A Debate on Collectivization

Was Stalin Really Necessary?

James R. Millar and Alec Nove

EDITORS' NOTE: In recent years, a number of analysts have sought to gain a better understanding of the present Soviet political system by reexamining some of the traditional interpretations of the formative years of the USSR. The following debate on Soviet collectivization between the noted economists James R. Millar and Alec Nove grew out of this effort. Originally an oral exchange of views, the debate took place on November 10, 1975, at Duke University, Durham, North Carolina. It was jointly sponsored by the Department of Political Science and the Committee for Russian and East European Studies, with a special helping hand from Professor Vladimir Treml of the Department of Economics. The moderator was Jerry F. Hough of the Department of Political Science, who transcribed and edited this record of the debate and added some afterthoughts of his own.

Introductory Remarks

Jerry F. Hough

IN ALL SCHOLARLY fields, there are certain questions or subjects which for a time become the focus of intense interest and study by a disproportionate number of the best minds in the field. In Soviet studies of the last decade, the question that, more than any other, has caught the attention of a generation of scholars and provided the basis for exciting reanalysis and debate has been the nature of the 1920's and the First Five-Year Plan—that is, the origins of the Stalin system and the validity of the basic assumptions of the totalitarian model which embodied our understanding of those origins.

There have been a number of major (and, of course, controversial) attacks upon our fundamental assumptions about the Soviet system. It has been argued that Lenin came to accept NEP as the long-term road to communism rather than a temporary retreat; that Bukharin's program rather than Stalin's represented the logical culmination of Leninism; that "the revolution from above" of 1928-29 actually had many societal sources; that there was little need for massive renewal of capital stock in the First Five-Year Plan period and that relatively little occurred; that women were perhaps the major "source of accumulation" during the early industrialization drive; that Lysenko's enshrinement as genetics tsar had little relationship to Marxist ideology other than an *ex post facto* one. All of these propositions have been force-

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fully advanced—and challenged—by leading scholars of the last decade.[1]

Of all the events of the 1920's and early 1930's, however, none has received more serious reconsideration than the collectivization decision of 1928-29. At the center of attention has been not only the process by which the decision was taken, but, more important, the relationship of the decision to the industrialization drive and "the Soviet model of economic development." One of the leading figures in that reconsideration is James R. Millar of the Department of Economics of the University of Illinois (Urbana), and he has been asked to begin this discussion with a summary of the revisionist position as he sees it.[2] The other participant in the debate is one of the most distinguished economists in the history of Soviet studies, Alec Nove of the University of Glasgow. The actual title of the debate is taken from the title of a famous article which he wrote in 1962.[3]

What's Wrong with the "Standard Story"

James R. Millar

THERE ARE SEVERAL possibilities as to what the somewhat elliptical title "Was Stalin Really Necessary?" actually means. One is: Was Stalin somehow inevitable? Historians of the Soviet period have almost all tended toward some degree of determinism in answering this question and have suggested that to some extent Stalin represented the culmination of forces set in motion at a much earlier date—say, at the turn of the century. But I am not going to charge Alec Nove with asserting some kind of historical inevitability. I take the title to mean: Was collectivization really necessary? Was it necessary in order to achieve the ends—that is, to achieve the rapid rate of industrialization—that the Soviets, in fact, achieved? As we proceed, I want to change the question from "Was it necessary?" to "Was it optimal, given the development objectives of the Soviet leadership?"

In dealing with this question, I could follow one of two strategies. I could attack on a very narrow corridor in hopes of overpowering my adversary with detailed statistics and highly abstruse formulations, or, on the contrary, I could attack broadly—launch a broadside against the standard interpretation for which the answer to the question "Was Stalin really necessary?" is the culmination. I have elected the latter course—to take a running shot at the overall interpretation of what I am calling the "standard story" of the role of agriculture in industrialization in the Soviet Union. We shall begin at the beginning, and we shall conclude at the end of the First Five-Year Plan. Along the way, I hope to attack a number of elements of what I consider to be the standard interpretation.

The most convenient recent summary of the standard story can be found in the new textbook by Paul R. Gregory and Robert C. Stuart, *Soviet Economic Structure and Performance*, which is based on the work of most of the economic historians who studied the Soviet Union in the 1950's and early 1960's.[4] In abbreviated form, the story goes something like this: Once the Bolsheviks had gained control, once the Civil War had come to a close and it became obvious that it would be impossible to establish an economy on the principles underlying War Communism, the New Economy Policy (NEP) was introduced. Yevgeniy Preobrazhenskiy, among others, began to attempt to reconcile himself to the institutions of the New Economic Policy.[5] He noted that the policy established a

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[1] The propositions are advanced, respectively, in Moshe Lewin, *Lenin's Last Struggle*, New York, Pantheon Books, 1968; Stephen F. Cohen, [illegible] Gramer, [illegible] Madison, University of Wisconsin Press, [illegible]; Gail Warshofsky Lapidus, *Women in Soviet Society*, [illegible]; David Joravsky, *The Lysenko Affair*, Cambridge, Mass., Harvard University Press, 1970.

[2] The other two major proponents of the revisionist position in this area are Moshe Lewin and [illegible] the late Jerzy F. Karcz. See Moshe Lewin, *Russian Peasants and Soviet Power*, London, George Allen and Unwin, [illegible]; Jerzy F. Karcz, "Thoughts on the Grain Problem," *Soviet Studies* (Glasgow), April 1967, pp. 399-435; Jerzy F. Karcz, "Back on the Grain Front," *ibid.*, October 1970, pp. 262-94; Jerzy F. Karcz, "From Stalin to Brezhnev: Soviet Agricultural Policy in Historical Perspective," in James R. Millar, Ed., *The Soviet Rural Community*, Urbana, Ill., University of Illinois Press, 1971, pp. 36-70; James R. Millar, "Soviet Rapid Development and the Agricultural Surplus Hypothesis," *Soviet Studies*, July 1970, pp. 77-93; James R. Millar, "Mass Collectivization and the Contribution of Soviet Agriculture to the First Five-Year Plan," *Slavic Review* (Columbus, Ohio), December 1974, pp. 750-66.

[3] *Encounter* (London), April 1962, pp. 86-92. The article was republished in Nove's collection, *Economic Rationality and Soviet Politics, or Was Stalin Really Necessary*, New York, Praeger, 1964.

[4] New York, Harper & Row, 1974. See esp. Chaps. 2, 3, 4, and 12.

[5] Yevgeniy Preobrazhenskiy, *The New Economics*, trans. by Brian Pearce, Oxford, Clarendon Press, 1965.

mixed economy, and he argued that the socialist sector would obviously have to grow more rapidly than the private sector during NEP if the socialist revolution was to have a favorable outcome.

According to the standard story, however, Preobrazenskiy said much more than this. He is said to have claimed the need for very rapid industrialization and to have developed the concept of "primitive socialist accumulation," which is translated in the standard story to mean "exploiting the peasants in support of industrialization." The story goes on to say that Nikolay Bukharin—perhaps the other major theorist of the period [6]—retorted with the argument that if the terms of trade were turned against the peasantry, or if the peasants were taxed heavily in any other way, the peasants would simply withdraw from the market, as they already allegedly had done during the "scissors crisis" of 1922-24.[7]

Thus, the historical issue is presented as a dilemma. For the purposes of military defense against possible renewed intervention by the West and for the purposes of establishing socialism in the Soviet Union, it was necessary for the economy to industrialize and modernize rapidly. The means proposed to do it—that is, taxing in one form or another the 80 to 85 percent of the population who were peasants—was said to be not feasible, for the peasantry would withdraw from the market and, doing so, would sabotage the possibility of rapid industrialization.

The standard story then turns from the dilemma of NEP to the grain crisis of 1927-28. Marketings of grain were off sharply at this time, and "emergency measures" were taken in 1928 to confiscate hoards of grain from the peasantry. These emergency measures were ultimately followed by collectivization. According to the argument, the First Five-Year Plan, which had been approved in 1927, did call for a high rate of industrialization, and, just as it had been foreseen, the peasants became [illegible] or accumulate [illegible] the rapid industrialization in Soviet Russia.

Stalin then is said to have thought of something Preobrazhenskiy had not—coercion. He thought of forcing the peasants into the collective farm and thereby depriving them of discretion over the level of sowings and over the share of marketings. The state was therefore able to ensure rapid industrialization at the expense of the peasantry. The story asserts that collectivization *did work* in this sense, that it did permit the extraction or the mobilization of a surplus from the peasantry (grain marketings rose sharply during the First Five-Year Plan), and that this squeeze on the peasantry was a significant factor among the sources of rapid industralization. Preobrazhenskiy was right, it is said, in terms of where the resources had to come from, but he didn't think of collectivization. Stalin was right *and necessary* because he saw that the extraction of the surplus required coercion, since peasants would not surrender the resources voluntarily, and because he was willing to supply the coercion.

That, briefly, is the standard story, and in many ways it is a neat one—easy to teach and easy to remember. Here was Preobrazhenskiy who had the principles clear as to what was necessary. There was Bukharin who pointed out the fatal flaw in the argument. While in Preobrazhenskiy's presumed view, this left a hopeless situation, Stalin arrived to resolve Preobrazhenskiy's dilemma. Collectivization was a necessary step if the Soviet Union was to achieve the rate of industrialization that it did in the 1930's. If the *only* way to achieve that rate of industrialization was through collectivization—if it was the single means available—the word "necessary" would acquire the same value, or meaning, as the word optimal. From this it would follow that Stalin himself was also necessary—at least *given* the end. Necessary, but, of course, not necessarily desirable.

This is the standard story. What is wrong with it? The answer is—almost everything. Almost every single proposition, every fundament of the story, is either misleading, false, or wrong-headed.

The first problem with the standard story is that Alexander Erlich's famous article on Preobrazhenskiy

[6] See the very full discussion in Stephen F. Cohen, *Bukharin and the Bolshevik Revolution: A Political Biography, 1883-1938*, New York, Vintage Books, 1975, esp. Chaps. 5 and 6.

[7] The "scissors crisis" was considered a crisis by the Bolsheviks because they expected that the sharp adverse change in the terms of trade that occurred in 1922-23 for agriculture would cause the peasants to cease bringing their products to market, thereby creating great hardships for the urban population. It was apparently Leon Trotsky who first described the situation as the "scissors crisis." The phrase was based on the fact that the two indexes which were being used to measure the "adverse" change in the purchasing power of agricultural income, when portrayed on a graph, crossed each other and thus resembled an open pair of scissors.

The most recent examination of the original data, of the price indexes, and of the various interpretations put forward by Soviet economists at the time of the crisis shows that the peasants did not in fact withdraw from the market and that there was little reason to suppose that they would have done so subsequently. This study also argues that the data and indexes used in the famous scissors diagram are quite unreliable for measuring changes in the purchasing power of agricultural incomes. See Corinne Ann Guntzel, *Soviet Agricultural Pricing Policy and the Scissors Crisis of 1922-23*, unpublished PhD dissertation, University of Illinois (Urbana), 1972.

contains more of Erlich (and of John Maynard Keynes) than it does of Preobrazhenskiy.[8] Erlich read a great deal more intelligence, consistency, and meaningfulness — particularly contemporary economic meaningfulness—into Preobrazhenskiy's writings than was ever there, and particularly more than was ever there during the time of the industrialization debate itself, for Preobrazhenskiy continued to refine his arguments long after the original debate was over.

Preobrazhenskiy spoke of primitive socialist accumulation, and many mistakenly think that this concept is merely analogous to Marx's primitive capitalist accumulation. (The people who say this have not understood what Marx meant by primitive capitalist accumulation.) What Preobrazhenskiy called for in his discussion of primitive socialist accumulation was simply the New Economic Policy. He says so very clearly in several footnotes and in the text of *The New Economics (Novaya ekonomika)*. His proposal was little more than that the terms of trade be turned against the peasantry as a way of financing industrialization.

The reason for Preobrazhenskiy's proposal was very simple. Given the size of the private sector and the size of the public sector, socialism could succeed in Russia only if the public sector were to grow more rapidly than the private. Otherwise, the country would lapse back into a private economy. He argued for a more rapid public growth, and this required intercepting surplus value created in the private sector and transferring it into the public sector. Preobrazhenskiy also called for "self-exploitation" by the workers in the public sector. In his view, rapid growth required not just exploitation of the peasants, therefore—the proletariat would also have to make sacrifices to finance industrialization. Preobrazhenskiy made a very important point that people in public finance will recognize: given the fact that the premodern direct taxes associated with the tsarist regime had been abandoned, the most efficient form of taxation was almost certainly some kind of indirect taxation, whether imposed through an indirect sales tax or by turning the terms of trade against the peasantry. On this point Preobrazhenskiy was right in terms of modern fiscal theory, but he was more correct generally than most people have realized, as we shall see.

In this debate, Bukharin argued that the peasants would withdraw from the market in the face of such taxation. There is no evidence at all for his assertion. On the other hand, numerous studies of Russian peasant behavior in the 19th century and early 20th century by Russian scholars (one notable example is A.V. Chayanov[9]) suggest that the peasantry would *not* react in this way. In fairly undeveloped countries, peasants do respond to changes in relative prices rather quickly (usually given a year's lag, of course). Consequently, if the terms of trade turn against a *particular* product, the peasants will quit producing and/or marketing it and transfer their efforts to other products. This is true and well-established. But what happens when the terms of trade *turn as a whole against the peasantry?* They maintain or even increase their production and their marketings (or leave the farm for nonrural employment, but only where it is available). When, for example, the peasant family suffers an adverse change in its economic situation through the addition of an extra unproductive mouth to feed (whether a baby or an invalid doesn't matter), the response is for the working members of the family to work harder.[10] This effort of the family to maintain its standard of living in the face of a general adverse economic change takes place not only when there is the birth of a child, but also when there is a new tax, an across-the-board change in the terms of trade, and so forth. This is true not only of the Russian peasantry, but of every agricultural population for which any investigation has been made. For example, it was true of farmers in the United States during the 1930's. What's more, it was true of the Soviet peasants during the 1922-23 "scissors crisis," for, contrary to a widespread misconception in the profession today, they did not withdraw from the market then.[11]

One of the factors that made many people feel the peasants would withdraw from the market was a fallacious notion of peasant self-sufficiency. The problem is partly that, as W.W. Rostow once en-

[8] Alexander Erlich, "Preobrazenski and the Economics of Soviet Industrialization," *Quarterly Journal of Economics* (Cambridge, Mass.), No. 1, February 1950, pp. 57-88.

[9] A. V. Chayanov, *The Theory of Peasant Economy*, ed. by Daniel Thorner, Basile Kerblay, and R. E. F. Smith, Homewood, Ill., Irwin, 1966.

[10] This is also true with respect to labor. In the urban sector of the Soviet Union during the 1930's, the real wage fell. What was the response of the urban family? More members of the family entered the work force, and those who already had jobs worked longer hours in an attempt to maintain per capita family consumption.

[11] See Guntzel, *op. cit.*, esp. Chap. 3. For an example of an unsupported assertion to the contrary, see William L. Blackwell, *The Industrialization of Russia*, New York, Thomas Y. Crowell Co., 1970, pp. 84-85.

titled an article, "Marx was a city boy." [12] So were the Bolsheviks, and so have been most Soviet and Western students of the period. They have not understood that there is no such thing as a self-sufficient peasant household, and there wasn't in Russia in the 1920's. Many have a notion that agriculture receives nothing from industry but a few luxuries like a pair of trousers or sugar. But the peasants also need kerosene, matches, soap, salt, condiments, steel for plows, milling services, and a number of other goods and services that a peasant community cannot produce, or at least can in no way produce efficiently.

Indeed, the peasants often weren't even self-sufficient in agricultural products. We have a false picture of a peasant farmer who produced a full range of agricultural goods and marketed a little bit on the side, but that's not the way it was. In the 1920's as well as in the late 19th century, certain peasants produced grain or industrial crops like cotton or flax for the market, and these peasants had to purchase other farm products from other peasants. There were others—in fact, most peasants—who produced the animal husbandry products, fruit, and vegetables for local or urban markets. The production functions and interdependencies of even the poorest peasants in the country were, therefore, very complicated.

If we turn to the grain crisis of 1928, then the standard story clearly is right in suggesting that this event persuaded many Bolsheviks that the end of the NEP had come—that the New Economic Policy had either served its usefulness or that the peasants had decided to sabotage Bolshevik plans. The Bolsheviks were city boys. They didn't understand the peasants, they didn't like the peasants, and there were an awful lot of peasants. Thus, the Bolsheviks were quite prepared to accept an alarming and sinister explanation for the falloff in grain marketings.

However, if the standard story suggests that Draconian measures were necessary to solve the 1928 grain crisis, then it is wrong. As the late Jerzy Karcz has argued—although this is somewhat more controversial—the grain crisis really was a consequence of unfavorable price policy with respect to grain products. The somewhat neglected Soviet economist of the 1920's, Yuriy Larin, pointed out that the peasants considered their animals, as well as their alcohol, their banks, and when grain prices were low, they put grain in these "banks." [13] In fact, an unfavorable price relationship had developed between grain and livestock prices during the 1920's, and simultaneously there had occurred a gradual falloff in the marketings of grain during the period. An adjustment of prices within the agricultural sector might well have solved the grain marketing problem rather easily, but the Bolshevik leadership certainly did not understand this.

The final aspect of the standard story—and the crucial one from the point of view of the argument about the necessity of Stalin—is the belief that Preobrazhenskiy was at least right in suggesting that industrialization would occur at the expense of the peasantry. It is argued that since grain marketings *did* increase and the country *did* industrialize rapidly, industrialization must have been carried out at the expense of the peasants—that is, with resources extracted from them.

Yet, as a Soviet economic historian named Barsov has recently shown, Soviet agriculture did not contribute in any significant measure to industrialization during the First Five-Year Plan. Although Barsov's is a very serious and careful analysis, his conclusions may be questioned in the West because of his (Marxist) methodology.[14] However, as I have shown elsewhere,[15] when his data are reworked according to Western conventions and measured in 1928 prices, the contribution of Soviet agriculture—strictly defined as a Western, non-Marxist economist would define it[16]—*actually turns out to have been negative*. The case seems to be even stronger than Barsov realized. Agriculture was a net recipient of real resources in the First Five-Year Plan from 1928 through 1932. Far from there being a net flow of

[12] W. W. Rostow, "Marx Was A City Boy, or Why Communism May Fail," *Harper's Magazine* (New York), February 1955, pp. 25-30.

[13] Yuriy Larin, *Sovetskaya derevnya* (The Soviet Countryside), Moscow, Izdatel'stvo Ekonomicheskaya Zhizn', 1925, p. 217.

[14] A. A. Barsov, *Balans stoimostnykh obmenov mezhdu gorodom i derevney* (The Balance of Value Exchanges between the City and the Countryside), Moscow, Nauka, 1969; see also his "Agriculture and the Sources of Socialist Accumulation in the Years of the First Five-Year Plan (1928-1933)," *Istoriya SSSR* (Moscow), No. 3, 1968. For a sympathetic Western confirmation of Barsov's findings, see Michael Ellman, "Did the Agricultural Surplus Provide the Resources for the Increase in Investment during the First Five-Year Plan?" *The Economic Journal* (Cambridge, England), December 1975, pp. 844-64.

[15] James R. Millar, "Mass Collectivization . . .," *supra*.

[16] In such a definition, a type-of-product distinction is made—that is, the agricultural sector is defined to include enterprises or portions of enterprises producing agricultural products only, and rural enterprises producing nonagricultural products are treated properly as part of the industrial sector. This is in opposition to a simple geographical distinction between urban and rural areas.

resources out of agriculture into the industrial sector, there was a reverse flow—and a reverse flow of some consequence when measured in 1928 prices. What is most surprising of all is that the terms of trade did not turn against agriculture during the First Five-Year Plan. *Prices changed—and significantly so—in favor of the agricultural sector.*

How did this favorable change in the terms of trade occur in the face of the terrible suffering? Why weren't the peasants better off? The favorable change in the terms of trade for the peasantry does not mean that the peasants were better off. It simply means that they were able to pass a portion of the burden placed upon them by collectivization, and by the procurement system erected upon it, onto the urban sector.[17]

What really happened? How did this flow of resources into agriculture take place, and how did people overlook it? In the first place, both the Bolsheviks and Western scholars have focused far too exclusively upon a single crop—grain. This crop may have been the most important from the standpoint of the Bolsheviks, but from the standpoint of the peasantry that wasn't the case. Before collectivization most peasants did not market grain at any time. When they marketed, they marketed animal husbandry products or other products raised on the plot. Grain was a major item marketed by some farms, but it was not the item marketed by the majority of peasant farms.

The focus on grain was one of the factors that led people to think that collectivization was successful, at least initially. While grain marketing did rise substantially, Jerzy Karcz has shown that if one takes livestock losses caused by peasant defiance of collectivization and multiplies this figure times official Soviet feeding norms of the period, one arrives at a surplus of grain for marketing purposes that is greater than the actual increase in grain marketings. That is, the animals that were slaughtered did not eat grain, and this left more grain available for marketing.[18] Of course, it also left less in the way of animal husbandry products to market, so the value of total marketings fell.

In the second place, Stalin's compromise with the peasantry, which left the private plot and the collective-farm market in existence, allowed the peasants to charge very, very high prices to the urban area for the products from their own private plots. If one thinks of exploitation in terms of the total Soviet population—urban and rural—the collective-farm market served as a valve tending to equalize the burden on the two sectors. Peasants on their own private account—their own private purchases and their own private sales—produced a net inflow of material resources during the First Five-Year Plan.

In the third place, people neglected the fact that the state was obliged to invest heavily in the Machine-Tractor Stations and in the state farms in order to compensate for the loss of draft power caused by the slaughter of livestock. The state was obliged not only to produce more tractors than it had intended (and to finance their purchase and delivery to agriculture) but also to import more tractors than had been originally planned.

Thus, resources came into agriculture in the form of capital investment in the Machine-Tractor Stations and the state farms, plus an increased and continuing charge for intermediate inputs such as fuel, lubrication, machine maintenance, and so forth. Material resources also flowed into agriculture in the form of peasant purchases of real products. There was only one subsector of agriculture from which there was a net outflow—the collective farm taken by itself, independent of the Machine-Tractor Stations and the peasant private plots. But this outflow was not sufficient to counterbalance the reverse flows. The fact that analysts have focused on the collective-farm sector alone is one of the reasons for the misunderstanding of this period.

In short, rather than Stalin's collectivization program being necessary to finance industrialization, rapid industrial development actually took place during the First Five-Year Plan without any net accumulation from agriculture—in fact, with a net overflow of resources *to* agriculture. While it might seem striking that the successful Soviet industrialization drive was accompanied by a turning of the terms of trade in favor of agriculture, the same pattern is

[17] The terms of trade changed gradually but significantly in favor of American agriculture, for example, during 19th- and early 20th-century US development. This did not mean that American farmers were made better off than American industrial workers as a result. It merely means that the greater productivity gains of the industrial sector were shared in this way with the agricultural sector, where productivity increases were smaller. The real income of farmers remained below that of workers throughout the period. The "favorable" change in the terms of trade for American agriculture merely helped to keep the gap between the two from widening. See Ralph A. Loomis and Glen T. Barton, "Productivity of Agriculture, United States, 1870-1958," *Technical Bulletin* (Washington, DC, US Department of Agriculture), No. 1238, April 1961, esp. Table 7 and pp. 28-26.

[18] Karcz, "From Stalin to Brezhnev . . .," *supra*, *pp.* 42-46.

found in the industrialization of Western countries prior to the 1930's. Throughout the 19th century and the early part of the 20th century, productivity changes everywhere (including in the United States) were occurring predominantly in the industrial sector, not the agricultural. The only way the agricultural sector could survive was for the terms of trade to change gradually in its favor, so that it could share the productivity gains made in the industrial sector. It is only with the development of mechanization, pesticides, herbicides, and hybrids that the possibility of an agriculture-first policy has arisen, and this means only *since* the 1930's.[19]

What there is evidence for in the late 1920's in Soviet agricultural policy is complete incompetence. There is no evidence whatsoever to indicate that the peasants would have withdrawn from the market even had the terms of trade been turned against them, and there is no evidence that the terms of trade even *had* to be turned against them. Collectivization was not necessary for the industrialization drive, and it was not optimal either. It was instead a disaster just like a hurricane or any other natural disaster. Economically, no one gained from collectivization, including those promoting rapid industrial development.

The "Logic" and Cost of Collectivization

Alec Nove

"WAS STALIN really necessary?" and "Was collectivization really necessary?" are not quite the same question, although I agree they are related. I accept straightaway that there were alternatives to the policy being followed and that in certain respects collectivization was just the disaster that my colleague said it was. But it was very difficult for the Bolsheviks to accept any alternative. There are circumstances in which people who have a particular set of beliefs do not regard a particular practical alternative as a practical alternative. If there is a genuine alternative for me to eat either a cheese sandwich or a ham sandwich, this is not an alternative for a rabbi.

[19] Loomis and Barton, *op. cit.*, esp. pp. 9-11 and pp. 28-29.

In a review of my book, Alexander Gerschenkron strongly objected to the use of the term "necessity," [20] and perhaps it can be misleading. Certainly, as my article made clear, it has nothing to do with "desirability" as I use it, and nothing to do with inevitability. For Poland to survive as an independent state in the 18th century, it was necessary to make [illegible] changes. They were not made, and Poland did not survive as an independent state at that time. Moreover, there are in the world a number of different "necessities"—or, in Russian, *"zakonomernosti,"* a nice word for which there is no easy English translation. There are trends, there are tendencies, which have an inner logic and which work themselves through. But, of course, they can be contradicted by other trends and tendencies, and at various crossing points in the processes of history, it is by no means obvious what the outcome will be. Yet one still can identify a series of regularities, a series of tendencies, which I think makes the word "necessity" meaningful.

Whatever word is used, the essence of the argument about Stalinism in general rests on the totalitarian logic of the seizure of power by a small socialist minority in an overwhelmingly peasant country. There is the logic of the one-party state, there is the logic of trying to change society from above, which *is* part of the seizure of power by the Bolsheviks in the name of building socialism in a peasant country. There is the logic of the tough, organized bureaucracy which the party *had* to become in order to carry out these changes. There is also involved here the Russian autocratic tradition—a tradition of which Stalin was acutely aware. (He thought that there was a necessity for a substitute tsar and naturally preferred, for good personal reasons, that the mantle be his rather than anybody else's.) All of this was exacerbated by the sense of isolation, the sense of danger, and the consequent need for speed as perceived by Stalin and his cohorts. This is not an excuse, of course, for the *wild* excesses that, in fact, occurred during the First Five-Year Plan in a race that was run much too fast. Still, the felt need for speed really was genuine.

So far as agriculture is concerned, and I happily concentrate on that aspect of the question, we must begin with the fact that peasant attitudes really went

[20] Review of Nove, *op. cit.* (see footnote 3), in *Economic History Review* (Welwyn Garden City, England). No. 3, April 1965, pp. 606-09. Reprinted in Alexander Gerschenkron, *Continuity in History and Other Essays*, Cambridge, Mass., Harvard University Press, 1968, pp. 485-89.

back to medieval times. It is interesting to note that the peasant program which the Bolsheviks found it politically convenient to adopt at the time of the revolution included a ban on the purchase and sale of land, a ban on employment of labor, and a gearing of the size of the family holding to the number of people available for work and the number of mouths to feed. This program reflected the pre-Stolypin-reform attitudes which still were dominant in the minds of the peasants,[21] but such attitudes also represented a problem for the Bolsheviks as they contemplated rapid change in the face of what appeared to them to be an obsolete peasant agriculture.

I recall a conversation with a former official who said, "You know, at the time when we were imposing on the peasants a policy which we knew they didn't like, some of us who knew our history remembered the potato riots under Catherine." Catherine II had ordered the Russian peasants to grow potatoes, which was, of course, the right thing to do. Peasants, being a lot of conservative dunderheads, refused, whereupon Catherine ordered that any peasants not growing potatoes be whipped. After a while, the peasants, having been whipped, planted potatoes and within a number of years were happily eating them. If the Bolsheviks were convinced that the peasants still were outmoded in their thinking and didn't know what was good for them, then it surely must have seemed as proper for the Bolsheviks as for the tsars to make the peasants do something for their own good.

We must also recognize that the effect of the revolution on agriculture was profoundly reactionary. The commercial estates were largely wrecked and redivided, and many, though not all, of the peasant holdings that were consolidated as a result of the Stolypin reforms were also divided. Back it all went into the three-field medieval system—strips, periodic redistributions in some cases, etc., etc. This was an antique system of agriculture, and everybody, including Chayanov, agreed that it was even inconsistent with efficient small holdings, let alone large-scale production.[22] The Bolsheviks may have overestimated the technical advantages of large-scale agriculture, as Marxists have tended to do in the past, but the extent to which they were wrong was perhaps disguised from them by the fact that the existing arrangements in agriculture were very, very obsolete.

The statement that agriculture was not self-sufficient in the 1920's, if taken literally, is, of course, perfectly true. If, however, the statement seems to imply that there was not a reversion to greater self-sufficiency as a result of the revolution, then obviously the statement is wrong. Jerzy Karcz, Robert Davies, I myself, and others have joined in discussions about the measure of marketings, but in the end I am convinced by the following simple argument. In 1913—admittedly a very good year—the total of all out-of-the village marketings was something like 21 million tons. Stalin claimed that by 1928-29 they had fallen to 12 million. The difference of 9 million tons equals the level of exports in 1913, and exports in 1926-27 were negligible.[23] Since the size of towns was approximately the same in 1913 and 1926, it seems to me that what, in fact, happened is that the peasants and their animals—and I acknowledge that the focus is on grain alone here—were eating what was once exported. It seems to me that the peasants regarded themselves, quite properly, as beneficiaries of their own acquisition of land and as a result ate better than before the revolution. They *were* eating a potential exportable surplus. There is no doubt whatever that if the economic conditions of a family decline, if an extra mouth exists to feed, people will make an effort to feed it, but there should not be a confusion between production response and selling on the market. What the Bolsheviks were concerned about was marketings. While peasants are not completely self-sufficient, they can at the margin make the decision to shift more toward consumption rather than take produce to the market. Industrial workers are in a different position. If you are working more and producing more ball-bearings, you can't eat them. You *can* eat more cabbage and meat.

One can view primitive socialist accumulation—however defined—as a means of mobilizing agricultural exports to pay for the imports of capital goods from the West. That is just one way of looking at the first stages of industrialization from the vantage point of the Soviet leadership—and not an entirely unrealistic way of looking at it. Now, James Millar very properly says that there were alternative means of

[21] The reform introduced by P. A. Stolypin in 1906-11 was intended to break up traditional peasant communal-land tenure and gradually replace it by private ownership of land.

[22] See footnote 9.

[23] The marketing figures are discussed in the two Karcz *Soviet Studies* articles cited in footnote 2 and in R. W. Davies, "A Note on Grain Statistics," *Soviet Studies*, January 1970, pp. 314-29.

getting more marketings, and I'm sure there were. The great problem is—what would the consequences of the alternatives be? It seems that both Bukharin and Preobrazhenskiy did run into a dilemma, for Preobrazhenskiy said more than that there was a need to turn the terms of trade against the peasant. He also said that there is a terrible danger from kulaks. And what on earth is a kulak? A kulak is a prosperous peasant. So long as you have this attitude (which Bukharin at first didn't have, but which even he later came to share, or said that he did), you must base yourself and the health of agriculture on the middle peasant. What is a middle peasant? A moderately unsuccessful one.

So long as all the Bolsheviks, including Bukharin (at least after 1925), agreed that the emergence of a powerful, commercially-minded peasantry was a deadly danger to them, they had closed off one potentially viable alternative. This is my point about rabbis and ham sandwiches. If this alternative—which did exist and which may have been a much healthier one even for accumulation (I'll grant that) —was foreclosed, the Bolsheviks were in a fix. I'll also grant at once (and this is in my book) that their fix was rendered considerably worse by the price policy they adopted in agriculture. The grain crisis of the winter of 1927-28 was due much more to price relationships, which were very unfavorable to grain, than to any other single cause in the short run. That I completely accept. But in the longer run, the general level of productivity of agriculture was limited by the settlement of the revolution. The belief that the successful peasant was a kulak and an enemy prevented what would otherwise have been the natural development of a prosperous, commercially-minded peasant agriculture.

The Bolshevik's range of choice was also limited by their attitude toward the market. The whole price policy of the second half of NEP was inconsistent with the maintenance of any sort of market equilibrium, and a number of persons at the time made this point. However, most of the Bolsheviks (though not Bukharin, I think) followed Preobrazhenskiy in regarding the market as the enemy. They saw no reason to make the adjustments required in order to maintain equilibrium. They would say: "The markets, the traders, the uncontrolled part of the economy are something we have tolerated since 1921 through dire necessity, but really we ought to fight all this." Preobrazhenskiy only accepted NEP because there was no alternative. As Bukharin pointed out, he saw a *conflict* between socialist planning and what he called "the law of value," i.e., the market.[24] This kind of approach awoke responsive chords among the Bolsheviks because they were and they were. This is also part of the pattern we are discussing.

Finally, it should be recognized that, while the solution adopted was partly due to Stalin's personal predilections for violence and to the spirit of enthusiasm of the First Five-Year Plan, the Bolsheviks were the first ever to try such a policy, and they had few guidelines. Western economics at the time was interested in equilibrium and in the explanation for trade cycles. The word "growth" was never mentioned, and discussion of appropriate investment strategies for development was unheard of. Development economics was born in the West after World War II. I don't want to excuse the absurdities of some of Stalin's policies, because a number of people warned him that they were absurd and were rewarded with prison. But at the very least, we have to admit that had he, in fact, studied Western economists of the time, he would have learned very little that was of the slightest relevance to the problems the Bolsheviks were facing.

Now, what about the role of agriculture as a source of accumulation? This is a difficult question because we have here a distinction between intention and outcome, and we also have the problem of measurement in the wake of a disaster. It is not a source of disagreement that there was a disaster. Indeed, even Stalin would probably agree about that. It was, of course, not intended that one-half of the horses and most of the livestock in the USSR should be slaughtered in three years. It was an appalling situation.

So far as intentions are concerned, it is clear that Stalin and his cohorts were discussing ways and means of mobilizing material and financial resources largely, although not exclusively, from agriculture. The term "pumping over" (*perekachka*) was widely used in the discussions. When Stalin began his policy of industrializing rapidly in tandem with "soaking" the peasants, Bukharin called it "military-feudal exploitation of the peasantry" (this is the language he used in 1928).[25] In the outcome, Stalin *et al.* may have been wrong, but that they *thought* they were soaking and exploiting the peasantry was certainly

[24] See the discussion in Alev Nove, "Some Observations on Bukharin and His Ideas," in S. Abramsky and Beryl J. Williams, Eds., *Essays in Honour of E. H. Carr*, London, The Macmillan Press Ltd., 1974, pp. 183-203.

[25] Quoted in V. M. Molotov, "On Two Fronts," *Bolshevik* (Moscow), Jan. 21, 1930, p. 14. See Cohen, *op. cit.*, pp. 306-07.

the case, even though the text of the First Five-Year Plan (an absurd document in this respect) indicated that not only accumulation but also consumption would go up at a fast rate.

So far as outcome is concerned, I think we agree that the agricultural disaster resulting from the slaughter of farm animals and the precipitous decline in farm output completely transformed the situation. It is perfectly true, therefore, that (1) the total amount the Bolsheviks could get out of agriculture was notably less than they expected, and (2) the amount that they had to put in (primarily as the result of the slaughter) was greater than they expected. All this is completely true.

However, I have looked at Barsov and puzzled over the implications of his argument that the burden of industrialization was carried on the shoulders of the working class. I put this argument to one of the Russian émigrés, and he said, "Oh, my God. *Who starved during this period?*"

What, then, is wrong with the argument that is put forward? Firstly, it all ends in 1932, because Barsov ends his article with 1932. If one carried the analysis on through 1935, one would find a reduction in the investment in agriculture in the years following 1932. Moreover, the free market prices were extremely high in 1932-33 (25-30-35 times higher than the official prices for foodstuffs), which certainly benefited those peasants who were able to get to the nearest town and sell their cabbage or some flour. By 1935 these prices were very sharply reduced, and I strongly suspect that if we had the average prices of these years, they would be much lower than in 1932. Thus, it may very well be that emergency inputs to maintain agricultural production in the wake of the draft-animal disaster were followed by a much more effective mobilization of agricultural products in subsequent years.

Food Consumption, 1928-32
(kilograms per capita)

	Bread & Grains	Potatoes	Meat
Urban			
1928	174.4	87.6	51.7
1932	211.3	110.0	16.9
Rural			
1928	250.4	141.1	24.8
1932	214.6	125.0	11.2

SOURCE: Yu. A. Moshkov, *Zernovaya problema v gody sploshnoy kollektivizatsii sel'skogo khozyaystva SSSR—1929-1933 gg.* (The Grain Problem in the Years of All-Round Collectivization of USSR Agriculture—1929-1933), Moscow, Izdatel'stvo Moskovskogo Universiteta, 1966. P. 136.

Indeed, I think that if the relevant figures were available, they would show that the maximum degree of exploitation of the peasantry—in the sense of pumping resources out of agriculture while providing the minimum returns for people and the minimum of technical inputs—took place from 1948 to 1953. In the late Stalin period the government was still paying for compulsory procurements the same prices or almost the same prices as in 1928, and delivery quotas were higher. The undersupply of inputs to the peasants at the time was appalling.

Secondly, I am much bothered by the argument with respect to the prices of 1928 and the alleged improvement in the terms of trade thereafter. Part of the problem is a suspicion that such improvement is notably weighted by the relatively low prices of industrial inputs into agricultural *production* (*e.g.*, items such as tractors), and that it does not necessarily reflect the kind of prices peasants had to pay for consumer goods. If one looks at Malafeyev's book,[26] for instance, one finds that prices were rising toward the end of the First Five-Year Plan, and always more rapidly for rural areas than for uban areas.

An even greater problem is the fact that this was a time of grave shortage. Precisely by the end of 1932, and even worse in 1933, a number of things could not be bought at any price. For a peasant, trousers were by no means unfavorably priced in relation to the price he was able to get for the cabbage he sold in town, but, most unfortunately, there were no trousers to be had. The price system in 1932-33 was unbelievably complicated, with some goods rationed, others distributed through closed shops which were accessible only to those with special cards, etc., etc. Under those conditions, what on earth did prices mean? I know there is also evidence about the volume of movements of goods, but I am worried about these prices which have to be used as weights. The analysis just doesn't seem to square with the realities of the time.

It does seem to me that figures on food consumption graphically illustrate who actually bore the brunt of the worsening situation. From the accompanying table, one can see that by 1932 there was a very sharp decline in the quality of food consumption in the towns, with the population filling their bellies with more bread and potatoes and eating less of the

[26] A. Malafeyev, *Istoriya tsenoobrazovaniya v SSSR* (History of Price Formation in the USSR), Moscow, Mysl', 1964, p. 148.

better food (specifically meat). On the other hand, the rural population ate less of *everything* by 1932, and this was before the famine of 1933. These figures suggest that the burden was not borne primarily by the urban population (although unmistakably a decline in the income of the urban population contributed substantially to the high level of investment in agriculture).

Finally, one should not forget the export of labor from the villages. This was both planned and unplanned, and it was massive. Life in the villages was so miserable, and people were so frightened of being labeled kulaks and arrested, that perhaps up to 10 million of them fled to the construction sites and factories that were being built. I don't quite know how to measure it, but it was an important contribution of agriculture to industrialization. The peasants' arrival helped to depress the per capita consumption figures (and the labor productivity) in the cities, thereby creating the impression that the original urban inhabitants suffered more than they did.

In conclusion, let me repeat once more my belief that the actual collectivization program carried out by Stalin, which was a most dreadful thing, was not inexorably predetermined and that it was not morally justified by the outcome of the industrialization drive of the 1930's. One can say that the events which occurred have a pretty powerful explanation, given the nature of the Bolsheviks, the extent to which other alternatives seemed closed to them, and the extent to which they were ideologically predisposed in certain directions. The survival of the regime, given the Bolsheviks' aims and their rapid industrialization program, required a harsh, autocratic type of regime. Yet, as Roy Medvedev has contended in his book,[27] if there is an inherent logic in a cult of personality, much depends on the nature of the personality. When Stalin was in a position to make arbitrary and personal decisions, he went in for wild excesses, both in economic policy and, of course, in the terror. Not for a moment, and certainly not in my article, did I suggest that this was in any sense necessary. This was Stalin showing the face of an oriental despot and behaving in a manner which only became possible after he had succeeded in getting into power, having shown a more moderate and human face while doing so.

[27] Roy A. Medvedev, *Let History Judge: The Origins and Consequences of Stalinism*, ed. by David Joravsky and Georges Haupt, New York, Knopf, 1972.

Rejoinders

Mr. Millar:

IT SEEMS TO ME that the disagreements between Professor Nove and myself are of two different types. In the first place, my [illegible] Russian countryside in the 1920's are somewhat different. I don't agree, for instance, that Chayanov's studies demonstrate the antique nature of Russian agriculture. On the contrary, the implication of Chayanov's argument is that peasant agriculture could have survived the Soviet regime, as it had the Tsarist, had it not been for the Bolsheviks' misperceptions of the peasantry.

I also do not agree that the decline in marketings can be attributed simply to increased peasant consumption. The great famine of 1921-22 caused a very sharp reduction in animal stocks, and these had to be rebuilt in 1923-24, naturally at some cost in grain. Moreover, the international grain market was a disaster during the 1920's, particularly during the early part of the 1920's. The international price of grain had fallen precipitously, and the Soviet regime had not established an institution to organize the export of grains in these conditions. (The regime did put together an organization to export flax, and this did help to create the necessary demand to maintain the production and sowings of flax.) It does seem absolutely clear to me that the peasants were not self-sufficient and that a turning of the general terms of trade against them would have increased marketings, not just production.

I might add that I also do not believe that the labor which moved out of agriculture in the First Five-Year Plan should be considered a contribution to industrialization. There is no evidence of a shortage of labor in Soviet Russia of the 1920's and the 1930's, nor any evidence of a need to take extraordinary measures to mobilize labor from the countryside. The experience of most developing countries both before and since the Soviet industrialization drive has been an excessive off-farm flow of population, and this without collectivization or anything like it. The unskilled, uneducated Soviet peasants who poured into the cities at that time were in many ways more of a nuisance than a help.

But much more important than any disagreements between us on interpretation of detailed questions is, I think, a fundamental methodological difference in our approaches. Professor Nove is concerned with

explaining how things happened, and he is trying to say that, given the Bolsheviks, given the circumstances they faced, given their understanding of the agricultural situation, given the backwardness of Soviet agriculture, given the world situation—given all these factors, how could anything else have been decided?

It seems to me, therefore, that Professor Nove comes perilously close to a determinist position at times, but I am not concerned with arguing this point. I am trying not only to explain what happened, but to evaluate it as a means-end relation. Professor Nove uses "necessity" in two senses: first, as a "tendency that has an inner logic"; second, as something that is needed. It was this latter meaning of "necessity" that he had in mind when he cited the example, "For Poland to survive as an independent state in the 18th century, it was necessary to make major political changes." And it is this latter meaning of "necessity" that primarily interests me. I don't care whether or not Bukharin or Preobrazhenskiy or Stalin or anyone else considered the various alternatives, for that is irrevelant in *evaluating* the appropriateness (optimality) of collectivization as a means to achieve the goal of rapid industrialization. My interest is in assessing whether collectivization or some similar coercive "squeezing" of the peasantry was needed for the Soviet rapid industrialization program to succeed.

The essence of my argument is that collectivization could not have been necessary for rapid industrialization for the simple reason that it did not, in fact, contribute net resources to the industrial sector. An analysis in terms of "surplus" is very confusing to anyone raised in neoclassical economic analysis, for what we are talking about is a *net* surplus, a *net* of the movement of goods flowing out of and into agriculture. We are putting prices on these counterflows and measuring the *net* difference. The approach is akin to measuring an export or an import surplus in a country's foreign trade, and treating agriculture and nonagriculture as though they were different countries. In my opinion, Professor Nove is right about the contribution of capital stocks (in contrast to consumer goods) to the improvement in the terms of trade, but since the argument concerns agriculture vs. nonagriculture, the fact that many of the resources flowing into agriculture were directed toward maintaining production simply buttresses my case.

Our knowledge about the net flow between agriculture and the nonagricultural sector after 1932 is, unfortunately, rather meager. Not only does Barsov's main study stop in that year, but on the basis of an examination of the archives, he says we never will have a definitive understanding of the question because some of the necessary data were not collected.[28] In any case, the "standard story" has always focused on the First Five-Year Plan, not the Second, and it is already a significant revision of the standard theory to say that the contribution of agriculture was postponed until after 1932. I personally am doubtful that the situation changed much after 1932. So far as the postwar period is concerned, I thought that no one argued that collectivization was beneficial to the industrialization drive over a 15- to 20-year span. Collectivization was supposed to have solved an immediate procurement problem, but at a long-term cost to the economy as a whole. As recent developments in the Soviet Union have shown, so many raw materials for industrial production come out of agriculture that there is no way to discriminate sharply against the agricultural sector without in the end discriminating against overall growth.

In my opinion, we don't really know about the relative suffering produced by collectivization. That is, we don't know how the burden was shared between the agricultural and nonagricultural populations. We just know that both suffered losses in real wages and probably losses in real income. The measure in Nove's Table 1 is not definitive, but I don't disagree with it. It is not relevant to the issue between us.[29] In any case, I certainly never said or meant to imply that the burden was placed primarily on the working class. It fell on both classes. *The crucial point is that so much of this suffering was completely unnecessary and contributed in no way to industrialization.*

In conclusion, let me emphasize one point very strongly. One of the reasons that I have been attacking the standard story is that the question at hand is not merely of historical interest. The standard story has worked its way into the accepted Western developmental literature as "the Soviet model for economic development." This model (one famous

[28] Barsov, *Balans . . ., supra, pp. 186-90.* However, see his recent article, "The NEP: The Leveling of Economic Relations between the City and the Countryside," in M. P. Kim, Ed. *Novaya ekonomicheskaya politika* (New Economic Policy), Moscow, Nauka, 1974, where he attempts some analysis of the Second Five-Year Plan period.

[29] See note 17 above. The lower real income of American agricultural workers during the 19th century does not imply that industrial growth occurred at the expense of the agricultural sector. The truth is quite the opposite.

version is the Ranis and Fei model[9]) describes an experience of industrialization in which very rapid growth is achieved, with the agricultural sector playing a real and substantial role as a source of investment resources. But if this model does not describe the actual Soviet experience—and it doesn't—we are left with the question: How *did* the Soviet Union achieve rapid industrial development? Once we get rid of some simple notion that the Soviets extracted resources out of a particular sector, we may be able to start thinking about this question seriously and to come to some accurate understanding of what the Soviet model for economic development really was.

Mr. Nove:

IT IS, I THINK, wrong to say that I am arguing for a determinist position so far as the initiation of collectivization is concerned. I have contended that there were powerful objective reasons for a despot to be in a position to act and that there were powerful ideological reasons for him to be suspicious of any agricultural policy that created a strong and independent peasantry. But almost by definition, a despot has a range of choices. Of course, Stalin had around him a group of people—a stratum of semi-educated, tough commissars whom he represented and whose interests on the whole they thought he was defending until he killed half of them—but some of the choices were his own.

I have also emphasized that some aspects of the collectivization program were counterproductive in the literal sense. There is nothing to be gained from taking grain away from starving peasants and then exporting it in order to buy machinery which was then wrecked by former peasants who hadn't been taught how to use it. This kind of thing is completely counterproductive, and obviously it occurred.

I recall listening to a woman who was defending a PhD thesis in Moscow University. In the course of discussion, she said: "I would regard the Soviet agricultural model not as a model for socialism in agriculture, but at best as a tragic necessity. We must hope that no other socialist country would be compelled to follow that road." She said it to an audience of 100, none of whom rose to object. "At best," therefore, "a necessary tragedy"—and the word "necessary" in this connection can very well be argued about, for in the end Stalin's course proved so counterproductive with respect both to the agricultural sector and to the aims of the First Five-Year Plan. I agree entirely that there could well have been an unexplored range of possibilities, for example, in the form of increased taxation. It is one of the astonishing features of the 1920's that the taxation on the peasants was always rather low, until it became penal as part of the policy of destroying individual peasant farming.

Yet, it does seem to me that the collectivization decision should be treated with some historical perspective. The policy of rapid tempos—of breaking out of what the pro-Stalin Bolsheviks believed to be the vicious circles that were holding them back—is quite understandable. It is quite logical that they should have tried. Moreover, if one adopts a particular strategy for good or for ill, then along with that strategy inevitably go a number of disadvantages which can be seen as costs of the chosen strategy. Look at the Western war economy and all its bureaucratic deformations. If one assumes that a strategy is rational—which it may not be—the errors and waste with which it is associated also in a paradoxical way have a rationality of their own. In a "great leap forward" strategy, at least some—though not all—of the waste and deformations, including excesses on the part of overenthusiastic comrades, must be expected.

So far as the burden of the industrialization drive is concerned, I agree, of course, that it was not limited to the peasants. (After all, the high free market prices were paid not by the state but by the urban citizens.) Nevertheless, I continue to worry about any calculation based on 1928 prices. In any other circumstances, the consequences of collectivization would naturally have included much higher prices of agricultural products simply by reason of the extreme shortages. The use of highly artificial prices both for outputs and inputs can produce very misleading results.

The best indicator, I think, is the relative welfare, the relative income, of different strata of the population. One must study the relativities and dynamics of peasant and urban incomes during and after collectivization. At the time of Stalin's death, the difference of income between the urban worker and any kolkhoz peasant not within very easy reach of the market was very strongly in favor of the urban worker, whatever way one weighs the evidence.

[9] Gustave Ranis and John C. H. Fei, "A Theory of Economic Development," *The American Economic Review* (Nashville, Tenn.), September 1961.

If one looks at the post-Stalin statistics, one sees a trend in the direction of evening out this difference to a very considerable extent. Today, the difference is much smaller and more the kind one would expect in a society at the Soviet Union's level of development. A fiscal reflection of this change is the gigantic budgetary subsidy that is given to maintain the difference between the quite high purchase prices for meat at the farms and the lower retail prices for meats in the shops. Instead of a high turnover tax revenue originating through the resale of agricultural products obtained at low prices, this particular item of revenue probably is insignificant today.

It is only with such an evening-out of the income difference that one can say the original Soviet method of socialist construction—if that is the name to give it—was finally, by stages, abandoned. Industrialization involving the pressing down of peasant standards—or in a sense, the exploitation of agriculture—cannot be said to have ended until sometime in the late 1960's.

A Moderator's Afterthoughts

Mr. Hough:

FEW DEBATES HAVE, I think, been so successful as this one in clarifying issues and advancing our understanding. The debate makes clear that several quite separate issues have been intertwined in our arguments about the collectivization phenomenon. The first question is the historical one: Why did it occur? Clearly this is a question that interests Professor Nove very much and Professor Millar very little. On this question, Professor Nove's real protagonists would seem to be those scholars, such as Moshe Lewin and Stephen Cohen, who see Bukharin's program in the late 1920's as the true Leninist one and who see NEP as a viable (maybe even natural) long-term Bolshevik alternative. While Professor Nove obviously believes that Bukharin's program was economically viable (and even desirable), he seems to be saying that that program was not politically viable and that any Bolshevik would have been pushed toward something like collectivization at the end of the 1920's.

The second question is: Who suffered most as a consequence of collectivization? To me, the most important contribution of the debate was to clarify that this question can be quite distinct from the question: Which sector contributed most to industrialization? A regime may willingly or unwillingly invest so much in agricultural mechanization that little "net surplus" is received from the agricultural sector, but, of course, peasants can't eat tractors. Undoubtedly, the question of relative suffering is partly a metaphysical one (What did groups receive in comparison with what was proper or "natural" for them to receive?), and undoubtedly any accurate analysis of it would have to be quite subtle and differentiated. Many peasant youths surely rejoiced at the newly-created opportunity to move to city jobs, and those peasants near the cities suffered less than more remote peasants. Cotton farmers fared better than those in the non-black-earth region. Similarly, those workers who became Stakhanovites or who simply took advantage of new programs to raise their skills or even to receive higher education are in a much different category from those who remained unskilled. The gross distinction that may make the most sense is one based on age (the young being seen as beneficiaries in overall terms, the middle-aged and the old as the greatest losers), but in general terms Professor Nove must be right in emphasizing that conditions were not good in the villages. Whatever the relative costs borne by the urban and rural family in statistical terms, the urban family, unlike the peasant, often had an unemployed wife who could go to work in an effort to maintain family standards of living.

The third question—or set of questions—involves the concerns that interest Professor Millar most: Did the suffering of the peasants and workers at least "buy" a rapid rate of industrial growth for the Soviet Union? Was collectivization or something like it necessary for such growth, at least given the regime's reluctance to seek large-scale foreign investment? If it turns out that, whatever the intentions of the leadership, agriculture did not provide much (if anything) in the way of a net surplus to the industrial sector, what was going on that explains the very high rates of industrial growth? What was the "real" Soviet model of economic development in the sense of the way in which resources were actually mobilized for the industrialization drive? Professor Millar is surely right in holding that this is a question which deserves a most serious reexamination on the basis of new data. It is a question of vital interest not only to historians of the Soviet period but also to theorists of economic development in general—and to those charged with promoting such development in the Third World.

BY THE SAME AUTHOR

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RUSSIAN PEASANTS AND SOVIET POWER

A STUDY OF COLLECTIVIZATION

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Senior Fellow, Russian Institute, Columbia University

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