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FUNDAMENTAL PROBLEMS OF COLLECTIVE FARMING

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IN taking part in the discussion to-day it will be my task to discuss some of the fundamental questions of collective farming. I shall base my statements on the experiences of the Soviet Union on this question. It will, however, not be my task to state whether the collective system in Russian agriculture is good or bad. One will only be in a position to judge the collective system when it is possible to see not only the economic effects of the new system on Russian agriculture, but also its sociological and biological effects on the Russian people. The latter will be of decisive importance for the judgement of the collectivist system. But they are not decisive for the question whether or not this system will prevail in the long run within the Soviet Union.

In linking up this paper with the programme of to-day I wish to lay stress on three essential points.

(i) Does peasant farming still exist in the Russia of to-day?
(ii) Are the collective farms to be regarded as a co-operative form of agriculture?
(iii) Is there an analogy between collective farming and peasant farming from the point of view of management?

The first question has been illuminated by the figures given by Professor Lang. According to the Soviet statistics there are still more than 5 million farms individually managed in Russia, that is, more than 25 per cent. of the total number of farms. As to their economic significance, however, these individual farms have no importance. Only in central and northern Russia is there a large number of peasant farms still in existence in their old form. In the districts of southern Russia, on the other hand, where collectivization has gone farther, the individual farms left over are merely extremely poor farms. Each year they will get the land, usually the poorest, which has not been taken under cultivation by the Soviet of the village. They will have to cultivate it according to the plan made for them. These farms have not yet been changed to collective farms, only for the reason that it would not pay these individual farmers to go into the collective system, since under the present bad living

conditions they would not gain by giving up their poor 'individual' farms. For the Soviet Government, on the other hand, these farms are not important enough to break up hastily at the present time. But it will be only a question of time until these farms too will be definitely eliminated. One may definitely assume that at the end of the second Five-Year Plan, that is, in 1937, the peasant farm will have disappeared throughout the wide area of the Soviet Union.

Even to-day the Soviet Union may be regarded as a country which has almost exclusively concentrated its agrarian activities on large-scale farming. The type of large-scale farming now predominant in Russia is not to be found in any other country. The fact that one of the largest farming countries of the world has its specific type of farming is reason enough for an International Conference of Agricultural Economists to consider such new forms in the structure of agriculture. The specific problems of this new type of large-scale farming may help us to gain valuable scientific information and it may serve to complete our scientific conceptions and ideas of the problems of the structure of agriculture.

It is quite a task for scientific terminology to draw a clear-cut distinction between agricultural co-operative societies and collective farming. There are different stages of development between these two forms of organization, a characteristic example of which Professor Münzinger has given you in his paper. In general one may assume that the step from a co-operative form of organization to the collective form of organization has been taken when co-operation encroaches on production by the nationalization of the land. In the first stage of agricultural collectivism in the Soviet Union the so-called land-co-operatives for co-operative cultivation of the land played an important part; they should be regarded as transition stages from co-operative to collective organization. At that stage cultivation was generally done collectively, but harvesting was done individually. But collectivism was gradually developed further; it came to cover not only the draught animals, but also the major part of the live stock and all implements and machinery. Finally, on some farms even consumption had been collectivized and thus the extreme form of collectivism, the so-called agricultural commune, had been reached. Almost all the communist units have lately been brought back to the middle form, to the so-called agricultural *Artel*. This *Artel*, a withdrawing from Communism, is the new type of farming, determining the structure of agriculture in the Soviet Union.

For the definition of collective farming, however, these changes within the internal structure of the farm, that is to say, the more or

less advanced degree of socialization, are not alone the decisive factor. The position of the farms within the whole economic system, the place of collective farming within the general system of planned economy, is at least as important. There were two ways to reach that aim in the Soviet Union:

(i) The way of co-operative development towards co-operative life and towards independent co-operative initiative.

(ii) The bureaucratic and compulsory way of strict governmental regimentation and far-reaching centralization.

In the first case one would have had to let the new collective farms have their own way by giving them a chance to develop according to their own capacity and their own productive achievements. In such cases it would have been necessary to give them general rules for farm organization and cultivation and to guide them in the right direction by official farm advisers. For the rest the demands of the state would have been confined to the official taxes in products and money, and it would have been left to the farmers to make their way by their own responsibility and by their own co-operative initiative. By giving a share in the output to each co-operative farm, the members would have had the possibility of improving their standard of living above the level of neighbouring farms through increased efficiency, increased returns, and through general improvement of the farm. This way of procedure was discarded very soon in the Soviet Union. Through installation of the so-called machine and tractor stations, governmental control centres were built up in the country, from which the collective farms belonging to them are administered by governmental rules and orders through government officials. Thus true co-operative life and the co-operative initiative have been largely killed. The extreme bureaucracy which came into being is one of the weakest points of the collective system in the Soviet Union. The manager of a collective farm does not act any longer on his own responsibility and according to his own agricultural experience and knowledge, but he relies on orders given to him by his superiors, viz. from the machine and tractor station, and finally, if important questions are at stake, from the central powers in Moscow.

To give an example: He does not begin cultivating or harvesting the fields when he himself or the collective farmers think it is the right moment, but only when he receives the order from his superiors to do so. This makes for a great deal of disturbance and damage. The continuous ordering about of the farmers by the machine and tractor station, and also by the different bodies of government administration, is one of the chief causes of mismanagement to

be observed so often and also of the general discontent of the farmers.

The farmers would be happy if they were left alone on their collective farms, if they had only to pay the necessary taxes, which certainly are not small. For the rest they would like to look after themselves and to see their well-being depending on their own collective efforts and achievements. But the present system wants to break them into prosperity and thus much harm is done to them. This rigid control of collective farms, their being forced into central government organizations, has taken away from them the characteristics of co-operative organization much more than the far-reaching socialization of the means of production has done. The collective farms in the Soviet Union are to be regarded as semi-state bodies which are tightly fitted into the system of government controlled and planned economy.

The members of a collective farm, owing to their joint ownership of the means of production, have greater freedom to decide upon the management of the farm and the use of those means than have the workers on purely state enterprises such as the state-owned farms. But that is not the real difference between the two groups. The essential difference is merely the method of payment of the people working on these farm types. In the state-farms, wages are paid according to fixed rates for day and piecework, while the wages of the members of a collective farm are determined by the net output.

I wish to lay some more stress upon this essential difference between state-farms and collective farms, because it is important for the understanding of the peculiarities of this new type of farming and because it shows an interesting analogy to the peculiarities of peasant farming. In collective farming the different processes of the work to be done are valued according to their importance and physical exertion. Every branch of the agricultural work has its norm fixed according to plan. At the end of the working day, the working hours of which are not fixed, each member of the collective farm gets booked to his account, according to the quantity and quality of his work, a certain number of units, so-called 'day's work'. At the end of the year the net yield of both products and money will be divided by the total of 'day's work' done on the farm and thus the value of the work unit, i.e. the 'day's work', will be obtained. The more units the individual member has earned and the higher the units have been valued, the higher his annual income will be. The annual income of the members of the collective farm is, therefore, dependent not only on their achievements of work, but also on the net output of the

farm. If, for example, there are on a farm at the end of the year 20,000 kg. of grain for distribution among the members—at present cash wages are still unimportant—and if the total number of the units worked on the farm is 10,000, the value of one unit of work should be 2 kg. of grain. A collective farmer who has earned 100 units during the course of the year would thus receive 200 kg. of grain. If additional work is done to improve the farm, work which requires no capital investment (for example, building of a stable, a barn, laying out irrigation, &c., by using clay, straw, timber, or other building material taken from the farm resources), then the number of units of work will increase accordingly, without increasing the net output. Instead of 10,000 units of work say 20,000 units might have been reached, but the net output would remain 20,000 kg. of grain. In this case the value of the single unit of work would be 1 kg. of grain. The individual collective farmer would have performed, however, 200 units a year instead of 100 units. He receives, therefore, instead of 100 units of 2 kg. each, 200 units of 1 kg. each, that is, the same 200 kg. of grain he would otherwise have had.

I want to show by that example that the collective farm, by its special method of paying wages according to the work done by the individual member and according to the net output of the farm, has the potentiality of getting out of its members additional work for the improvement of the farm, without additional capital investment and without a decrease in the total annual income of the individual member. This method of management bears an analogy to that of the peasant farm. The peasant farmer has also the opportunity of improving his farm by additional labour. He increases the value of his farm without calculating the essential factor, his own labour, as an expense in the same way as a farmer working with hired farmer hands would have to calculate.

There is still another factor entering in. A low productivity of labour does not mean a debit on the books of the collective farm, as long as the net output is not curtailed thereby. If, for example, the members work so badly that it is necessary, in order to get through with the work, to employ women and children on a large scale and to spend more 'day's work', there will be a large number of cheap units instead of a small number of valuable ones. Thus the total income of a family will always average the same, provided that the total yield of the farm is not lowered by the poorer labour. If a crop failure occurs, that does not mean a burden to the farm for the following years in the form of indebtedness. The result will only be a decrease in the income of the members for the current year,

i.e. a decrease in their standard of living. This also offers an analogy to the peasant farm in its usual form.

The pre-requisite of the gradual improvement of collective farms by additional labour of the members is that additional or unutilized working capacity is still available. Additional working capacity will always be available for such improvements as long as such work can be done during the winter or during slack seasons. In Russia the farmer during a greater part of the year has normally little or no work to do. In the collective farms, at present, the average amount of labour per man is but 150–200 working days per year. As a rule, therefore, a great reserve of labour capacity is still available in Russian agriculture. During the last few years, however, conditions have rapidly worsened. Forced industrialization, the flight from the agricultural districts into the towns as a result of collectivization and bad conditions of living, and finally the effects of the crisis in food supplies, very marked last year, have caused a great dearth of labourers on many farms.

The possibility of improving the farm, without adding to its debit account, by the use of available but hitherto unemployed labour of the farm, together with the automatic adaptation of the income to the yield and the possibility of overcoming bad harvests by lowering the standard of living—all these characteristics provide a collective farm with greater elasticity and with greater immunity against the crisis. Here we find the collective farm in contrast to the enterprises run by the state and in the same position as the old peasant farm. The principal differences between the collective farm and the peasant farm are, however, the abolition of private ownership of the means of production, the blocking of private initiative, the weakening of the deep spiritual attachment to the soil, and the destruction of ethical and moral values of the peasant family-farm.

But the difference most strikingly felt by the Russian farmer is the abolition of economic independence and economic liberty and the transformation of independent farmers into an agrarian proletariat without any will of their own and entirely by government order.

Only the future will show what effect that fact will have upon character, birth-rate, health, and outlook of the large masses of farmers of the Soviet Union. A judgement of the new, unique structure of agriculture in Soviet Russia will be possible only after these effects have become fully evident.