAGE PER YEAR AT ONE THOUSAND RUBLES (AS A MAXIMUM).

Remark: The journal "Voprosi ekonomiki" No. 10, published in october

1957 notes that kolkhosniks in Krasnodar kray in 1956 on the average received 5 Rubles 31 kopeks on the basis of one workday, however, this occurred in a year of bumper crops and in the most fertile region of the country, which is noted for high-yield harvests (Kuban') (page 94).

It can be ascertained that the measures taken by Khrushchev (raising of fixed prices and raising commodity output of production) promoted the increase of kolkhoses' average cash returns to a considerably greater extent than average cash returns actually pocketed by collective-farm workers for work-days worked.

THE EXTREMELY LOW PAYMENTS TO COLLECTIVE-FARM WORKERS FOR WORK-DAYS WORKED OFF ON KOLKHOSE FIELDS IN TERMS OF CASH AS WELL AS IN-KIND (grain, potatoes etc.) LED TO DRAINING THE VILLAGES OF MAN-POWER RESOURCES (drop in the birth-rate, flight to the cities from villages). THE REFUSAL OF THE CPSU TO LEVY PRODUCE SUPPLIES FROM PRIVATE PLOTS (after 1958) WAS CAUSED BY THE CATASTROPHIC SITUATION OF THE PEASANTRY OF THE USSR.

In his work "Development of capitalism in Russia" Lenin, using Zemstvo (elective district council in pre-revolutionary Russia) statistics from the end of the 19th century, concluded that the average gross income of a farm household in Voronezh Province in 1898 amounted to 491 Rubles and net and the cash income to 235 Rubles in gold currency.

On the basis of these statistics budgets were assigned to 67 households. These budgets were classified on the basis of cattle owned and profits realized:

	Gross income in Rubles	Cash income in Rubles
Without working cattle	118	64

	Gross income in Rubles	Cash income in Rubles
From 1 piece	178	
From 2 pieces	429	73
From 3 "	753	196
From 4 "	978	318
From 5 and more	1766	398
From all groups - as average	491	1047
		235

(V. Lenin, Collected Works, volume 3, page 121)

According to Lenin's figures, therefore, gross income fluctuated depending on the prosperity of farm households within the limits of 118 to 1766 gold Rubles and cash income from 64 to 1047 Rubles in gold currency.

The expense part of farm budgets was quoted by Lenin also per groups and by average indices (by all groups) he broke down the expenses as follows:

	Amount in Rubles	in % to total of expenses
For food and personal needs	228	
For business expenses	181	51,6%
For payment of taxes and obligations	34	41,7%
Total for all groups-- on the average	443	7,7%
		100%

(V. Lenin, Collected Works, volume 3, page 121)

By Lenin's figures, taxes and obligations occupied from 14,2% of specific weight in general expenses up to 5,4% (from 15 Rubles in the 1st group to 86 Rubles in the 6th group - with 5 or more heads of cattle).

In this volume of his collected works, Lenin also estimates the cost to maintain one farm-hand in Voronezh Province during the ten-year period 1881 - 1891 as follows:

"During the period of ten years (1881 - 1891) average pay for a one-year hired man in Voronezh Province was 57 Rubles with feeding coming to

99 Rubles, so that upkeep cost 42 Rubles.

Food ration:	rye flour	21,6 poods,
	groats	5,2 "
	millet	1,5 "
Total converted to rye	31,8 poods	(508,8 kgs.)
Fat	33,0 pounds	(13,2 kgs.)
Total converted to Ruble value	- 40,5 Rubles."	

(V. Lenin, Collected Works, volume 3 "Development of capitalism in Russia", page 122)

It should be noted that Lenin gave out his farm budget estimates in line with statistical data published for the years 1881 - 1890, while the prosperity among the farmers increased considerably during the years 1890 - 1913 (especially during P.A. Stolypina's agricultural reform) (P.A. Stolypina was ~~Russian~~ Prime Minister from 1906-1911). Growth of area under grain crops, growth of harvest and number of cattle as well as increase of the farm land area in the years 1890 - 1913 testify that the welfare of the farm population increased very conservatively speaking at least by 40 - 50% (see pages 31-37 of this report).

Stalin stated quite reasonably that "We fix prices on grain as a whole. We fix prices on industrial commodities" (see page 96). Grain became not only the main speculative commodity in the hands of the CPSU, but also the domestic standard of value with respect to ~~grain~~ bread. Of interest in this sense is the indexing of farm net incomes and market prices for grain in the pre-war and post-war years compared with the year 1889 in pre-revolutionary Russia:

	1889	1937	1952-1957	I N D E X	
				1937 compared with 1889	1952-1957 compared with 1889
<u>Market cost:</u>					
a) of 1 kg of rye bread in kopeks	5 kop.	85 kop.	1 Ruble00	17	20
b) of 1 kg of wheat bread in Rubles and kop.	8 kop./ 1 Rub.70	2 Rub.40		21,2	30

I N D E X

	1889	1937	1952-1957	1937 ratio to 1889	1952-1957 ratio to 1889
c) cash returns of one farm household in Rubles	235	600	1,000	2,5	4,2

This estimate provides a price increase index on bread for the period 1952 - 1957 in ratio ~~with~~ ^{to} 1889 by 20 and 30 times and an average increase of cash returns of one farm household by 4,2 times, which, as a matter of fact, ~~indicates~~ ^{points to} a general and fairly sizable ~~drift~~ downward drift in the Soviet peasantry's welfare in comparison with that of the pre-revolutionary times.

No doubt there are other factors likely able to modify the peasants' welfare indices in Soviet as compared to pre-revolutionary conditions, but in general the yardstick applied here is correct.

If we were to base our estimate on the peasants' welfare on the ratio of fixed prices to prices for industrial commodities, the drop in the peasants' welfare would be more striking yet.

That the CPSU was fully used as an instrument to rob the peasants was quite evident from Lenin's statement which reads:

" The muzhik has got used to his irreparable misery, he is used to this life and has no thoughts about what causes it and how he can improve it "

(V. Lenin, Collected Works, Volume 5, page 23)

Even though Lenin declares that the "muzhik has no thoughts about the reasons for his irreparable misery" it must be assumed, in view of CPSU policy, that the muzhik thinks about ^{it} quite a lot and uses all means at his disposal to fight for his rights.

The reorganization of MTSs and the transfer of farm machine equipment to kolkhoses will give rise to substantial changes in the state's general system of accounts with the peasants for farm commodities supplied by them, but very palpably also it will lie as a new burden on the budget of kolkhoses:

1. Part of the receipts for deliveries of farm commodities to no longer be assigned to the State will ~~XXXXXXXXXXXX~~ "Payment-in-kind for MTS work",
2. The budget of kolkhoses will be made to provide for their acquisition at own expense of farm-machine equipment and upkeep of maintenance personnel - tractor drivers, combine operators, mechanizers etc.

How does Khrushchev propose to solve above problems in connection with MTS reorganization?

Regarding the volume of state purchases and substitution of MTS ~~payment-in-kind~~ ^{withdrawal} for another form of ~~supply~~ of farm commodities, Khrushchev declares in his speech:

" A considerable share of farm products is received by way of machine-tractor stations in the form of ^{payment} ~~pay-in-kind~~. Many different proposals have been made to us regarding questions of procurement organization.. All comrades agree that this is a serious question.... All of them also agree that no matter what form of procurement prevails, the government should get not less, but more farm products than it gets now. When the procurement plan is established initially, that amount of grain and other products^{deliveries} must be figured which is turned out from all types of ~~subsidies~~, that is compulsory state deliveries, contracting, state purchases and payment-in-kind for machine-tractor station operations. This

figure should be taken as a starting point.

The volume of state deliveries of farm products depends on the level of production. ...

The government will have a real chance to lower purchase prices for farm products, and this in turn will make it possible to lower retail prices on food and industrial goods and thereby assure a further increase in the welfare of the people."

(N. Khrushchev, "Pravda", 28 March 1958, page 5, column 4 and 5
Italics by the author).

There are two fairly important principles advanced by Khrushchev in his speech in connection with his decision to reorganize MTSs - this is the question on the "price policy" and the question involving accounts with the peasants as regards to the very nature of ^{these} accounts and the system of legalization of ~~these~~ accounts.

It must be assumed that Khrushchev intends, in line with Lenin and his policy ^{the so-called}, ~~making~~ NEP (New Economic Policy) to revive something like the Leninist NEP, i.e. "give birth to his own Khrushchevist NEP". However, the policy pursued by Khrushchev on the international scene, his continued "accumulation" of future armed strength and "intensification" of the policy furthering expansion (political-economic) in democratic countries points to the fact that the Khrushchevist NEP cannot reach the scope attained by the Leninist NEP. It must be assumed that the Khrushchevist NEP will be limited and that the reform in accounts with the peasantry will not change the situation regarding the low level of compensation for the peasants' labor.

As a result of the MTS reorganization and transfer of farm-machine equipment to kolkhozes the latter will start cultivating their land with their own labor forces and their own implements of production.

These new conditions will involve abolition of "Payments-in-kind for MTS operations", but they will also involve transfer of ~~the~~ all MTS production personnel to kolkhoses. In 1955 (see page 80 of this research paper) this ^{MTS} work force had risen to 3,120,000 persons, i.e. the kolkhoses will be "saddled" with new "dependents", a great many of whom, besides, high guaranteed wages (tractorists, combine-operators, drivers etc.)

In practice the MTS reorganization will involve the following new features:

- a) kolkhoses will stop turning out farm products paying for "MTS payments-in-kind";
 - b) kolkhoses will get all MTS production personnel with their high guaranteed wages to which Khrushchev in his speech refers by saying : " so that wages (for mechanizers) not be lower than those paid them at MTSs." Khrushchev apparently looks forward to a division of labor in kolkhoses and creation of a privileged group (upper layer) which gets the highest wages;
 - c) after liquidation of machine-tractor-stations, kolkhosniks will be saddled with all expenses connected with the purchase of all technical equipment, as well as the maintenance of this technical equipment (fuel, spare parts, repair etc.). On this subject Khrushchev recommends coordinating the policy for state purchases of farm products with problems involving supply to kolkhoses of farm machines, spare parts, fuel, fertilizers etc. as well as the accounting for these values. On this subject Khrushchev said the following:
- " In line with the reorganization we have to set up state enterprises with entirely new functions as a substitute for the present machine-

tractor stations. It has been suggested to call them repair-technical stations -RTS....

It is quite natural that repair-technical stations under these circumstances cannot lay claim to a managing position vis-a-vis kol-khoses. They will become state non-financed enterprises charged with, primarily, repair and technical service of the tractor pool and auto-mobiles belonging to the kolkhoses. Besides, the stations have to supply kolkhoses with machines for hire, construction-^{assembly}~~industrial~~ machinery, carry out ~~industrial~~ machinery, amelioration and digging, sell machines, spare parts, fuels and other materials, carry out state technical control functions.

Technical equipment and other products will be sold only on a voluntary basis.

....will payment-in-kind by kolkhoses for spare parts, fuels and other services rendered by repair-technical stations be maintained in the future or will the state buy these products at suitable prices? Evidently, no decision regarding this matter ought to be taken at this time.....

Naturally, just like before, it is necessary to set up a system of state purchases in harmony with the new circumstances so that the system may take a more flexible attitude not only towards kolkhoses' accounting for machines, fuels, fertilizers and other material values but also towards the state's accounting for commodities received from the kolkhoses. This is a very big and responsible job, it will take time."

(N. Khrushchev, "Pravda", 28 March 1958, pages 4 and 5, Italics are the authors').

By abolishing machine-tractor stations, Khrushchev, as apparent from the speech he made at the congress, intends to set up RTSs (repair-technical stations), which have narrower functions and more feasible tasks.

As a matter of fact, according to Khrushchev's ideas, the RTSs are to be turned into "state merchant-speculators" in the village as well as state controllers expected to keep an eye on the "technical condition" (kolkhose !!) of farm machine equipment; at the same time they are ~~expected~~ serve as to ~~be~~ a "repair base" for the kolkhoses' machinery equipment.

In order to have a better understanding of Khrushchev's "cunning decision" we should go back to his "critical" statement regarding MTSs at the 20th CPSU congress (in February 1956) when he said:

" The method of financing MTSs at the expense of the state budget as it is employed at this time engenders irresponsibility and lack of control. Many MTS officials fail to make a ~~thorough~~ thorough enough study of the economic indices of MTS operations, they do not show the proper personal interest in the rational employment of the machines.

Wages paid to MTS personnel are not contingent upon the efficiency in the use of machinery, on crop capacity of farm crops and productivity of livestock breeding in kolkhoses."

(N. Khrushchev, speech at 20th CPSU congress, stenographic record of the 20th CPSU congress, published 1956, page 65)

At the 20th CPSU congress Khrushchev, therefore, admits indirectly that the 35 - 40 billion Rubles yearly allotted by the state budget, i.e. funds squeezed out of the tax-payers (peasantry), are spent wastefully by MTSs and that these expenses failed to promote a rise in productivity of farm output and that the MTS apparatus had turned into a mob of irre-

Thus, posing before the peasants, Khrushchev struts about in the political mantle of "CONCESSIONS FOR THE PEASANTS" and "FAITH" toward kolkhose peasantry, i.e. he makes believe he is giving birth to a new kind of Leninist NEP (see page 24 of this research paper) and formally declares "SOMETHING MUST BE GIVEN TO THE PEASANTS, THE PEASANTS MUST BE PACIFIED SOMEHOW". In reality however, Khrushchev "GIVES THE PEASANTS NOTHING", but follows Stalin's road and tries to find with "his MTS reorganization" a new means to further infringe upon the peasants' material interests, safeguarding ~~their~~ slavlike dependence on the newly to be created RTSs. (repair-~~stations~~ technical stations).

How does Khrushchev figure to "milk" the peasants of these 30 - 35 billion Rubles in practice?

Further above are quoted data describing the dynamics of kolkhoses' cash incomes and allocations ~~to indivisible funds~~ to indivisible funds (see page 116) which allocations show that ~~allocations~~ to indivisible funds as a whole for the entire kolkhose system averaged 13% in relation to the sum total of monetary returns for 1953 - 1955, which may be deduced from the ~~following~~ following:

	<u>1953</u>	<u>1954</u>	<u>1955</u>
cash incomes:			
1. Total sum of kolkhoses' monetary returns in billion Rubles	49,6	63,3	75,6
Allocated			
2. assigned to indivisible funds billion Rubles	6,7	8,3	9,5
--" --" in % to monetary returns in relation to cash incomes	13,5%	13,1%	12,5%
3. Sum total of indivisible funds in billion Rubles	69,8	78,1	87,6

At the Supreme Soviet session Khrushchev stated in his speech that on 1 January 1958 the "size of indivisible funds of kolkhoses exceeded 100 billion Rubles ("Pravda", 28 March 1958, page 4, column 1). Therefore, over two years time indivisible funds increased - from 87,6 billion on 1 January 1956 to 100 billion on 1 January 1958, or by 13 - 14 billion Rubles.

These data show that kolkhoses were inclined to lower payments to indivisible funds. This is particularly apparent when compare these payments with kolkhoses' gross monetary returns which in 1956 (a bumper crop year) increased to 94,5 billion Rubles (Journal "Voprosi ekonomiki" No. 10, October 1957, page 109).

Kolkhoses' noted attitude toward creation of indivisible funds and their opposition to these compulsory ~~allocations~~ allocations does not suit Khrushchev and, as apparent from his speech, Khrushchev intends to increase ~~allocations~~ allocations to indivisible funds by several times over. In his speech Khrushchev declares:

".... By now indivisible funds should be considered national property. Under present conditions of kolkhose building also the previously applied method of distributing kolkhose income by workdays and ~~allocations~~ ^{allo-} ~~ations~~ ^{ations} to indivisible funds must be revised. Model regulations of an agricultural artel provide for ~~allocations to~~ ^{allocations to} the indivisible fund of at least 12% but not over 20% of kolkhoses' ~~gross monetary returns~~ ^{cash incomes}. Today this regulation has evidently become obsolete and must be changed. .. Allocations ~~allocations~~ to kolkhoses' indivisible funds represent an insignificant ^{incomes} portion of ~~gross monetary returns~~. This, of course, cannot be considered normal. Kolkhoses and party organizations must provide for a distribution of returns where work-day pay would be in line with the level of development of the country's economy. A few unrealistic people have expressed vis-a-vis kolkhoses fear that the leading role of the government will be weakened after MTS reorganization. Such fears are baseless and make no sense. The Soviet state runs a powerful socialist industry which is the foundation of the entire national economy. In our country the soil is state property. All economic levers for the management of the economy remain at the disposal of the state."

(N. Khrushchev, speech at Supreme Soviet session,

"Pravda", 28 March 1958, page 4, columns 1,2,3, Italics are the authors).

It is significant that twice in his speech ^{at the meeting} Khrushchev goes back to the question:- "is the party not going to lose control over the peasants when the tools of production are turned over to the kolkhoses?" (see page 71 and above). Khrushchev discards these apprehensions ~~arguing~~ and argues that first of all kolkhose property is national property and secondly that the state, after all, still controls all influential levers of action - a state controlled industry and state ownership of the soil.

Of course, Khrushchev is quite right when he says that transfer of machine equipment to kolkhoses cannot upset the bases of state capitalism. But at the same time it is quite clear that it was not an easy matter to subdue the peasants and that "kolkhose servitude" will not settle the peasants. Particularly in that context, Khrushchev's "confessions", if only to the fact that such assumptions exist among the highest party circles are interesting and reveal the very depth of contradictions inherent in the Soviet social structure and contradictions between the CPSU and the peasantry.

Khrushchev's practical proposals regarding accounting with kolkhose peasants in connection with the transfer of machinery amount in fact to the heralding of a new economic offensive against the peasants, which is also reflected in the formation of indivisible funds and Khrushchev's ideas on pay (cash) for work-days as well as state purchases of farm products in large volume (see page 121).

On the subject of carrying out state purchases Khrushchev states: "the state must get not less but more farm products than it obtains at present". The prevailing system of allocation to indivisible funds at the rate of 12 - 20% in proportion to the total amount of cash returns is held

to be "obsolete" by Khrushchev and he suggests that it be increased. In his speech Khrushchev alludes to the "Dawn" (rassvet) kolkhose and says that the kolkhosniks of this kolkhose "unanimously voted to allocate at least 25 - 30% to the indivisible fund". It is quite apparent that Khrushchev intends to extend "this resolution" of the "Rassvet" kolkhose on allocation of 25 - 30% to indivisible funds to all kolkhoses and thus "knock out" of the kolkhose peasants a yearly sum of 25 - 30 billion Rubles to cover accounts with industry for machinery supplied to kolkhoses as well as other capital investments.

Increase of allocations to indivisible funds and payment ^{of} ~~for~~ all expenses for operation of machinery by kolkhoses leads to reduction of funds paid out for work-days worked, but the increase in the volume of state purchases of farm products leads to a reduction of payments for work-days worked in-kind, if gross output, which ~~is~~ continues to lag behind plan requirements, will fail to be increased.

Evidently, Khrushchev realizes this, i.e. in veiled form he advises party organs to "curb the peasants' appetites", expressing himself as follows:

"Kolkhoses and party organs must provide for such a distribution of incomes in which work-day pay will correspond to the level of development of the economy in the country."

Khrushchev's very expression concerning the "level of development of the economy in the country" with regard to pay for work-days earned speaks for itself, it also ~~summarizes~~ speaks of the preparation for a new economic campaign against the peasants and political pressure providing for "success of this campaign".

The period of limited indulgencies towards kolkhoses has ended -
this is the conclusion which must be drawn from the aggregate of Khrushchev's

proposals and statements in the sphere of accounts with the peasantry.

By reorganizing machine-tractor-stations and transfer of their machinery to kolkhoses Khrushchev ~~achieves~~ achieves a major aim - funds for budget financing of machine-tractor-stations are released for other purposes and the finance burden is shifted over to the peasants.

However, reorganization of machine-tractor-stations will not enable Khrushchev to solve the contradictions inherent in the Soviet economic system of farm production. Stalin himself was unable to solve them.

One of the main component elements of these contradictions are the unequal exchange for the peasants of farm-products for industrial commodities, of which L. Kamenev spoke at the 12th party congress (in April 1923). He said:

" The price correlation demonstrated yesterday by Trotsky must be eliminated. These very "discrepancies" are caused by the difference in prices for agricultural products and urban industrial commodities and therefore reduce the means available to the peasants to buy ^{urban} industrial goods.

If our future policies lack sufficient skill, these ^{discrepancies} ~~"discrepancies"~~ are liable to cut the bough to which the union of workers and peasants cling today.

(L. Kamenev, Speech on tax policies on the farm, Stenographic record of the 12th RKP(b) congress, published 1923, page 410).

^{discrepancies} "The ~~discrepancies~~", mentioned by Trotsky and Kamenev at the 12th

RKP(b) congress (see page 93) - are the "bough" on which the communist

.....

regime in the USSR has been sitting these past several decades and it must be assumed that Khrushchev realized that "this bough" gets to be more unreliable all the time.



STAT