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PROCEEDINGS
OF THE
SECOND INTERNATIONAL CONFERENCE
OF
AGRICULTURAL ECONOMISTS

HELD AT
CORNELL UNIVERSITY,
ITHACA, NEW YORK,
AUGUST 18 TO AUGUST 29, 1930

The Collegiate Press
GEORGE BANTA PUBLISHING COMPANY
MENASHA, WISCONSIN

1930

4 cards

*Russia. Agricultural economics. Russia
Agricultural economics. Russia
Farm management. Russia*

Indexed

THE DEVELOPMENT OF AGRICULTURAL ECONOMICS AND OF FARM MANAGEMENT IN THE U.S.S.R.

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IN RUSSIA—unlike in other countries (Germany, Denmark, Switzerland, Austria)—the science of agricultural economics and farm management had for a long time developed in the form of independent courses in agricultural colleges and universities and also in the form of special treatises and monographs. The well-known Russian agricultural economist, Ludogovsky, who as far back as 1875 wrote his "Fundamental Outlines of Agricultural Economics and of Farm Accounting," subdivided his course of lectures into three parts (not including the introduction):

1. Agricultural economics.
2. Farm management.
3. Farm accounting.

These traditions were followed by Skvortzoff, who issued a course in three volumes, dealing respectively with agricultural economics, farm management, and farm accounting.

Of course, there were in the agricultural colleges and universities some deviations from this method (Ermolov) but they did not form any leading trend in Russian economic life.

Outside of agricultural colleges, activity was most intensive in the field of agricultural economics, but not in farm management. The majority of journals and of published works dealt with agricultural economics only. As to farm management, it was chiefly developed in practice by the managers of large estates or, in its application to peasant farms, by county agents of the zemstvos (local autonomous administrations). The management of farms was mostly carried on along the lines of European experience.

The active interest in agricultural economics can be explained by the existence in the late nineteenth century of four well defined schools: (1) Marxists, (2) Revisionists, (3) Narodniki and (4) Bourgeois.

The most brilliant representatives of the Marxist School were Lenin and Plekhanov. Lenin was the author of the most important contributions to the subject, "Development of Capitalism in Russia," "Who Are the Friends of the People and How Are They

Struggling Against the Social-Democrats?," "The Agrarian Question in Russia at the End of the Nineteenth Century," "The Economic Content of 'Narodnichestvo' and Its Criticism in Struve's Book." In all, out of 22 volumes of Lenin's works, more than four deal with agricultural economics.

Plekhanov wrote at an early age "Our Disagreements," "The Law of Economic Development of Society and the Tasks of Socialism in Russia," "The Land Community and Its Probable Future," and other works. The scientific works of Lenin and of Plekhanov gave rise to numerous discussions. A whole generation of Marxist interpreters of agricultural economics, of economists and of Marxist students of agrarian policies were educated on the works of Lenin. Their number has vastly increased in our times. The contribution of Lenin and Plekhanov, who were both philosophers and political scientists at the same time, consisted of demonstrating, by thorough investigation, that agriculture was developing in Russia along capitalist lines, that within the peasantry there were growing up, on the one hand, large agricultural enterprises, while, on the other, there was an increasing number of peasants leaving the farms and going to towns and factories. In connection with this idea they analyzed especially the theory of the differentiation of the peasantry, concentration of agricultural production, the law of diminishing returns, and specialization in agriculture. Besides this, Lenin wrote a special work "The Newest Data on the Development of Capitalism in Agriculture of the U.S.A."

The Marxist theories met with objections, in the persons of Mikhailovsky, Nikolaion, and others, who advocated the peculiar idea that in our time agriculture did not and would not develop along capitalist lines. On this basis they constructed an economic system which they opposed to all other schools. The culmination of the Narodniki system was a special theory of farm management, developed by a group of practical workers. The group considered as its most eminent representatives Chaianov and Chelenzev. According to this theory, peasant economy is based on weighing the satisfaction of the producer's needs against the increasing burden of the strain of toil. In this way agriculture was declared to be beyond the field of capitalistic economy. Farm economy, as it related to the peasants, was declared to be a special system within the capitalist system. Chaianov's theory provoked

a prolonged discussion, as a result of which the theory was proved to be erroneous; nevertheless, Professor Chaianov promised to construct a complete economic theory of production and of distribution on the basis of the alleged special character of peasant farm economy. This, of course, he never could fulfill.

The revisionist system was represented by Bulgakov's "Capitalism and Agriculture" and Maslov's "Agrarian Question." This group, however, was not of particular interest, inasmuch as it merely reproduced the theories of the German revisionists, while on a number of points their views coincided with those of the Narodniki.

Much more original was the school of bourgeois economists. This group includes such prominent scholars as Postnikov, Kablukov, Manuilov, Chuprov, Kaufmann, Gerzenstein and others. The revolution of 1905 greatly stimulated the interest in agricultural economics. The most urgent problems were those relating to land distribution and organization and to the future forms of land ownership. Such problems as peasant migration or the economy of small peasant holdings also were the object of sustained attention and intensive research.

The vast extent of Russia's territory and the great variety of natural and economic conditions had long since caused regional studies to be a matter of particular interest, and many of the biggest names, such as Fortunatov, Bashaiev, and Lenin, are associated with such studies. Just before the war, the interest in cooperation had begun to grow.

It should be pointed out that before the revolution there did not exist any special research institutes where the science of agricultural economics and farm management could be concentrated. Research work was conducted, in the first place, by special voluntary associations, such as Chuprov's; secondly, by the zemstvos, and lastly, with the aid of agricultural colleges.

During the war, all researches were devoted to problems of food supply. After the revolution, the problems of agricultural economics were changed in a radical manner. Then the collectivization movement and the development of state farms brought about a great number of thorough investigations and descriptions of the new forms of economic organization. The disappearance of large-scale land ownership required a most assiduous study of agricultural economics and farm management. The revolution put

before the scientists the great problem of the reconstruction of agriculture as a whole, both technically and socially. Besides, the new social order gave prime importance to the new question of planning agricultural production. In connection with this, the research studies devoted to social planning, *i.e.*, the drawing up of control figures, five-year plans, and to general planning in agriculture, gained great importance.

The problem of industrialization also occupied an important place, due to the growth of industry in the U.S.S.R. and to the reconstruction of the entire system of national economy.

Special research institutes, unknown in the pre-revolutionary period, grew up after the revolution. The tasks assigned to them included research work on a series of definite problems as well as the training of a staff of scientific workers.

Among these institutes mention must be made, first, of the Agrarian Institute affiliated with the Communist Academy. This central institute is situated in Moscow, and is headed by Dr. Kritsman. The institute also has sections in Leningrad and in Minsk. There are institutes of a similar type in Kharkov, for the Ukraine (Director Schlichter), and in Tashkent, for Central Asia. Besides, there has been functioning since 1919 the Research Institute for Agricultural Economics and for Farm Management in Moscow, and a number of similar institutes have been formed in Rostov-on-Don (Director Nasimov), in Novosibirsk (Director Chuikov), and in Sverdlovsk (Director Ishmayev). In Moscow there is also the International Agrarian Institute. In 1930 there was formed a special Collective Farm Research Institute.

The institutes formed did not replace the agricultural colleges. The number of agricultural colleges has been greatly increased of late and now numbers sixty-eight. Each of these has a chair for agricultural economics and farm management.

It should be pointed out here that the importance of farm management has greatly increased in the recent period. The organization of collective and state farms has given rise to special problems of organization. For this reason, books on peasant budgets and on collective farms have been widely distributed. The Research Institute has given the greatest attention to this question. The most interesting treatises of this kind are the works of Chaianov on "The Cost of Production of Sugar Beet," the work of Anissimoff, Veremenichev and Naumov on "The Productive Char-

acteristics of Peasant Holdings," and the work of Rudakova and Sulkovsky, "The Class Grouping of Peasant Holdings and Their Productive Characteristics."

There have been issued a large number of publications of similar type, but only the most interesting are mentioned here. The Institute has recorded very carefully the budgets of a large number of peasant holdings.

On the same level as the above-mentioned works must be placed the investigations of the trends of the class groupings of peasant holdings. This question is the chief one which the Agrarian Institute of the Communist Academy has dealt with. The initiative for starting these studies belongs to Lenin. The most brilliant of this class are Kritsman's "Class Differentiation of the Soviet Village"; Gayster's "Differentiation of the Soviet Village"; Nemchinov's "About the Study of Differentiation"; Yakovlev's "The Village As It Is." A number of other publications have been issued, but they did not contribute very much of special originality.

In relation to the budget studies, our economists follow the main features of the German, Danish and American studies in this field; the second group of publications, however, have many original features unknown abroad. The methods of measuring social phenomena by means of statistics require careful and thoughtful treatment. Kritsman, Nemchinov and a number of others have contributed many new ideas in this field.

Next in importance is the group of studies relating to state and collective farms. This group is subdivided into two parts, agricultural economics and organization of farm management. The first part has been dealt with both in the Agrarian Institute and in the Research Institute, but the problems of organization have been studied chiefly in the latter.

The various economic problems have been treated in their relation to the nature of the new economic forms. In this respect, the most profound works are Lenin's treatise "On Cooperation," and Stalin's "Report at the Congress of the Marxist Agrarians." A thorough study has never been made of the various forms of collective farm organizations, "commune," "artel," "special partnership," "tractor station," and "simple cooperation," or of their different social implications, their respective importance, and their comparative suitability for the various regions of the U.S.S.R.

These questions are dealt with in a statistical book "The Collectivization of the Soviet Village," edited by Gayster, as well as in a number of publications issued by the Agrarian Institute of the Communist Academy. This literature shows the special interest in that field, which reflects the new and unexampled process of reconstruction in agriculture in the U.S.S.R.

On the other hand, there is the problem of the management and organization of collective and state farms. In this problem, the Research Institute of Agricultural Economics and Farm Management is very actively engaged. I have already mentioned that the science of organization had made very little progress in pre-revolutionary Russia. The Institute has, therefore, had to make exhaustive studies of farm management from foreign sources. As a result of these studies, a great deal has been borrowed from the Americans and rather less from the Germans. The first edition of the Russian translation of Warren's "Farm Management" was sold out within a few months and a second edition has already been issued. Russian translations have been published of such bulletins of Cornell University, the United States Department of Agriculture, and of the Texas Agricultural College, as deal with the organization of tractor farms. There have also been translated the German works of Brinkmann and others. Besides this, scientific workers have been delegated to the United States, Germany and other countries to study various types of farm management.

But the organization of state and collective farms has already outgrown the foreign patterns. For instance, the problem of the "optimum" size of a farm has been attacked, and the first approach to a solution has been made. It has been ascertained that the "optimum" size, when 15-30 tractors are used, is 120,000 hectares subdivided into several sub-farms of approximately 10-15,000 hectares each. Such subdivision permits labor and equipment to be shifted from one section to another and thus to be utilized to the best economic advantage.

It may also be pointed out that the experience of the largest American farms (Campbell) in working with a gang of tractors has likewise been utilized in the Soviet Union, where the work is carried on by gangs consisting of from 25 to 45 tractors.

The main distinctive feature of farm management under our conditions have their roots in the new socialist structure of national economy. This causes the questions of the organization of labor

and of its compensation to assume an entirely new aspect. Our organizers are engaged in work on a large scale with a view to devising the most effective form of organization under the new conditions.

In the treatment of the new problems, a most active part is taken by the large staff of scientific workers. The results of the research work done at the Research Institute of Agricultural Economics and Farm Management are published chiefly in its journals.

Studies relating to socialist reconstruction of agriculture are published in the "State Farm" (Sovkhos) and in the Bulletin of the Research Institute. The most recent issue of the latter contained a good description of the organization of the largest state grain farm "Gigant" (Giant), by Abrosimov, Koval and Tishchenko.

In addition, a description of collective farms has been given in "Large Collective Farms." The organization of collective farms represents a range of special problems, such as the organization of means of production, and the distribution of income. To these problems are devoted the following interesting works: Nazimov's "Non-Divisible Funds," 1929; "The Payment of Labor in Collective Farms," 1930. On tractor stations, a work of Markevich has been issued under the title "The Tractor Station."

Recently, increasing attention has been given to the rôle of power in agriculture, and to electrification of agriculture, in particular.

In addition to the above-mentioned works, there have been published many investigations and simple descriptions by other institutions.

As regards work of an economic nature, the section on planning should be pointed out. Owing to the peculiar nature of Soviet economy, the planning of the entire national economy has become one of the most important factors in theoretical work. In the U.S.S.R. all economic activities are planned from one center, the State Planning Commission. Economic studies have embraced continuous theoretical inquiries into the problems of the acceleration of the development of the productive forces; of the quantitative and qualitative measures; of the proportion of different products in the general output; of the methods of distribution, and so forth. As an outgrowth of the system of planned economy there has developed the problem of specialization in agriculture

in the U.S.S.R. Up to the present time there had existed small farms which produced everything in small quantities. The state and collective farms do not want to, nor can they, engage in diversified production, and thus there arose the question of specialization by agricultural regions. At the present time there are 44 regions in the preliminary state of organization. The work is conducted chiefly by the Research Institute, in a special Bureau of Agricultural Economics and Planning, and in the local institutes associated with them.

Gordeeff, Wolf, Chelincev, Gayster, Kubanin and others have taken part in the handling of these questions. In reference to planning, there have been published a number of discussions of control figures and of provisions of the Five-Year Plan. Articles relating to problems of planning are published chiefly in the large journals, "Planned Economy," "On the Agrarian Front" and "Socialist Reconstruction of Agriculture." Quite recently, there have been issued two volumes of research studies on "The New Stage of Socialist Construction."

There should not be left unmentioned the studies on the structure of the credit and cooperative systems, the study of the problem of the industrialization of agriculture, of its financing, of the problem of new settlements, of the general economic situation, of prices, and so forth. Some members of the staff are engaged in the treatment of the problems of general agrarian policies.

The treatment of purely theoretical problems of agricultural economics is reserved for a special section. These are treated in all the research institutions and are the subject of special courses at the agricultural colleges. This work is carried on very intensively in Moscow (Gordeeff, Liaschenko, Kritsman, Uzhansky, Nikulihin), also in Leningrad (Berstis, Kozmanov, Uvarov), in Kharkov (Bilash, Sliphansky, Koval). In connection with these I should like to note that the principles of Marxist theory have been confirmed by the actual process of development. On the other hand the inconsistency of the Narodniki theories and those of other schools in relation to agricultural economics and farm management, with the actual process of reconstruction, has been very obvious. Professors Chaianov, Chelincev, Kondratiev, Litoshenko and many others have made numerous printed and oral statements renouncing their own theories as being in contradiction to the facts of agricultural development. On these grounds they

have stated that they consider the Marxist theory of agricultural development as fully correct and the Marxist criticism of their theories as likewise correct. The changes that have taken place in Russian agriculture have thus thrown light upon many problems of agricultural economics that had been debatable previously for many non-Marxian schools.

In conclusion, we shall take up the organization of the Lenin Academy of Agricultural Sciences which deals with the whole of the research work in the field of agriculture. The Academy is organized as an association of different institutes. The unification of all institutes in one academy enables us to undertake work of great complexity, which makes the research more valuable and complete.

As an example of such a complex work may be cited the investigation of agriculture in the regions which come within the sphere of influence of the Turkestan-Siberian Railway. This investigation is conducted under the guidance of the Division of Agricultural Economics and Planning in cooperation with the research groups of all other institutes which are delegated for investigations in the several agricultural regions. As a result of this investigation, we are obtaining complete data that will serve as a basis for practical measures.

Such are, in short, the fundamental aspects of the work done at present by scientists in the U.S.S.R. in the field of agricultural economics and farm management.