TIMESON FINT plarms and disputations, abrupt changes of prescriptions and e mof doctors have made it plain that son thing is accountly wrong with the stomach on which the Soviet vistem marches-that is, with Soviet agriculture. Since Stalin's death, the absorption of quantity of Argentine, Danish and Dutch foodstuffs by an element body quite unaccustomed to such external supplies has cought the world's eye (for a time Russia was the bard largest importer of meat and dairy produce); and the linking of Mr Malenkov's agricultural "sins" to his deposition, followed by the dismissal of ministers concerned with feed and farming, has beightened the sense of drama. Against this background, the orders which M: Khrushchev issued last week for the decentralising of agricultural planning have been interpreted in some quarters as a prelude to the

wine for up of the whole Sor system of farming

Undoubtedly the countrys: in always Achilles heel of the Soviet rec me. The h the as vulnerable as some whose in observers the it is a peculiarly embarrassing a takness for which seeks not only complete independent from pitalist " supplies but also the allegiance produtions in backward countries. Sovie case of course, one extensioning circumstance after a could war and two world were, they might to claim a to be an achievement that the number of tivestory a now not much lower than at 1913, and day can perion the credit side the in remed proportion of which in real grain output and great increases in over a anal. mar beet. Their shind

THE ECONOMIST, MARCH 19, 1955

that collective farming has fulfilled its essential task: it has made it possible to extract from the countryside enough supplies for the industrialisation of the towns.

It can safely be assumed that nothing is further from the mind of the Soviet leaders than to admit the bankruptcy of planned collective farming, for that is an inherent part of the Soviet system, and to jettison it would amount to admitting the bankruptcy of the system as a whole. The kolkhoz cannot be so easily uprooted from the Russian landscape. The present measures represent not the dismantling of a broken-down machine, but an attempt to lubricate and keep in motion a machine that is groaning with the strain of its effort. Moscow no longer tries to deny that the machine is inefficient. Soviet leaders have lately been crying on the rooftops that agricultural supplies are failing to match up either to growing demand or to the planners' expectations, failing even to correspond to what has been invested in the articultural sector. Article after article in Pracida denousses the "intolerable situation" in state farms, in fodder output and in stockbreeding, revealing countless errors and failures in both production and distribution.

The planners' problem is not merely to feed a rising population but specifically to ensure food for the muchrooming towns. Russia's rural population has remained roughly unchanged since 1913 at about 120 million people. But during the quarter century of the planned era, the urban population has risen by 50 million, and in the last five years alone by 17 million, of whom nine million represent the influx from the countryside. And who has come to town is not only, in k is ush hev's words, "a food producer turned food consumer"; he is also apt to demand a richer and more maried diet. The promises made by Stalin's beirs in aged have whetted his appetite, and the relatively bigger price cuts of recent years have also added to the inflationary strain.

The countryside has also been a headache for Soviet leaders in more than a strictly economic sense. Its life as well as its production cannot be controlled, planned and ruled as can be done in the towns. It was no andent that Stalin, in his last pamphlet, dwelt on the ed to eliminate the difference between "collective"

property in the country and state ownership in the wwns. The avowed aim is to bridge the gap, to uproot the remnants of private property and transform the peasants-now collective farmers-into agricultural workers. A step was taken in this direction, under Khrushchev's own guidance, in 1950 when some 250,000 collective farms were amalgamated into 93,000 larger units. In face of peasant resistance, however, the regime did not dare to proceed any further along the road towards "agro-towns."

Thus Stalin's successors were left with a dural task. They had to step up food supplies for the rowns capitals;
AR CRIMES DISCLOSURE ACT

they were also determined in the long run to transform the countryside and tighten their control over it. Popular pressure, encouraged by the pledges made to the consumer by the new regime, rendered the first task so urgent that the second had to be pushed temporarily into the background. In the second balf of 1953 Russia's new leaders admitted openly that the state of Soviet livestock was poor, and that dairy produce. meat, and even vegetables and potatoes were in short supply. Stalin's method of coping with such a situation and extracting surpluses from the countryside was to burden it with taxes and offer low prices. In their urgent need, his heirs applied the opposite remedy: they granted tax reliefs, reduced impulsory deliveries and paid higher prices. Soon afterwards. Khrushchev exploded another myth, that of 5 wiet self-sufficiency in grain. He invited that the crop of coarse grains in particular would have to be greatly increased if his anifictious plans for livestock breeding were to be ful: led, and "voluntoers" were sent to "conquer land in cold and distant Kazakhstan and Siberia, with sire orders to get some 30 million tons of grain within a few years...

At the beginning of this year, on the eve of Maleukov's sensational fall, these new policies had had little time to mature and the results were still very mexere. A slight improvement was claimed for livestock, while additional grain from the reclaimed land was barely sufficient to compensate for bad weather in orher regions. As yet no great achievements can be started for the policy of incentives. Imports had to be continued and stocks run down still further; yet even this did not prove enough to counteract the inflationary pressure resulting from price cuts. The sequel mass the classical one: shortages of meat and other than queues, and mounting discontent. Khrushche intervention must be seen against this backgroun new formula, borrowed from American exper apparently without much consideration for chimalic an wher differences, is a gigantic, and highly dubiou expansion of mai cultivation for fodder. Both the continued as well.

Simultaneously Khrushchev announced a new concession which is elaborated in the decree published last week. Local authorities and individual collective farms are promised a little more elbow room. The central authorities will continue to determine regional contributions and each farm will still be faced with its minimum quota, but both farm and district will have a greater say in planning and will tend to benefit more if they overfulfil their tasks. It would be naive, however, to hail this measure as a major abandonment of centralised planning. It is significant that Khrushchev announced at the same time that control over deliveries will be excitisted by the Martine and Program