

Soviet Harvest 20 Million Tons Short

In a Nov. 2 speech to the Soviet Communist Party Central Committee and Supreme Soviet, USSR President Leonid Brezhnev announced that the country's grain harvest this year will total 194 million metric tons. Although not a failure on the scale of the 1972 and 1975 harvests, this shortfall of approximately 20 million tons below the plan target occasioned a round of speculation in the U.S. as to Soviet food difficulties and probable large-scale grain purchases.

Media such as NBC's morning news show quickly used Brezhnev's report to plant the idea of Soviet purchases driving the price of grain up in the U.S., and with it U.S. retail food prices. U.S. Department of Agriculture officials, however, emphasized that the U.S. has sufficient grain to sell to the Soviets without squeezing the domestic supply. And market sources, according to the *Wall Street Journal*, observed that if the Soviets were planning purchases of grain exceeding the amount they have already ordered, they would hardly have invited a price rise by announcing the shortfall.

The USSR harvest plan targets are figured as an average for five-year plan periods, since weather patterns contribute to wide fluctuation in yields and gross harvest tonnage from year to year. In 1976, for instance, a record harvest of 224 million tons surpassed the 1976-80 plan target of 215-220 million tons per year.

Until Brezhnev's announcement, USDA estimates of the 1977 crop had been in the range of 215 million tons, because of early reports of an exceptionally good harvest in the Ukraine and southern Russia regions. According to Soviet weather summaries, it was problems in the

SOVIET GRAIN PRODUCTION, 1971-1977

	Grain Harvested (million metric tons)
9th 5-year-plan (Avg., 1971-1975)	181.5
1971	181.2
1972	168.2
1973	222.5
1974	195.7
1975	140.1
10th 5-year-plan (Target avg., 1976-1980)	215-220
1976	224
1977 (USSR estimate, Nov. 2, 1977)	194

Sources: Ekonomicheskaya Gazeta; TASS. Nov. 2, 1977

Central Asian republic of Kazakhstan that cut into the total. Here, in the cornfields first opened up by Nikita Khrushchev over two decades ago, an early-season dry spell was compounded by heavy rains during the harvesting weeks. This combination led to low yields and to wet corn spoiling in the fields.

The gap below plan fulfillment is not so large as to create an immediate crisis in Soviet domestic food supplies. It could, however, marginally cut into what the USSR has available to export to Eastern Europe where Poland has the greatest need.

Poland Seeks To Buy Western Grain

U.S. Secretary of Commerce Juanita Kreps will visit Poland in the coming weeks, shortly before President Carter is due to stop there during his planned December international trip. Last week, Kreps hosted Polish Foreign Trade Minister Jerzy Olszewski in Washington. Their talks, which will continue in Warsaw, reportedly concern Poland's bid to purchase as much as six million metric tons of grain from the United States.

Poland's projected purchase from the U.S. equals the total volume of its hard currency grain imports last year, a consequence of severe floods in August which caused the fourth consecutive bad season for Polish agriculture. In addition, the Soviet Union's announced shortfall may make it impossible for the USSR to cover Poland's grain shortage to the extent either of the two countries ex-

pected.

Addressing the Sejm (Polish parliament) Oct. 27, Prime Minister Piotr Jaroszewicz confirmed that the recent 9th Plenum of the ruling Polish United Workers Party (PUWP) Central Committee, called to discuss the party's program for "economic maneuvering," was devoted to ratifying austerity measures.

The *Washington Post* and other western press have been gloating over Poland's economic crisis and have raised the prospect that Poland will have difficulties in financing the U.S. grain deal. One-half the amount could be handled through the Commodity Credit Corporation, the *Post* notes, but the remainder is problematic due to present credit ceilings on U.S. trade with Eastern Europe.

Polish Prime Minister Jaroszewicz: Shortages And Discipline

The following is excerpted from the speech of Polish Prime Minister Piotr Jaroszewicz to the Sejm (parliament) Oct. 27. The translation is by the Foreign Broadcast Information Service.

The supply of meat continues to remain below demand. Despite an appreciable decline in the size of livestock and purchases for slaughter thanks to the import of 130,000 tons of meat and lard, we will supply the market with 3,000 tons more meat and lard in the first 10 months of this year than during the corresponding period last year... The implementation of this important target depends on the full realization of deliveries contracted by farmers for the fourth quarter...

The principle linking wages with the actual contribution of work should be strictly observed, as should the deepening of the discipline involved in nonpersonal fund management as well as the remunerations and rewards fund...

Financial discipline also means the discipline of production costs. The government will increase its control over the setting of prices by enterprises, economic organizations, amalgamations, and cooperatives. The government will resolutely oppose any attempt they make to profit from price increases that are not in agreement with the regulations in force... The sanctions for transgressing the regulations in force in this area will be tightened... We will increase the powers of the State Pricing Commission to both set and control prices.

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The party daily Trybuna Ludu summarized the food situation on Oct. 21:

Positive effects of actions... to correct the situation in

agriculture and livestock raising have been observed... A certain indication of this is the 3.4 percent higher procurement of meat in the third quarter this year as compared with the third quarter of last year. It is difficult for this to be felt on the market, especially since last year's procurement was very low, but it is worth noting this fact as a herald of the beginning of the improvement of the situation. We have come out of the impasse as regards the procurement of meat and eggs, while possible shortfalls of these products on the market should be regarded as the result of organizational shortcomings in the trade-producer sector...

There is need for greater attention and resolute action by the leaderships of industry and foreign trade regarding our exports and foreign trade balance. Improvement here is negligible compared with last year, while the export plan for the current year remains unfulfilled.

Vicious Cycle In Polish Trade Revealed

While the Polish press reports that export targets, the basis for raising revenues to pay Poland's foreign debt, are not being met, the curtailment of industrial investment — in order to concentrate on the export industries and food sectors — is backfiring against Poland's modernization of its Baltic shipping facilities. Reporting on delays in seaport construction at Gdansk, Polish Radio reported Oct. 25:

"The potential of the ports lags behind the requirements of our foreign trade. It is true that a container terminal in Gdynia and the third ore base in the Northern Port are under construction, but the decision on the elimination of investments has somewhat delayed the work."