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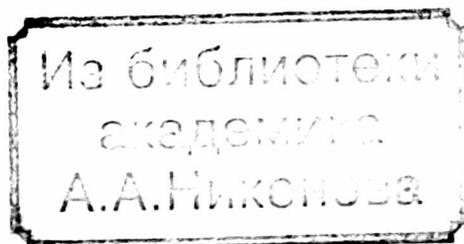
**MINISTRY OF AGRICULTURE AND FOOD OF THE USSR
MINISTRY FOR FOREIGN AFFAIRS OF THE USSR
MINISTRY FOR EXTERNAL ECONOMIC RELATIONS OF THE USSR
STATE COMMITTEE OF THE RSFSR ON LAND REFORM**

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ON LAND REFORM IN THE USSR

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We are considering a matter of paramount importance. A crisis situation has occurred in the country which obliges us to be objective and constructive. There should be neither die-hard conservatism nor careless extremism in our work. A civic and scientists' duty compels us to find solutions that would enable us to heal and stabilize the food situation in a short time and lay down a basis for the agro-industrial complex to function normally. We have no right to recede an inch from real factors and not to find optimum solutions. Now, the main thing is to develop really positive programmes and dogma-free, effective mechanisms to implement them.

While appraising rapidly changing realities in order to look for a solution to new and acute problems it is useful to recall our forerunners and their ideas. Clever opponents are especially valuable in a similar situation. Some people say that socialists are strong in negation but weak in creation. Harsh words. Of course, it is possible to dispute but let's consider the facts. At one time we rejected the entire old world, its economic, political, ideological and cultural foundations; everything that was beyond the "Iron Curtain" was treated inimically. But we did not win the comparison. During that time capitalism underwent a complete transformation, partly under the influence of our Revolution, and advanced greatly!

Now we have everything which was in existence for the past seventy years gone to pot. Undoubtedly, totalitarianism with its inhumanity, conventionalization of everything, bureaucratism, command control, levelling and depersonalization, treatment of individuals, entire classes and peoples with disrespect, is a stigma in our history. There cannot be a return to it and one cannot retain the past with bayonets even if one wished it. But one should not dwell upon historic nihilism, break ties, wage "law wars" in defiance of world experience and law, declare supremacy of each subordinate administration unit, cause chaos, provoke conflicts between ethnic groups, shed blood, and be indifferent.

Science at all times, as the Church in the past, is compelled to play a stabilizing and uniting role. On the 24th of December 1990, Peoples' Deputies of the USSR, representatives of the USSR Academy of Sciences, VASKhNIL and Academy of Medical Sciences of the USSR, made a statement that was published in "Pravda" on December 30, 1990. Allow me to mention it: "The first and foremost prerequisite is to keep the civil peace, reach an accord and strengthen executive powers along the complete vertical line. We reject dictatorship. We support the President elected by us. We urge the use of all legal means to prevent bloodshed and a civil war, to preserve life, freedom and dignity of every individual and people. We are for maintenance of the Union and against 'law wars' that paralyse activity and provoke chaos in the economy. We are for the distinctive definition of rights and duties of republics

and the Union with a corresponding supremacy of laws. We do not conceive of progress and innovation without potent science, without undivided attention to it. Science does not recognize borders. Science cannot thrive without democracy. We appeal to all scientists to join their efforts for the sake of peoples' unity." Such is our political credo, the platform on which all of our scientific, production, cultural and spiritual life and activities should be rested. If there is consent to it, perhaps, on behalf of the Session we shall make an appeal to all scientists and other public forces to give strength to civil peace, to act against violence in any form, and to act for the preservation of every individual's life.

Solving agricultural problems properly and justly is not confined only to people's daily bread. It involves measures aimed at the maintenance of the people's physical health and ethics as well as their sound economy and mentality. S. U. Vitte wrote in his own time as follows: "The State cannot be strong if the peasantry, its principal bulwark, is weak." (S. U. Vitte "Memoirs", v.2, Publisher "Sotsekizdat", M., 1960). N. A. Nekrasov dubbed the peasant "our sower and keeper". Peter the Great said: "Rural inhabitants feed their State like arteries feed a man's body. Therefore, they have to be looked after, not overstrained, protected from attacks and ruin, and treated fairly by civil servants.... ."

Unfortunately, our generations were deaf to these wise precepts. The root of all our food and other troubles experienced today lies primarily in the break-up of the union of working class and peasantry, in that the peasantry has not been left intact, its ruin has not been prevented, discrimination has been permitted, as has the destruction of a way of life and even physical loss for many millions of its most able representatives. This is the main cause of the crisis. Evil done is best remedied slowly.

Agrarian Crisis - An Objective Reason of the Necessity for Radical Reform

Farming in our country is still being run rather extensively. The bioclimatic potential of agriculture is being utilized only at 35 to 40% and genetic potentialities of new varieties and hybrids as well as animal breeds developed at our breeding centres at 30 to 35%! In the meantime it is an excessively resource-intensive farming; to produce one unit of produce, 2 to 3 times more energy is consumed than that of industrially developed countries of the world. With a grain yield of only 2 tons per sown hectare and corresponding amounts for other kinds of produce, a milk yield less than 3 tons

per cow, in these indices we are seen to have been lagging behind other countries (including East-European ones) for 20 to 25 years. The gap is not being narrowed; on the contrary, it is widening against us. Our technological basis is such that about 70% of people are engaged in manual labour which determines our lower productivity.

The present crisis is primarily a crisis of underproduction of produce, a deficit which contrasts with the difficulties associated with overproduction and sale being faced by other countries. A chronic shortage of this or that kind of food product, particularly of meat and dairy ones as well as vegetables and fruits with sufficient calorie content, leads to an unbalanced diet and unreasonably low retail prices, often two times lower than the actual value, which brings about panic buying as well as huge subsidies to the consumers' market at the expense of the State budget.

The agrarian crisis becomes more acute within the framework of the general economic crisis. It implies an accelerated monetary growth with demands for consumer goods being unsatisfied, galloping inflation, budget and foreign currency deficits, the ruble's devaluation and foreign currency intervention in the national economy.

The agrarian crisis occurs in the background of strained social and ethnic relations, a war of laws, confrontation of a number of republics with the Center, the break-up of established economic ties, a rise in crime and in the unobserved economy, a critical situation in Lithuania and everything related to Lithuania.

The agrarian crisis is intertwined with an ecological crisis from the steady degradation of soil cover. We have long since stopped leading the world in per capita acreage; there was a drop in arable land area per person from 1.05 hectares thirty years ago to 0.79 hectares at present. But the main point lies in the reduction in quality indices. Soil erosion and humus depletion have not been prevented, oxidation is extensive, and there is a sharp rise in incidence of contamination from toxic chemicals, particularly around city agglomerations. Twenty-two million hectares of reclaimed arable lands were removed from agricultural production in the last 25 years. The first European desert has emerged in the south-east of the country, Kalmykia and the Lower Volga, and is now extending at a fast rate.

Small rivers are disappearing, the Aral Sea is dying, the Volga River and Caspian Sea Basin have been contaminated. Lands in the Chernobyl disaster area have been removed from a production cycle for many decades to come and may be out of production for centuries. The same is true of the area in the Southern Urals. Flora and fauna have become poorer; the Red Data Book volumes are becoming bulky as a result of an increasing number of plant and animal species under threat of extinction.

The agrarian crisis becomes complicated due to demographic anomalies. They involve depopulation of the Non-Black Soil Area in Russia, some rural areas of the Ukraine and Baltic Republics with a concurrent rapid growth in the population rate in Central Asia and other southern areas. It has resulted in overpopulation in rural areas of Uzbekistan and neighbouring republics on the one hand, and depopulation in the north, west and center of the country, on the other. All this necessitates initiating measures for resettlement in certain areas and finding jobs with personnel re-qualification in other areas.

The agrarian crisis is proceeding along with obvious moral degradation, decreased interest in labour, apathy, indifference, bitterness, envy, striving for egalitarianism and increasing evidence of *lumpen-proletariat* psychology. Such a moral and ethic atmosphere impedes the implementation of planned reforms and is often explosive and unforeseen.

Poor spirit exacerbates the crisis, encourages the loosening of the lowest instincts and, with shops empty, complete society instability is impending.

The agrarian crisis is brought about to a great extent by the unreasonable structure of the whole food complex, underdevelopment of the third ALK sphere, a small number of storage facilities, cold storage facilities, specialized transport means and an archaic food industry. It results in enormous losses in produce, several times higher than imports, in quality deterioration and in deficient diets for man. In its own turn, it occurs due to a faulty investment policy as a whole which is oriented solely to raw material extraction without regard for onward stages of the production and realization spheres.

An agrarian crisis has occurred in our country for many decades. Its deep-seated causes are well known. From a political viewpoint the roots are in discrimination against rural areas and peasantry, production relations, and the country's conversion into an internal colony.

Following Stalin's death, many attempts were made to cut through this complicated quandary. Significant decisions made in 1953, 1965 and 1982 produced temporary effects which wore off several years later. Many experiments were carried out and many large measures were made in the *perestroika* years: there was an increase in procurement prices, various changes in forms of labour organization and production; contracts, leases, production systems and many other things were proposed. And yet, there were no concrete results. Apparently there should be radical reforms, not superficial, fragmentary and palliative ones. In this connection, it makes sense to consider experiences gained in the past and those in other countries.

What Are the Lessons of History?

The Reform of 1861 was prepared for a long time under glaring contradictions and implemented for a lengthy period of time. Though it was incomplete it became an important historic landmark. The thing is not only that peasants obtained nearly 40 one million hectares of land and one million people were freed from serfdom. Peasantry as a class was rapidly formed in the country. V. O. Klyuchevsky, a prominent historian, assessed the Reform in the following way: "Over centuries our history gave rise to a vagabond, landless peasantry working on non-owned land with an agricultural capital belonging to someone else" (V. O. Klyuchevsky. "The Writings". v.8, p.52. Publishers "Mysl", Moscow, 1990). "The Reform resulted in the establishment of "settled peasantry, working on lands, granted by Law" (ditto, page 58). Practical results were also obvious. During the decade prior to the Reform (1851 to 1860), Russia's grain production was 141 million quarters and during the post-Reform decade (1861 to 1870) it was already 216 million, a 46% increase.

The reform by P. A. Stolypin and A. V. Krivoshein carried out from 1907 to 1917 was accepted differently. All Marxist circles rejected it. It did not inspire landowners either. Being oriented to the establishment of a wide stratum of independent farmer type peasants, it split the community which held business initiatives in check. During the carrying out of this reform 2.5 million farms were established. At the same time another task was tackled, i.e. the reclamation of virgin lands in the east, in Siberia. We are interested in the well thought-out organizational and economic aspects of this reform: ad hoc committees in the center, *gubernias* and *uyezds*; long-term credits; construction material allocations; tax allowances. One should admit that in pre-revolutionary Russia agricultural production was on the rise. The country produced grain in volume which made up 20% of the world's grain harvest compared to 12% at present.

After the Decree on Land was enacted on the 8th of November, 1917, peasants received land for use, a total of 150 million hectares, with land being state-owned. Peasantry responded to this move. However, soon the hammer of war communism and dictatorship of the proletariat dropped on its head and stirred peasants' uprisings: revolts of peasants headed by Antonov, the Kronstadt mutiny and many others.

The new economic policy with various social and economic structures, the support of working peasants, the development of agricultural cooperatives and the provision of aid in a state of transition to exchange relations, enabled the country and also the entire economy to quickly revive and the ruble to be made readily convertible. This policy corresponded to Lenin's political will expressed in his papers titled "On Cooperatives". It is worth mentioning that the volume of production doubled from 1922 to 1928 (in terms of a comparable value: from 35.7 to 71.8 billion rubles) and the annual growth rate went beyond 10%.

"The year of the Great Change" with general collectivization, elimination of "the kulaks as a class", actual revision of issued produce, and state ownership of all means of production cut off the incipient civilization development process for a long time. An alternative to the country's road to socialism, proposed by A. V. Chayanov, I. D. Kondrat'yev and advocated by such party leaders as A. N. Rykov, N. I. Bukharin and for some time M. I. Kalinin, was rejected. The country was set back. And it took nearly 10 years to approach the production level of 1928 if one believes the statistics of that time which apparently were not based on underestimates. If one may say so, this was a counter-reform, or anti-reform.

What Conclusions Can Be Drawn from this Brief Review of History?

First of all, reforms are successful when they are carried out by non-violent, democratic methods with the involvement of peasants and in their interests, and when the government puts special emphasis on peasants' unshackled labour, giving them a free hand and ensuring their rights.

Second, reforms are successful when the reform receives financial, material, technological, political, legal, organizational, moral and ethical support, so that a favourable psychological climate is set around the reform, reformers and reform subjects.

Third, reforms are successful when the reform is comprehensive: in tackling land matters, social transformation of the country concurrently takes place; research results are applied; personnel qualifications are upgraded; and cultural and spiritual lives thrive.

Fourth, reforms are successful when ad hoc organisations are established such as committees, commissions and so on which are directly engaged in such issues pertaining to the reform as land use, land allotment, drawing up of documents, exposure of inefficiently managed agricultural lands, observation of land cadastres, etc.

Fifth, reforms are successful when peasants are convinced of the stability and irreversibility of the government's agricultural policy. After experiencing troubles and disasters, after all kinds of ups and downs, the attainment of durability and reliability of policy may be of decisive importance. People talk about it frankly, especially those who have chosen new ways of farming.

Purposes and Essence of the Current Reform

The current land reform already has good legal, theoretical and methodological grounds. But the problem is so multi-faceted, complex and socially acute, and objective conditions in this country are so varied, that one cannot be pleased with the reform. Step-by-step and purposeful work to implement approved decisions is needed with further research on the reform's methodology and summarizing of experience gained so far with regard to errors and their correction.

The Supreme Soviet of the USSR approved "Fundamental Principles of Legislation of the USSR and Union Republics on Land" ("Fundamentals of Land Legislation") on the 28th of February, 1990. And on the 5th of January, 1991 the Decree of the President of the USSR was issued "On Top Priority Tasks to Carry Out the Land Reform". A number of Union Republics adopted Codexes on Land and the Russian Federation Republic legitimated its land matter and enacted it at the Council of Peoples' Deputies of the Russian Federation.

We thoroughly studied land legislation of many countries. We consulted with the most prominent experts of FAO, USA and other countries. The Currie Fund scientists worked here for a month; the team was headed by Professor Prosterman (USA) engaged in the development of land reform in a number of countries having progressive, democratic regimes. We have their conclusions prepared following numerous interviews conducted in Moscow, Stavropol, Orel, Tula, Estonia, Latvia and Pskov. The Currie group took a judicious approach to the matters of privatization, establishment of farmer holdings and innovation of farms, and considered these processes unavoidable. And above all we had at our disposal the results of studies carried out by the VASKhNIL institutes, the USSR Academy of Sciences and other research workers.

The participants of the present session have in their hands draft concepts of the land reform to be effectuated in the USSR and its scientific bases as well as concepts of arable farming development in a state of transition to exchange relations and multi-structural farming. This spares me detailing the problem in the hope that the drafts will be employed, studied, discussed at plenary and sectional sessions, and then after necessary additions, alterations and amendments, that they will be finalized and approved.

Land reform is the core of all radical agricultural changes. We shall not be able to solve any big problems pertaining to agricultural production without land reform having been effectuated. The chief aim is to establish a multi-structural economy on the basis of various forms of property and farming and ultimately to create in the country an efficient form of the agro-industrial complex.

The landowner, whether a peasant, cooperative, or state farm, becomes the owner of the means of production, the resulting produce and the profits. Only in this case may the owner act as a counterpart at the market and only in this case is a normal market feasible.

The reform should provide real equality of all forms of farming, ensure a free hand and comprehensive legal and social protection for the peasant, and render financial, material, technical and other types of assistance. It is necessary to overcome dogmatism and an artificial confrontation with forms of farming. The form of farming is not the principal issue of agricultural policy. The peasant himself chooses the form. This choice is determined by natural conditions, the nature of settlement, historically established traditions and many other factors. Nothing should be forced; there should be no commands given to the peasant. Unfortunately all this has taken place in our so gloomy past full of dramatic events.

On ownership of land: I would not exaggerate this key item as it appears to cause excitement. In the entire civilized world in addition to state ownership there exists and prevails private ownership in various forms from absolutely individual to family to collective to corporate, etc. In the whole world private land is land that is not owned by the State. But elsewhere there exists strict land legislation regulating land relations. A person who shows incompetence in agriculture and does not work on the land does considerable harm to ecology and cannot acquire land. On the other hand, leases of land are encountered everywhere and legislation gives preference to the lessee but not to the lessor.

The model contained in the "Fundamentals of Land Legislation" and accepted by us that deals with life-time inherited ownership appeals to any honest person who seriously decides to settle on land. The law guarantees the right to ownership of land and nobody can expropriate land from the person if he uses it as prescribed, does not destroy it and makes corresponding payments.

The "Fundamentals of Land Legislation" have been valid for nearly a year. Sizeable changes in the carrying-out of the reform have not occurred so far. Moreover, there is an apparent tendency for them to backslide. What is wrong?

First of all, one should keep in mind the cumbersomeness, complexity and inertness of the agro-industrial complex. The agro-industrial complex consists of over 50 thousand collective and state farms, 6.5 thousand inter-farm enterprises, 8.5 thousand cooperatives, 30 thousand peasants' holdings, one million orchards, vegetable gardens and small holdings, and 98 million rural inhabitants. It is dangerous to take part in a race with such a bulky and cumbersome thing.

Land reform needs strong support at all levels, firm state discipline and special structures to carry it out. But there is little of these in real life; we are experiencing hard times with dual power passing to anarchy.

Strong inhibiting factors have been revealed. They include not only conservative leaders of different ranks but also a great number of rank-and-file people. They have not been brought up and trained to work independently and to bear responsibility so they are scared of running into risks and serious troubles. And there is good reason for this since independence is not encouraged or supported.

Lack of markets for means of production and primitive services have inactivated people's initiative and resourcefulness. Intolerable red tape, procrastination, and endless trials make people reluctant to leave the well-trodden road, though it also is not easy.

Our scientists face so many unsettled problems. We spend a lot of time and means on tests and mistakes, poorly designed experiments, so the people engaged in production have been rightly reproaching us for a long time. We have become rather skilled at the analysis of the past but we are still poor in constructive system studies, prognosis, and multi-variant solutions. Now all this is put in the forefront.

Scientific aspects of the reform should include first of all:

- grounding the stages and methods of the reform in facts;
- encouraging the rational use of lands;
- scientific bases for new forms of farming;
- land management and monitoring;
- forms of personal ownership and use;
- efficiency of a biological alternative to arable farming.

Top priority tasks of the reform are set forth in the President's Decree. They include: inventorying all lands irrationally used regardless of the agency to which they belong; establishing a special land fund at the disposal of local authorities to allot lands for peasants, lessees, cooperatives, horticulturists and summer residents in the country; lifting all restrictions on small holdings with respect to their acreage and number of animals; offering incentives to leaseholders; furnishing building materials to persons who come into life possession of land through inheritance; transforming inefficient collective and state farms, even by providing peasants and leaseholders with lands; resettling people, including retired officers; and speeding up the approval of codexes in the republics.

The whole text of the Decree is oriented to simulating and speeding up the reform, ensuring the rights of every person who wishes and is able to till land to obtain a land plot this year. Certainly, the reform will take more than one year to be carried out and, to be more exact, a whole decade, and it is necessary to start now on a wide front with 1991 being decisive.

I think that collective and state farm modernization is a promising item. This process has already started although it is going on slowly. It is proceeding where clever leaders have understood the hopelessness of the principle "to hold and not to let", where the incipience of an individual holding and small cooperative is promoted comprehensively with these forms being under the collective farm and state farm roof, where collective farmers were made shareholders and owners, where many structures are being established under the largest enterprise with its infrastructure being employed and its management functions and methods being altered. This occurs on the farms headed by Chartaev, Dagestan, Professor Sharetsky (Chairman of the Collective Farm of Minsk Region), Moryakov from Pytalovsky District, Budyago from Orlov Region, Shirkov from L'govsk District, who made a very good presentation yesterday, and other worthy leaders. This approach is also multi-variant but it is less capital intensive, less painful, more accessible and understandable. It should be promoted in every possible way by our research. Thus, multi-structures and science and technology progress.