
Economic Reconstruction of the Former U.S.S.R.

Agrarian reform strikes at the roots of cultural and social evils

by Jonathan Tennenbaum

The following is the third in a series to guide the economic recovery of the new republics formed from the former Soviet Union. In the Sept. 13 issue of EIR, Dr. Jonathan Tennenbaum, director of the Fusion Energy Forum in Germany, discussed the general principles to effect an economic recovery in the East. In the Sept. 20 issue of EIR, Dr. Tennenbaum focused on the need for road and rail infrastructure construction and modernization. In this article, translated from the German, he deals with the agricultural sector.

“Agriculture is the fateful question in Russia”—thus states an old proverb which has again and again proven its validity in the course of Russian history. The revolutionary changes of the last months have once more given cause to remember this wise old proverb. It is well known that the Achilles heel of the Soviet rulers was their proven ineptness in feeding their own people. And not the least of what steadily undermined the credibility of Mikhail Gorbachov’s “perestroika socialism,” was the unexpected worsening of food production, which made the process toward a definitive abandonment of the socialist power structure ineluctable.

Conversely, the various attempts at reform of politicians today, will stand or fall with the improvement in the delivery of foodstuffs. If this does not occur, Russia will soon become ungovernable, except perhaps by a new horrible dictatorship. If, however, the edge can be taken off the immediate food crisis, and the standard of living be lifted stepwise to western European standards, then there will be elbow room for free and peaceful development.

This last affirmation is indeed true, yet it does not strike at the heart of the fact that agriculture is the “fateful question.” A fundamental reform of agriculture in the regions of the former Soviet Union is important, but not merely in order to guarantee putting food on the table. Agrarian reform is of decisive importance because it strikes directly at the deep roots of most of the economic, cultural, and social evils which must today be vanquished.

In this article we will cite a few historical reasons why significant agricultural reform must count among the highest priorities for Russia and the republics striving for independence.

Feudal impediments to agriculture

For more than a century, the development of a true nation-state in Russia was blocked by the maintenance of feudal and neo-feudal structures in the agricultural sector. A thoroughgoing agricultural reform, such as was introduced in Prussia in 1807 by Freiherr vom Stein, has not taken place in Russia. Admittedly, serfdom was abolished in 1861 by Czar Alexander II, yet this step was not enough to allow for the emergence of an agricultural *Mittelstand*—an entrepreneurial middle class of independent farmers and small and medium-sized agriculture-related industries.

With the decree of 1861, admittedly, farmers did obtain their personal freedom, but in practice they did not get the right to own land and the means of production. Hence, in agriculture, until the Stolypin reforms of 1906, which for the first time allowed for the family farm to come into being on a larger scale, essentially feudal relations were maintained. The Stolypin reforms, however, were all too soon destroyed after the Bolshevik seizure of power in 1917. What the Bolsheviks forced through, in the name of “socialist agricultural revolution,” was a neo-feudal system which in many respects turned back the clock to before 1861. The farmers were once again reduced to slavery.

Already in *The Communist Manifesto*, the liquidation of the *Mittelstand* was seen as social “progress”; agriculture should in the future be carried out by “armies of workers.” Lenin saw in the family farm, and above all in the small landowner, the “deadly enemy of Bolshevism.” Although in the framework of his New Economic Policy, he was forced to give some elbow room to the private farmer in the new Soviet Union, this only meant the postponement of the planned “final solution,” which was then carried out by Stalin. Notoriously, more than 20 million people died in the years 1933-38 as a result of the forced collectivization under Stalin.

Productive farms destroyed

Forced collectivization took place in the framework of “socialist primitive accumulation,” the attempt to build up the industrial and military power of the Soviet Union at the



Chris Lewis

Schiller Institute founder Helga Zepp-LaRouche and Frank Hahn, a German leader of the Institute, address a seminar on the "Productive Triangle" in Warsaw, Poland in September 1991.

expense of an outright plundering of the agrarian sector. The living standard of the farmer was recklessly forced down to a subsistence level and lower, the price of agricultural goods reduced to a fraction of their production costs, and the price of machinery and other equipment driven up. At the same time, agriculture was made more "extensive": The relatively highly productive farms, practicing intensive agriculture, which did exist here and there, especially in Ukraine, were destroyed, and in their stead, extensive cultivation of the steppes and other much less productive regions further east in the empire was made a priority. The average productivity of agriculture sank dramatically.

The primary target of this policy, which quite consciously led to genocide, was Ukraine, for it is here that there had been the greatest development—not least for cultural and historic reasons—of an agricultural *Mittelstand*. A major reason for this is the fact that in Ukraine, the characteristically Great Russian "primitive communist" village-commune, known as the *Mir*, for the most part did not exist. The Ukrainian farmers were traditionally organized more "individualistically" than their Great Russian colleagues. The so-called "socialist agriculture" in Russia, on the other hand, looked directly to the *Mir* as a point of historical reference.

This fact is of decisive importance for a deeper understanding of today's problems. The collectivization policies of the Soviet rulers, especially vis-à-vis Ukraine and the

subject peoples of eastern and central Europe, represent from a historical standpoint a kind of cultural warfare. It was an attempt to impose oriental primitive collectivism, in direct opposition to western culture, stamped by the principle of the sovereign individual.

The 'Mir' village-commune

Many of the fateful weaknesses of the so-called socialist system are readily seen just from the history of the Russian *Mir*. In the traditional village-commune there was no private ownership of land; the land as a whole belonged to the commune and was governed by a council of the men (the *Mir*) who were its members. At periodic time intervals (10 years or less), the land was again divided up among the farm families. The soil worked at any one time by the farmer was never hereditarily "his land." There was a striving for complete equality among all the farmers; individual initiative was suppressed by the collective. On top of that, naturally, there was the payment of feudal taxes and the rendering of other levies and duties to the authorities.

It is easy to see why this system thwarted any long-term improvement of agricultural productivity. The primary grounds that make for the economic superiority of agriculture as organized by vom Stein, are completely excluded by the *Mir* system—and hence also by the socialist system. They consist above all in the fact that the western family farmer does not see his advantage and his identity merely in

what he is producing at that moment, but rather in a durable and continuous—often over generations—increase in soil productivity and the overall improvement of the farm. As a result, the center of gravity comes to lie in technological progress and in the formation of capital goods. The farmer in the western system, as a result of his success or failure in trying to develop his farm in this way, learns to develop his own powers of judgment. As was emphasized again and again by vom Stein, that is the reason for the productive effect of the personal ownership of the means of production.

The forced stagnation of productivity in the *Mir* system, led again and again to crises and revolts. Unfortunately, the *Mir* system remained even after the abolition of serfdom in 1861, and was even strengthened in many places. However, after 1861, there was a powerful surge of population growth. This led, in the absence of other measures, to a division of the land into ever smaller plots. The already existing “dwarf agriculture” was exacerbated to absurdity; at the turn of the century it was not rare that a single farmer would work several thousand small plots of land, which lay widely distant from one another, and were hardly wider than one or two meters. Hence, simultaneous with an increase in population density, there was a decrease of yield per hectare. This led in 1904-05 to bloody uprisings of the hungry and land-hungry peasants, who brought the Russian Empire to the brink of total collapse.

Bolsheviks reversed Witte reforms

At the time, the former finance minister of Russia, Count Sergei Witte, who knew the economic policies of Friedrich List, sought to carry through fundamental reform. For many years, Witte had been warning about imminent catastrophe, and had convinced the czar to form a committee which should plan the transition to a *Mittelstand*-based agriculture on the German model. Yet, Witte’s plans foundered on the power of the landed aristocracy and the palace guard, which was laced with various secret services, which surrounded the personally weak Czar Nicholas II.

After Witte, who was the target of countless attempts on his life, had been politically put out of action, some of his reforms were adopted in weaker form by the former prime minister of Russia, Stolypin, who numbered among Witte’s enemies. In contrast to Witte, Stolypin wished to maintain the police-state system, which limited the freedom of everyone, not only of the farmers. Yet even his hesitant reforms were too much for those who pulled the strings of the czarist secret police, the Okhrana, which had in the meantime become a “state within the state.” Then, with the cooperation of the Okhrana, the Bolsheviks were brought to power, who without further ado definitively destroyed the reform process introduced by Witte, and forced a return to the neo-feudal system of the collective farm.

Thus, one can rightly say that in Russia the Bolsheviks

kept feudalism from going under. The great “secret” of Soviet socialism is the fact that in spite of a massive development of a “modern” industry, complete with advanced technologies (above all in the military sector), it maintained and advanced the fundamentally feudal social structure of Russia in only a somewhat modified form.

Today in Russia, officially still something like 20% of the employed are engaged in agriculture (compared to about 5% in western Germany). And of course you have to add to that the soldiers, students, and others who regularly are brought in to help with the harvests. Although this percentage may seem low, the structure of agriculture plays a disproportionately important role in the general problems of the former Soviet Union. As we have seen, this is above all a cultural, and a not-insignificant, power-politics question. It is generally true that for any country, the structure of the agricultural sector sets the tone for its economic and social structure as a whole. A feudal or neo-feudal structure in agriculture goes hand in hand with an oligarchical, imperial social structure. For the old agrarian Russian Empire, this is true still today in spite of industrialization.

It is also interesting in this context, that Gorbachov, in spite of much talk about “individual initiative” in his perestroika plan, still wishes to hold fast to the collective, neo-feudal forms of agriculture. Thus, the most recent attempt to maintain the Soviet Empire by way of limited reforms, laid bare precisely that decisive point, which should not have been touched.

True agrarian reform is possible

Only now, after the Russian Federation has taken power, and after the—at least temporary—neutralization of the old *nomenklatura*, has the prospect of true agrarian reform centered upon the family farm come into range. In whatever way possible, the government of the Russian Federation wishes to favor by extraordinary measures the creation of an agricultural *Mittelstand* in Russia. Yeltsin has promised to into existence in a short time half a million family farms. Similar efforts have been announced by the various republics.

That is a very significant beginning, which must be supported unconditionally. Along with that, the buildup of corresponding infrastructure, as we have underlined in other articles of this series, is of decisive importance, to give the farmer access to modern means of production and allow him to market his produce. The extremely contorted relationship between industry and agriculture brought about by the Bolsheviks, can be gradually corrected, if and only if an industrial *Mittelstand* comes into being which provides, to agriculture and also to the process of the buildup of infrastructure, modern capital goods. This industrial *Mittelstand* must, in turn, be provided with a sturdy raw materials and energy industry, the which would demand a new orientation of the already-existing large industries. Thus, it is clear that agrarian reform signifies a restructuring of the entire economy.