

Survey

The Current Crisis and the Decline of a Super Power

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Three aspects of the situation in the USSR are prominent today. Of these, the failure of the wheat harvest is undoubtedly the most important. The consequences of the Helsinki conference on detente both in relation to Portugal and otherwise form the other two.

Those who have read earlier issues of **Critique** will not be surprised that the grain harvest has failed yet again. Press reports speak of a harvest worse than that of the bad year of 1972. This does not mean that the USSR would be on the brink of famine in the absence of North American supplies. A glance at the tables (see below) shows that, even with the worst possible harvest, the USSR will still be better off than it was in the fifties and in certain years in the sixties. The amount purchased by the state for urban consumption and export, however, has gone up much more slowly than total production. This reflects a policy of building up meat production and raising peasant incomes. The consequences of reduced harvests fall, therefore, primarily on livestock production. The problems of the Soviet peasant are of little direct political importance, but indirectly, in terms of food shortages, their socio-political results may be immense. It is all very well to promise a continually rising standard of living, as long as the promise is fulfilled. But it has not been fulfilled. The situation now is that there is not more, but less meat, milk and dairy products. Such reports as there are, already indicate that even for tourists in Moscow there is a marked drop in the quality of food supplied. In the provinces, where these products are normally in short supply the effect will only be cushioned to the extent that the majority of Soviet citizens are accustomed to shortages. With food the primary item in the ordinary

Average Grain Harvest in five-year periods and in specific years	
	million tons
1956-60	12.5
1961-5	130.3
1966-70	167.6
1971	181.2
1973	222.5
1975	160-170?
(Narodnoe Khozyaistvo 1973)	

citizen's budget, the Soviet elite has no alternative to making massive purchases in the West. The effect of this will not be to abolish the shortage, but to alleviate it by purchasing up to half of their needs in the USA and Canada. There are two interconnected questions raised here. The first is whether there is any explanation as to why the second half of the sixties was more successful than the seventies. The second is bound up with the nature of the changes likely to be introduced through the recognition of permanent agricultural failure.

Some recent articles in a Soviet journal have argued in effect that the problem lies in the fact that the planning system puts a premium on immediate results. As I argued in Critique 1, it is misuse of language to call these organisational forms by the name of "planning". In one of these articles it has been argued that the droughts and their increasing frequency are man made, and have resulted from over-intensive cultivation leading to soil erosion and a rise in temperature of the upper soil, which reduces its capacity to retain water.¹ In addition, there have arisen the so-called black-storms - dust storms in the fertile areas of the USSR. This kind of soil depletion is inevitable under a system which places such a heavy emphasis on immediate results. Where the centre cannot trust the periphery there is the further consequence that local initiative or understanding will be ignored until the losses cannot be easily rectified. The hand to mouth existence of the elite is only one more indication of their instability. The solution popular in the West to the harvest failures was that intensive agriculture should replace Khrushchev's extensive agriculture. But in this case, it is clear that like the others cited in Critique 4, any such technical solution would inevitably fall victim to the social contradictions of the regime.

Nonetheless, the immediate post-Khrushchev period did see some success in agriculture. This may be attributed both to the concessions made to the peasant, and to the increased investment in agriculture. Peasants' incomes were certainly raised, both by decree and through concessions on the private plot, and the effect was undoubtedly to improve incentive on the farms. This kind of concession has been turned on and off like a tap throughout the history of the Soviet Union. The problem is that the spectacular effect of a considerable rise in income quickly wears off unless it is repeated. No intelligent peasant will identify with a farm management which is imposed on him, which lives separately in a separate village or area, and which enjoys the usual privileges of the elite. All incentive systems based on the collective are doomed to failure since there is no collective but only a class division. The private plot is quite another matter. The successful peasant needs constant additions to his plot if he is to retain his initiative. He also

1. Anatoli Ivashenko: *Sotvorenie Khleba*, Nash Sovremmenik, No. 7, 1975.

requires the agricultural inputs necessary to efficient cultivation of his plot. The problem is that his kind of concession leads ultimately to the dissolution of the collective and state farms. In the short run, a series of concessions to the private plot can produce results, but the abysmal performance of private peasant agriculture in Poland and elsewhere does not recommend this kind of solution. In any case, the ending of collectivised agriculture is unlikely to lead to a return to small inefficient peasant holdings. The costs of machinery, fertilizers, irrigation and pest control can only be borne by large farms. This assumes, of course, that subsistence or near subsistence agriculture is ruled out for the USSR, although it is obviously not ruled out for much of the former colonial world. The problem, therefore, is no longer that of a possible return to semi-feudal conditions, but that of choosing between the alternatives of a modern capitalist agriculture or a socialist agriculture.

As long as an elite rules the USSR a genuinely collective agriculture is ruled out. Not that it has ever been attempted there. The present collectives amounted to little more than a method of extracting the maximum surplus product for the towns. They also provided the necessary labour power. The latter function has ceased to operate. The former has also outlived its time. The collective farm facilitated easy police control over agriculture under Stalin. The peasantry was politically pulverised - an effect which is now irreversible. It is probable that the effect of collectivisation was a drop in agricultural output far below its potential, but it is quite possible that without it the towns or the bureaucracy would have been held to ransom. But the peasants can no longer play this independent social role vis-a-vis the bureaucratic elite. As a result, the collective farms are an historical anachronism. The necessary pre-condition for modern industrialised agriculture - large-scale investment in machinery, fertilizers, pest control and irrigation - can now be provided. Under the present form of the farm, however, the huge investments made in agriculture over the last decade are merely wasted.

It might not be out of place to list some of the forms of this waste. Little care is taken of the machinery. Examples are given of tractors used as private cars while other kinds of machinery are allowed to rust away. Partly because of the way the machinery is used, and partly because of poor quality production, there is an inordinate number of machines requiring repair. In the absence of spare parts, this means that the USSR actually needs some multiple of the machinery required in Western agriculture. In Critique 4 I cited the article in *Izvestiya* which pointed out that machinery was used for only one-third of the time it should have been. This latter situation is partly a function of poor training and of the outflow of skilled operators from agriculture. The age and sex imbalances of farms in the USSR are well known, and are indeed inevitable while the farms are the abode not just of 'rural idiots' but of the

impoverished. Similar forms of incorrect usage occur in relation to the other forms of investment. The ultimate reason for this waste is that the alienated producer prefers to leave the farm altogether if he can, but if he cannot he will perform his work in the most perfunctory way possible. The effect is clearly to leave the farm to those with least skill, drive, or initiative. What makes matters worse, is that there is no real sanction against the collective farmer, since his position could not be made worse through the usual methods of dismissal or deportation. Indeed * deportation to any town would be a reward not a penalty.

The anachronism of the Soviet farm, which originally served the purpose of primitive accumulation, directly or indirectly, can only make agriculture a permanent cripple. Expedients can only operate for a short time, and they sometimes make the long run situation much worse. A turn to capitalism is quite possible in terms of the collective farms themselves. They do operate on a kind of profit-sharing basis and sell part of their product on an open market. While they are probably the property forms closest to capitalism in the USSR, transitional forms of operating such farms would immediately lead to a conflict with the towns. Given the food shortage and the secondary role of money in the USSR, they could ask for practically any price for their products. It would inevitably lead to a decline in living standards in the towns, until agriculture was stabilised. The working-class is unlikely to accept such a cut in its living standards, and the intelligentsia would scream even louder. Such a development would almost certainly forge some kind of unity between these two social layers, or perhaps between sections of them. No-one has forgotten the rise in prices in Poland in 1970 and its results. The long run situation is too long for the Soviet regime, even if the attempt to move towards it might lead to higher food output over time. Furthermore, it is obvious that the introduction of capitalist agriculture could only be the prelude to the introduction of similar forms in Soviet industry. The overall risk, therefore, of working-class action, which has already ruled out the extensive introduction of the market in the USSR, has diminished the possibility of turn towards capitalist agriculture. As to the socialist solution, that cannot even be discussed; ! what ruling group has ever legislated itself out of existence?

X The result, therefore, has been that the same deal has been made for agriculture as had already been concluded for industry. This is the turn to Western capitalism, particularly the U.S.A. The Soviet elite has concluded that its agricultural policy has failed and that they have no solution but to be permanently dependent on the supply of grain from the USA. It should be noted that any changes - such as moves towards the market in any part of the economy - will be effectively cushioned by U.S. food supplies. While this is not on the agenda for the coming year, it is unlikely that the Soviet elite will emerge unscathed from the present

disaster. It has, of course, been a theme of **Critique** since it first appeared, that the Soviet elite was becoming increasingly dependent on the USA.

Some have rejected the thesis of Soviet dependency on the USA, and have argued instead that it is a question of mutual dependency with each side deriving benefit from trade relation. This is to treat state relations in isolation from class relations. It is indeed odd that those who can observe the exploitation of neo-colonial countries (and hence their peasantry and working-class) through the control exercised over the nature of the trade between the metropolitan and neo-colonial countries, cannot similarly observe a comparable relationship when looking at the USSR. In each case both sides appear to benefit. Since countries are made up of classes we must ask which class benefits and what is the nature of their gain. For the USA, the sale of wheat and various industrial products assures a market and so maintains employment, but it is in no way crucial to U.S. capitalism and could be dispensed with. They very fact that the wheat deal with the USSR is being held up, shows that the disadvantage of higher prices in the USA has to be seriously weighed by the capitalist class. Since the deals are being financed in no small measure by credit at a low rate of interest, the U.S. capitalist class might achieve the same objective by off-loading the wheat on India, or by simply stock-piling some portion of their excess production - at a loss - on the USSR. It is clear that the capitalist class now sees selling (or lending) to the USSR as a very partial alternative to arms production or public works. The question is: why have they begun to prefer this method of disposal of excess production? It is obvious that the reason is not internal to the Western economies.

On the Soviet side the situation is very different. The population is discontented, not just with their lot, but with a regime which has consistently failed to deliver the goods. The five year plan has failed once again. For many people in the towns wages have barely kept up with prices, though the essential question is not one of money but of the availability of goods. The problem lies not in an abstract question of availability, but in the comparisons that are made with other countries and, aithin the USSR, with Moscow. The cycles in the supply of food and housing also provide a basis for comparison. The discontent is not simply deduced from objective conditions. The emigres, who are still arriving, cannot be shrugged off as being the weeds from a garden. Furthermore, it is to be noted that the press in the USSR has again taken a turn to greater liberality with more articles on waste in the central newspapers and, more importantly, articles such as the one quoted above on the causes of agricultural failure.

Perhaps one of the most significant articles is one which deals in fictional form with the plight of workers in a cement factory: they are

shown as having little protection against the dust generated, with the consequent appearance of silicosis.² The factory inspector who tries to close down the factory is defeated by the need of those in charge of the factory to formally fulfil the plan. The story concludes with the factory inspector pointing out that the plan exists for the workers and not the workers for the plan. The author makes clear at the same time that the trust director, who is the embodiment of the need to fulfil the plan, is a person enjoying considerable privileges, such as a chauffeur driven car and a comfortable office, all of which he takes for granted. This kind of story has already been criticised in *Izvestiya*², but the appearance of such a literature - concerned with the working-class - marks a step forward in the evolution of Soviet discontent. It is obvious that such stories are merely the tip of an enormous iceberg submerged by the censorship. It is obvious because the attack on the journal throws doubt on the wisdom of printing literature on such themes.

The re-emergence of a literary discussion is apparently only one indication of some thaw in the control over the individual. More individual writers have been allowed to go abroad and reports indicate a greater possibility for discussions than previously.

If, then, the Soviet elite is faced with this kind of discontent, anything which allows it to divert attention from the system serves to maintain the elite in power. In other words, the contradictions of the system express themselves in the persistent failures of industry and agriculture. In order to deal with its problems, the elite has turned to the West. The effect of this is not transitory. It should be recalled that this policy of large scale import of technology, with a growth of indebtedness to the West, effectively began in the late sixties with the failure to pursue the economic reforms to their logical conclusion. Since there has been no change in the nature of the economic system we have to conclude that the Soviet import of Western technology will be a permanent feature of world trade. Furthermore, the second failure of the harvest within three years is to lead now to a permanent barter deal of oil for grain. This, of course, is unlikely to be a simple deal without ramification. In the first place, although the USSR may have the reserves of oil, it cannot exploit them. Ultimately a U.S. concession on the exploration and exploitation of oil in Eastern Siberia would be the simplest method of financing these grain deals. This leads to the second point. It has been made reasonably clear that the USSR will have to make political concessions in return for trade and aid. The wheat deal is certain to widen the scope of the concessions demanded. This is the real kernel of the policy of detente.

2. N. Fomichev: *Bolevoi Porog*, Sever 7/1975.

3. *Izvestiya*, 23.9.1975.

The argument, then, is that the overriding need of the Soviet elite to maintain itself in power has driven it to obtain aid and trade from the USA. In return, the USA not only obtains sales, but extracts real political and social concessions from the USSR. No self-respecting regime would make such concessions unless it felt compelled to do so. The effects of these concessions will be long-lasting, and in due course the USSR will be forced to make further concessions. The original demands put forward by the West were for the free movement of people and ideas. The Helsinki conference accepted these demands. The thaw in the USSR at the moment is not accidental, nor is the flow of entries to, and exits from, that country. Of course they have not thrown open the doors and abolished censorship. That would be tantamount to complete surrender and that is not yet on the cards. Nonetheless, such examples as Western pressure over Portugal, and its manifest success, show the path ahead for the USSR.

Various personages have professed to see Portugal as the test of detente. Since Kissinger and Harold Wilson are not unimportant, though they are not unimportant to different degrees, it is certain that a condition of further aid and trade is that the USSR control the Portuguese Communist Party. The Soviet elite prefers the certainty of American wheat to the dubious picture of Cunhal in power, subsidised by the USSR. The problem for Cunhal is that refusal to move left and pose the question of power means a loss of members, and possibly the loss of most of the base, to the left. A Portugal with the left in power is far more dangerous than the loss of a loan. This poses a dilemma for the USSR. To forestall the left, they must, at least, give the appearance of taking power. This conflicts, however, with detente and hence with the need for wheat and credit. A social-democratic Communist Party has the defect, from the viewpoint of the USSR, that it vacates the ground to its left and becomes too pusillanimous to exert pressure on the particular state to improve its relations with the USSR. The result is that the policy of the Soviet elite has to veer between encouragement to take power and the application of the brakes: They would prefer a coalition but the workers are demanding workers' power. No doubt in the absence of the USA they might actually take power, if only to destroy the left. But the West is demanding its pound of flesh. Ideally the Soviet elite would prefer a Portugal without introducing socialism, which weakens Nato, and introduces that discipline and order, so characteristic of Eastern Europe, which Costa Gomes was moved to eulogise. The problem is that the working-class is no longer so malleable or so gullible as they were, and the United States is making things even more difficult by demanding its own regime. Still, from the point of view of the USSR, the elite has to make maximum play with Portugal if only to obtain more credit when they concede to America. Indeed, if the Portuguese Communist Party is eclipsed by the left, the situation will be parlous for the Soviet elite to say

the least. It would mean that they could no longer deliver the political concessions of an international political order which the USA has been requiring. Concessions of an internal nature would then be extractable. Furthermore, a left opposition would then inevitably emerge in the USSR itself. Hence the USSR must now veer between the Scylla and Charybdis of left and right.

X The situation of the East European countries is now desperate. The USSR cannot sell gold as it has previously because of the weakness of the gold price; what is more, its raw material prices have also fallen. If the harvest failure had not arrived, the situation would have been tolerable if uncomfortable. As a result of the USSR's foreign exchange problem the East European countries must be less cushioned from the full effects of the current crisis. With large drops in their receipts, or potential receipts, for raw materials and industrial goods, their imports from the West will have to be sharply curtailed. In fact, the Soviet elite will be pressurised by the West to relax its hold on Eastern Europe. From a Soviet point of view it is becoming increasingly expensive to supply Poland, the GDR and Czechoslovakia with wheat, oil and other goods in short supply. There are not many alternatives left to the USSR. It can withdraw from Eastern Europe. This, while unlikely, is becoming, perhaps for the first time, a possibility, and it may even come to seem a likelihood when the USSR finds itself no longer able to withstand either the pressure of the West or its own internal discontent. Still, from their own point of view, the most desirable alternative is a species of indirect rule which enjoys popular support. The popular support is essential if the regime is to achieve satisfactory economic performance, particularly if it is to operate as an independent entity sustaining its own shocks. From this point of view a series of Yugoslav regimes, though less desirable than more pro-Soviet types, becomes tolerable. Indeed, the Czechoslovak regime will probably have to find some other **modus vivendi** with its population than it has at present. As the USSR becomes increasingly enmeshed with the USA, the strategic reasons for maintaining control over Eastern Europe will diminish. In this way, detent will permit the USSR to reduce its military burden without weakening its defences, but it will mean a declining hold over Eastern Europe.

In a position of considerable difficulty, the elite have found a solution in dependence on the USA for goods and credit. In return they are making political and social concessions which will be the more far-reaching the longer the policy lasts. This policy is called detente. Its main enemy, apart from the lunatic right and silly Nato strategists, is the left, representing the interests of the working-class.