

# **The Grain-Meat Complex as a Source of International Integration of CMEA Countries**

**Christian Gerlach**

## **ABSTRACTS**

Der Aufsatz untersucht Getreideeinfuhren osteuropäischer RGW-Staaten in den 1970er und 1980er Jahren und ihre Rolle für die zunehmende globale Verflechtung dieser Staaten. Getreide diente in großen Mengen als Viehfutter. Ein hoher und steigender Fleischkonsum galt in diesen sozialistischen Staaten als Zeichen des Wohlstands und innenpolitische Notwendigkeit. Ungefähr ab 1972 schritten die sozialistischen Länder zu massiven Getreideimporten aus kapitalistischen Ländern, zeitweilig vor allem aus den USA. Dies trug in mehreren Volkswirtschaften Osteuropas stark zu einer hohen Auslandsverschuldung bei. Bemühungen zur Erhöhung der einheimischen Getreideproduktion stießen zunehmend an ihre Grenzen und wurden teilweise auch nur halbherzig verfolgt. Innerhalb des RGW herrschte auf dem Getreide-Fleisch-Sektor eine Politik bedingter Autarkie bei begrenzter, meist bilateraler Kooperation. Nach 1990 ging der Fleischkonsum in den bis dahin sozialistischen Ländern Osteuropas drastisch zurück und erholte sich nur langsam oder nie ganz. Globale Integration – auch von kommunistischen Regierungen verfolgt – führte in Osteuropa somit nur begrenzt zu höherem Konsum. Der Aufsatz beschreibt die Motivation wichtiger Interessengruppen in diesem Prozess und Zusammenhänge zwischen globaler und regionaler Verflechtung.

The article examines grain imports in CMEA countries in the 1970s and 1980s and how these imports affected these countries' growing global entanglements. In CMEA states, grain was largely used as animal feed. High and increasing levels of meat consumption were considered a sign of prosperity and a necessity for political stability. From roughly 1972, socialist countries began importing massive amounts of grain from capitalist countries, initially mainly the United States. These imports contributed substantially to some socialist countries' growing foreign debt. Efforts to increase domestic grain production were often pursued half-heartedly and only

had moderate success. Inside the CMEA, a de-facto policy of self-sufficiency, augmented by limited mostly bilateral cooperation, existed for the meat-grain sector. After 1990, meat consumption in the former socialist countries of Eastern Europe fell sharply, and since that time it has only recovered slowly or not at all. Global integration – also pursued by Communist governments – thus led to only a limited increase in consumption. This essay describes the motivation of important stakeholders and the connection between global and regional integration.

## 1. Introduction

On 8 July 1972 the United States (US) government announced a three-year agreement with the Union of Soviet Socialist Republics (USSR) concerning grain purchases, which President Richard Nixon modestly called “the largest long-term commercial grain purchase agreement ever made between two countries”.<sup>1</sup> In 1972, actual Soviet purchases abroad amounted to 28 million tons of grain, mainly wheat (19 million) and corn. Among those 20 million tons came from the US and cost over USD 1 billion.<sup>2</sup> By comparison, the volume of border-crossing grain trade globally was about 100 million tons per year.

This move marked a watershed. In 1972, the USSR turned from a net exporter to a major net importer of grain. As Soviet grain exports to other Eastern European countries dried out, their governments pursued a similar course of expanded consumption. Thus the Soviet change had severe implications for Eastern European countries as well, e.g. large grain imports from capitalist countries and a foreign debt problem. All of this was not about citizens eating more bread, *kasha*, or *müsli* – it reflected programmes of growing meat and dairy consumption. Grains are used as feed for livestock.

Some analysts swiftly identified this policy change as part of a larger turn. Although economic East-West relations had never completely ceased and occasional grain purchases (by the USSR) or more consistent ones (by the People’s Republic of China (PRC), Poland, or Czechoslovakia) had been part of them, the events seemed to indicate a “reintegration [...] into the world market” of the PRC, Eastern Europe, and the USSR, inter alia given the doubling and trebling trade volumes with capitalist countries in 1972–1975.<sup>3</sup> International entanglement remained much lower than for comparable capitalist countries. However, after the economic reforms of the 1960s had betrayed hopes, socialist countries embarked on an import-led growth strategy based on imports of technology.<sup>4</sup>

In some regards, grain imports were a special case within this broader picture. Foodstuffs are, after all, raw materials. Furthermore, although the share of trade with capitalist

1 Press Statement, U.S. National Archives and Records Administration (NARA), Nixon files, NSC, Box 330, Grain Shipping.

2 Alfred C. Toepfer, „Marktbericht“, 14 September, 16 November and 14 December 1972, Alfred Toepfer-Archiv, Hamburg (ATA).

3 E. Mandel, *Die Krise: Weltwirtschaft 1974–1986*, Hamburg 1987, p. 157, see *ibid.*, pp. 128–137, 157–178.

4 J. van Brabant, *Economic Integration in Eastern Europe*, New York 1989, p. 84; I. Berend, *An Economic History of Twentieth Century Europe*, Cambridge UK 2006, pp. 183–185.

countries as compared to all foreign trade of socialist states was rising,<sup>5</sup> the latter's share of world exports dropped from 6.1 per cent in 1970 to 4.1 per cent in 1980 and 3.9 per cent in 1988.<sup>6</sup> However, in terms of food imports, the global share of socialist countries increased from 8.7 per cent in 1970 to 10.4 per cent in 1980, slightly dropping to 10.1 per cent in 1985. In the second half of the 1970s the level was around 12 per cent.<sup>7</sup> The west-east trade in food was more intense than in other economic sectors and continued to grow.

This article re-examines this process of increasing integration of socialist countries into the capitalist economy from 1972 to 1989. In particular, this contribution discusses actors and their policy objectives in this globalization process, inasmuch as the grain-meat complex is concerned. This paper describes how national policies and economic cooperation among socialist states and their entanglements with capitalist economies related as well as what full integration into the capitalist world economy after 1990 meant for the grain-meat economy and for consumers.

The views expressed are that of a scholar interested in global history and the food economy and not those of an Eastern Europeanist.<sup>8</sup> This paper draws from an array of archival sources and published material, in part reflecting outside views of Eastern Europe. This means that this article can only reconstruct certain macroeconomic developments and high-level decision-making. Neither the Cold War context nor its impact on the global grain economy are the center of this article.<sup>9</sup>

## 2. Eastern European Consumerism and Meat

Since, at the latest, Joseph Stalin's times, Soviet leadership has strived to provide the country's citizens modestly with consumer goods. This policy was intensified under Nikita Khrushchev, whose idea it was to generate abundance for the Soviet people, prominently through increased grain production, thereby winning the competition of the systems against capitalism in the field of consumerism during peaceful coexistence.<sup>10</sup> After he was ousted, a meeting of the Communist Party of the Soviet Union (CPSU)

5 J. Borrego, *Metanational Capitalist Accumulation: Reintegration of Socialist States* and A. Abonyi, *Eastern Europe's Reintegration*, both in: C. Chase-Dunn, (ed.), *Socialist States in the World-System*, Beverly Hills et al. 1982, pp. 111-143, 181-201, esp. 182-183.

6 I. Salgo, *Between Two Fires? Foreign Economic Relations of Eastern Europe: Past, Present and Future(s)*, in: M. Lavigne, (ed.), *The Soviet Union and Eastern Europe in the Global Economy*, Cambridge UK 1992, p. 209.

7 M. Lavigne, *International Political Economy and Socialism*, Cambridge 1991, p. 270; Abonyi, *Eastern Europe's Reintegration*, p. 183.

8 I am indebted to Jonas Flury for providing me with documents from the German Federal Archive (BAB) and the Foundation Archive of the Parties and Mass Organizations of the GDR (SAPMO) in Berlin about CMEA meetings.

9 C. Gerlach, *Das US-amerikanisch-sowjetische Getreidegeschäft 1972*, in: Bernd Greiner et al., (eds.), *Ökonomie im Kalten Krieg*, Hamburg 2010, pp. 480-500; C. Gerlach, *Die Welternährungskrise 1972 bis 1975*, in: *Geschichte und Gesellschaft* 31 (2005) 4, pp. 546-585.

10 S. Merl, *Von Chruschtschows Konsumkonzeption zur Politik des 'Little Deal' unter Breschnew*, in: Greiner et al., *Ökonomie*, pp. 279-310, esp. p. 285; S. Merl, *Konsum in der Sowjetunion: Elemente der Systemstabilisierung*, in:

Central Committee in March 1965 made major corrections to agricultural policies to build up a stronger livestock industry, combined with higher procurement prices and less restrictions on private livestock raising. Instead of a source of capital accumulation, agriculture became a subsidized sector.<sup>11</sup>

In 1969/70, the Central Committee adopted a scheme for greatly increasing the consumption of meat, dairy, and eggs that was reflected in the new five-year plan for 1971–1975. Meat production was to rise by 23 per cent within five years and increased along these lines already in 1970. This plan was actually slightly overfulfilled.<sup>12</sup> Other Eastern European governments followed a similar course, which was reinforced after the food riots that helped bring down the Gomulka government in Poland in December 1970, a country where meat consumption was generally of great political importance.<sup>13</sup> To provide more meat to an urbanizing populace served as a sign of modest wealth that would ensure popular support in modern industrial socialist societies and responded to demands from the population. Meat consumption symbolized a certain status. In 1963, Khrushchev used the national average annual meat consumption as a yardstick for different levels of wealth among the countries in the Council for Mutual Economic Assistance (CMEA).<sup>14</sup> Politically speaking, in 1970 there was no way to sink below any previously achieved standard of living.

Higher meat and dairy production was largely to be based on domestic grain and feeds. In fact, Soviet grain production grew substantially from 130.3 million tons per year on average during 1961–1965 to 167.6 million tons (1966–1970), 181.6 million tons (1971–1975), and 205 million tons (1976–1980).<sup>15</sup> Most of this was not eaten by humans. Soviet citizens directly consumed 44 million tons of grain in 1945 as opposed to 46 million in 1973 when 117 million tons of grain were fed to animals while only 65 million had been in 1965 (and much less in 1945).<sup>16</sup> Cereal production in the other Eastern European CMEA countries rose from 56 million tons in 1970 to 81.2 million in 1978, increasing by about one-third from 1970–1975. However, this increase was followed by stagnation. Yugoslavia showed a similar pattern while the PRC and North Korea were able to raise grain production further.<sup>17</sup>

*Geschichte in Wissenschaft und Unterricht* 58, 2007, pp. 519–536; see also N. Chernyoshova, *Soviet Consumerism in the Brezhnev Era*, London and New York 2013.

11 A. Nove, *An Economic History of the USSR 1917–1991*, London et al. 1992, pp. 378–379.

12 With reference to a Central Committee Plenum on July 2–3, 1970: U.S. Agricultural Attaché Moscow, “Agricultural Situation Report”, 11 February 1971, NARA, RG 166, Ag.Att. and Counselor Reports, Box 33, SS USSR 1971 DR; idem, “USSR: Agricultural Situation”, 19 January 1976, Box 63, SS USSR 76 DR.

13 J. Kochanowski, *Jenseits der Planwirtschaft: Der Schwarzmarkt in Polen 1944–1989*, Göttingen 2013, esp. p. 201.

14 „Notizen über die Beratung beim Genossen Chruschtschow – 20.2.1963“, 21 February 1963, SAPMO (Berlin) DY 30/3420, p. 32.

15 Nove, *An Economic History*, p. 379. Due to the peculiarities of Soviet grain harvest calculations, one may have doubts about these figures in absolute terms; relative trends, however, appear telling.

16 “USSR: Agricultural Highlights: Reflections on Soviet Grain Policy”, 21 November 1974, NARA, RG 166, Ag.Att. and Counselor Reports, Box 45, SS USSR 1974 DR.

17 A. Tirapolsky, *Food Self-Sufficiency in Eastern Europe*, in: *Eastern European Economies* 19 (1980) 1, pp. 7–8; R.

Romania, Bulgaria, and Hungary were more or less self-suppliers of grain, but Poland, the GDR, and the Czechoslovak Socialist Republic (CSSR) required imports.<sup>18</sup> In the 1960s, Eastern European CMEA countries on average imported 7 to 8 million tons of grain annually.<sup>19</sup> For centuries until 1971 Russia had been a net exporter of grain. Exports decreased as a result of industrialization in the Soviet Union since the 1930s. The country was plagued by insecure climatic conditions that resulted in huge regional and overall annual variations in agricultural outputs. Usually, the Soviet authorities made their citizens tighten their belts after a bad harvest. If imports of a few million tons became necessary during some years in the 1960s, they largely relied on Canadian, Australian, or Argentinian grain, combined with a reduction of livestock; usually Soviet grain exports (chiefly to the GDR, CSSR, Poland, and India) exceeded imports.<sup>20</sup> 1972 marked a departure from this policy. Livestock populations were no longer killed off after a bad harvest. Major grain imports from capitalist countries became essential to Soviet and Eastern European meat and dairy production.

Looking to the outcome of increased grain imports in terms of meat consumption (see table 1), the 1970s were marked by an unusual increase. These gains levelled off in the 1980s and in Poland there was even a steep decline. From 1970 to 1975, meat production in European CMEA countries outside the Soviet Union increased from 6.8 to 8.8 million tons.<sup>21</sup> Meat consumption differed from country to country. Within the USSR, only the Baltic republics reached the relatively high East German and Czechoslovak levels by 1975.<sup>22</sup>

It should be added that the consumption of milk and milk products – traditionally varying strongly from country to country – was high in Poland and the USSR (where people also ate large amounts of fish), higher even than in the US, West Germany, and Britain, thus narrowing the gap in terms of animal product and protein consumption. Dairy consumption was on the rise (except for in Poland during the 1980s), but the gains during the 1970s were modest (notably in the Soviet Union), except for in Hungary and Bulgaria.<sup>23</sup>

Deutsch, *The Food Revolution in the Soviet Union and Eastern Europe*, Boulder and London 1986, p. 64; Rat für gegenseitige Wirtschaftshilfe: *Strukturen und Probleme*, Bonn 1987, p. 214.

18 Tirapolsky, *Food Self Sufficiency*, pp. 6-8.

19 Bureau of Agricultural Economics, Canberra, "Agricultural Developments and the Prospects for Trade with the Comecon Countries" (1974), p. 25; NARA, RG 166, Ag. Att. and Counselor Reports, Box 36, AL Australia 1974.

20 R. de Rochebrune et al. (eds.), *The World Food Crisis* (=Dossiers Jeune Afrique 2, January-June 1975), p. 66; D.G. Johnson, *World Food Problems and Prospects*, Washington 1975, pp. 27-28.

21 Tirapolsky, *Food Self Sufficiency*, pp. 10-11; Rat, p. 215.

22 I. Stebelsky, *Food Consumption Patterns in the Soviet Union*, in: J. Brada and K.-E. Wädekin (eds.), *Socialist Agriculture in Transition*, Boulder and London 1988, p. 104.

23 Sources as for table 1; Tirapolsky, *Food Self Sufficiency*, p. 22; C. Czaki et al., *Die Landwirtschaft der europäischen RGW-Länder am Anfang der 1980er Jahre*, in: Rat für gegenseitige Wirtschaftshilfe, p. 114.

Table 1. Consumption of meat and meat products in Eastern Europe, per capita and year in kilogrammes<sup>24</sup>

|      | USSR | GDR  | CSSR | Poland | Hungary | Bulgaria |
|------|------|------|------|--------|---------|----------|
| 1960 | 40   | 55   | 56.8 | 49.9   | 47.6    | 32.7     |
| 1970 | 48   | 66   | 71.9 | 61.2   | 58.1    | 43.7     |
| 1980 | 57   | 89.4 | 84   | 82.1   | 73      | 65.9     |
| 1989 | 59   | 99.3 | 87   | 64     | ?       | ?        |

In the 1970s, Eastern European citizens' diets approached that of OECD countries in terms of caloric consumption from animal products and overall daily caloric intake.<sup>25</sup> Citizens of these socialist countries received plenty of food, though subsidized at high costs. Still, in some countries, experts and state authorities recommended higher levels.<sup>26</sup> Meat quality remained an issue. Shortages existed in the field of fruits, vegetables, and tropical products where import levels remained much lower.<sup>27</sup>

Some countries tried to keep meat prices stable. In the USSR, prices for meat were not raised between 1962 and the mid-1980s; other countries raised them markedly and repeatedly.<sup>28</sup>

It has to be noted that the levels of consumerism differed considerably from one socialist country to another. When categorized into three levels the share of a family's income spent on food between 1970 and 1981 was the lowest in the GDR and CSSR; the USSR, Hungary, and Bulgaria made up a middle group; and in Poland and Romania the food share was substantially higher.<sup>29</sup> So the relatively high meat consumption in Poland did not reflect the same level of prosperity as in the GDR, the CSSR, or even Hungary. A look at the possession of radios, TV sets, and cars per capita shows a similar ranking with the GDR and CSSR ahead; followed by Hungary; followed by a group consisting of Poland, Bulgaria, and the USSR; and ending with Romania.<sup>30</sup> This data – as well as

24 Data from Deutsch, *Food Revolution*, pp. 126-127; W. Liefert, *Grain Sector Reform and Food Security in the Countries of the FSU*, in: L. Smith and N. Spooner (eds.), *Cereals Sector Reform in the Former Soviet Union and Central and Eastern Europe*, Wallingford and New York 1997, p. 98; P. Poutrus, *Die Erfindung des Goldbroilers*, Cologne et al. 2002, p. 214. See Rat für gegenseitige Wirtschaftshilfe, p. 216; cf. Kochanowski, *Jenseits der Planwirtschaft*, p. 203.

25 FAO, *The State of Food and Agriculture: Livestock in the Balance*, Rome 2009, p. 10; A. Szymanski, *Socialist World-System* in: Chase-Dunn, *Socialist States*, p. 72; Deutsch, *Food Revolution*, p. 144.

26 Van Brabant, *Economic Integration*, pp. 256-257; Stebelsky, *Food Consumption Patterns*, p. 105; R. Laird, *Grain as a Foreign Policy Tool in Dealing with the Soviets: A Contingency Plan*, in: R. Fraenkel et al. (eds.), *The Role of U.S. Agriculture in U.S. Foreign Policy*, New York 1979, p. 83.

27 C. Beaucourt, *East European Agricultural Trade Policy* in: Brada and Wädekin, *Socialist Agriculture*, p. 426.

28 Nove, *An Economic History*, pp. 380, 388; Deutsch, *Food Revolution*, pp. 95, 97, 115; Lavigne, *International Political Economy*, p. 275; Kochanowski, *Jenseits der Planwirtschaft*, pp. 206-207.

29 Deutsch, *Food Revolution*, pp. 113, 116-117.

30 G. Therborn, *European Modernity and Beyond: The Trajectory of European Societies 1945-2000*, London et al. 1995, pp. 141, 143; see Nove, *An Economic History*, p. 386.

that of life expectancy and child mortality<sup>31</sup> – suggests that the Hungarian population was neither the wealthiest or best supplied with consumer goods among the socialist countries, including meat. “Goulash communism” was neither a Hungarian invention nor most successful in Hungary.

### 3. Eastern European Grain Imports: Genesis and Dimensions

The Soviet Union had repeatedly imported grain from the capitalist sphere. What changed in 1972, aside from the greater amounts purchased, was that the USSR bought grain from the US. Early in the Cold War, the latter had imposed a unilateral grain trade embargo on the Soviet Union. It was slightly loosened in 1963/64.<sup>32</sup> Soviet leaders’ attempts to overcome severe harvest losses in 1963 through imports may have been half-hearted, but limitations on US exports and their delays contributed to the need for a mass slaughter of 42 per cent of all hogs in the USSR. Poultry, as well, was strongly affected, unlike cattle inventories (which had recently been increased both for milk and meat production). Hog production was built up again during 1970–1975 and poultry production was replenished throughout the 1970s.<sup>33</sup>

Protracted US-Soviet negotiations preceded the 1972 deal. Between 1969 and 1971, the Nixon administration removed several legal obstacles to exports.<sup>34</sup> Following a lesser agreement in November 1971, Henry Kissinger and Leonid Brezhnev intervened. The Soviets, facing massive crop losses, agreed to commercial rather than preferential credit conditions and a shorter duration period than desired. However, they surprised the US by initiating sudden, simultaneous negotiations with several grain trading companies.<sup>35</sup> Soviet demand continued and was especially strong in 1975/76. Mutual interests led to a five-year agreement made in October 1975 that allowed the Soviet Union to buy six to eight million tons of grain annually without government consultations, albeit at higher prices than before. The US government wanted to ensure a certain level of demand after the end of the world food crisis while cushioning Soviet demand swings, which could potentially interfere with grain supplies for customers in Western Europe, Japan, and elsewhere. They failed to secure sizable Soviet oil deliveries in exchange, which was a secondary objective of the Nixon administration in the negotiations that is not in the

31 Therborn, *European Modernity*, pp. 166–168.

32 See T. Huskamp Peterson, *Sales, Surpluses and the Soviets: A Study in Political Economy* in: Fraenkel et al., *Role*, pp. 56–79.

33 CIA, Directorate of Intelligence, *Intelligence Memorandum, “Outlook for the 1972 Soviet Grain Harvest”* (confidential), p. 8, note 3, NARA, RG 16, USDA Gen.Corr., Box 5572, Grain 3, Jan 1–July 31, 1972; data for the 1970s in Szymanski, *Socialist World-System*, pp. 71–72.

34 NARA, RG 16, USDA Gen.Corr., Box 5572, Grain 3, January 1–July 31, 1972, 2 (especially the chronology provided in: “US/USSR Trade Negotiations Press Kit” (part V), July 1972), and ditto, August 1–October 15, 1972; F. Cain, *Das US-Handelsembargo und Europa*, in: Greiner et al., *Ökonomie*, pp. 446–50; Lavigne, *International Political Economy*, p. 280.

35 Gerlach, *Getreidegeschäft*, pp. 483–485.

focus of this inquiry. The Soviets desired a clear and reliable grain supply. Once more, real deliveries surpassed the agreement.<sup>36</sup>

The Soviets had also urged a long-term agreement because of restricted, cancelled, delayed, or diverted deliveries from the US during the world food crisis. In January 1980, the Carter administration declared a grain export embargo against the USSR in response to Soviet troops marching into Afghanistan. However, prior to the embargo the Soviets bought a great deal of US grain, managed to tap the US market further with help of greedy grain trading companies, and satisfied their import needs from other exporters. The first country to breach the (unilateral) embargo was Argentina, which was ruled by a radically anti-Communist military junta. The US export ban brought Canada back as a massive supplier of grain to the USSR.<sup>37</sup> The international grain market was too diversified for an embargo against a major player like the Soviet Union (or China or even India) to be successful.<sup>38</sup> The US never regained the position of the USSR's leading grain supplier, despite another five-year agreement in 1983, which was extended in 1988. The USSR made further long-term deals with Argentina and Canada in the 1980s.<sup>39</sup> Two phases of Soviet imports can be distinguished. From 1972–1979, the USSR imported about 16 million tons of grain annually – between 54 and 99 per cent of which came from the US. Between 1980 and 1988, the imports averaged 39 million tons, but only a quarter to a third were of US origin.<sup>40</sup>

Other socialist countries followed suit. Poland secured a five-year grain purchase agreement with the US already in late 1972, which was mainly for feed grains. Despite some resistance by the US Department of Agriculture (USDA), actual US exports exceeded the anticipated 7.5 million tons. Poland struck a major three-year agreement with Canada during the period 1977–1979.<sup>41</sup> From the mid-1970s, the GDR imported three to four million tons of feed grains per year from capitalist countries (according to a multi-year agreement in 1976, about half of this was planned to come from the US) and the CSSR imported two million.<sup>42</sup>

Grain and feed imports contributed to a major debt problem (especially in Poland, the GDR, Hungary, Bulgaria, and Yugoslavia) that mainly accumulated during the 1970s

36 Ibid., pp. 493–495; for oil, see R. Paarlberg, *The Failure of Food Power* in: Fraenkel et al., *Role*, pp. 40–42. Details in R. Porter, *The U.S.-U.S.S.R. Grain Agreement*, Cambridge MA et al. 1984. For their part, Japanese and Canadian representatives also advocated long-term agreements. See Seevers to Hinton, 31 October 1973, NARA, Nixon files, SF AG Box 2, Ex AG, September–December 1973.

37 J. Wessel and M. Hantman, *Getreidefieber: US-Agrarkrise, Konzernmacht und Welternährung*, Munich 1987, pp. 130–133; Lavigne, *International Political Economy*, pp. 281–282; Porter, *Grain Agreement*, pp. 119–136.

38 See R. Paarlberg, *Food Trade and Foreign Policy*, Ithaca and London 1985, pp. 170–212; Paarlberg, *The Failure of Food Power*, pp. 38–55.

39 Lavigne, *International Political Economy*, pp. 282–284; J. Hajda, *Changing Perspectives in East-West Agriculture Trade: United States-Soviet Relations, 1972–1984* in: Brada and Wädekin, *Socialist Agriculture*, pp. 402–404.

40 Lavigne, *International Political Economy*, p. 282; Hajda, *Changing Perspectives*, pp. 406–407.

41 Secret memo Whitaker for Ehrlichman, „U.S.-Polish Agricultural Trade Deal“ with enclosure, NARA, Nixon files, CF, Box 62, TA3-CO# (Exports); Alfred C. Toepfer, „Marktbericht“, 16 October 1975, ATA (for Canada, ditto, 12 May 1977 and 17 January 1974); „Meeting with Wheat Growers“, 8 October 1976, Gerald Ford Presidential Library, Paul C. Leach Files, Box 4, Agriculture – General, August–November 1976.

42 Deutsch, *Food Revolution*, pp. 86, 97; see Alfred C. Toepfer, „Marktbericht“, 18 November 1976, ATA.



and created economic and political dependencies.<sup>43</sup> By contrast, Soviet debts were relatively small because the USSR was largely able to balance imports with exports of raw materials.<sup>44</sup> Net agricultural imports accounted for more than 42 per cent of the East-West trade deficit in 1976.<sup>45</sup> In 1981, the Soviet Union imported agricultural products for USD 12 billion, or 40 per cent of all hard currency imports. The overall agricultural deficit of Eastern European CMEA countries, including the USSR, reached USD 0.9 billion in 1970, rose to 9.4 billion in 1980, and dropped to 4.6 billion in 1985. Soviet imports accounted for most of this, but per capita, the GDR had the highest deficit.<sup>46</sup> Grain, feed, and animal products made up 52 per cent of all agricultural imports into the USSR in 1980 and 61 per cent of the other European CMEA countries.<sup>47</sup> Between 1980 and 1986, 12–20 per cent of Soviet grain consumption was based on imports, largely from capitalist countries. In addition, 7–8 per cent of the meat consumed in the USSR was directly imported and mostly from socialist states. In the second half of the 1970s, nearly one-quarter of all meat in the CSSR was produced from imported feeds.<sup>48</sup> Although it received much less attention, the Soviet meat programme helped generate another big deal for the US economy when Armand Hammer finalized a twenty-year, USD 8 billion barter contract in April 1973 for the construction of fertilizer plants in the USSR.<sup>49</sup> Despite the development, Soviet fertilizer production grew only by about 1 per cent annually in the 1970s.<sup>50</sup>

#### 4. Agents of and Motives for the Grain trade Expansion

Global historians are in danger of describing large processes as anonymous and possibly automatic. Questions about proponents and opponents of closer global connections in the USSR and the US and their motives may help us to understand these processes better.

While more specific inquiries into the motivation of different Soviet actors will only be possible on the basis of Soviet records, three points can be made: First of all, Soviet representatives tried to establish long-term trade relations with capitalist countries. They did

43 Berend, *An Economic History*, pp. 184–185; L.K. Metcalf, *The Council of Mutual Economic Assistance: The Failure of Reform*, Boulder and New York 1997, pp. 130–131; Salgo, *Between two Fires*, p. 209.

44 A. Zwass, *Der Rat für gegenseitige Wirtschaftshilfe 1949 bis 1987*, Vienna and New York 1988, pp. 92–93; Szyman-ski, *Socialist World-System*, pp. 65, 73–74.

45 Tirapolsky, *Food Self Sufficiency*, pp. 4, 13.

46 Hajda, *Changing Perspectives*, p. 403; Lavigne, *International Political Economy*, pp. 270–271.

47 Beaucourt, *East European*, p. 427.

48 V. Nazarenko, *The Impact of Changes in Policies in Centrally Planned Economies on World Food Trade and Consumption*, in: J. Helmuth and S. Johnson, (eds.), *1988 World Food Conference Proceedings*, vol. 2, Ames 1989, p. 48; Deutsch, *Food Revolution*, pp. 95, 97.

49 J. Trager, *The Great Grain Robbery*, New York 1975, p. 91; Bell to Holtan, 14 October 1974, NARA, RG 16, USDA Gen.Corr., Box 5979, Grain, September–December 1975; L. Sobel, (ed.), *The World Food Crisis*, New York 1975, p. 69.

50 Nove, *An Economic History*, p. 386.

so because they desired reliable supplies; because this was compatible with their general way of planned economic operations; and because long-term trade relations could improve international political relations. This was voiced consistently by high-level Soviet actors.

To a degree, trade between socialist and capitalist countries was limited by embargos from the latter, which Eastern European politicians tried to overcome. The wish for trade relations was, to name some examples, expressed by Prime Minister Nikolai Bulganin in 1957 as well as by First Deputy Premier of the Soviet Union Anastas Mikoyan and Khrushchev in 1959 and 1963.<sup>51</sup> In December 1971, Deputy Minister of Agriculture Vladimir Matskevich indicated that the Soviets sought a long-term grain deal with the US for a ten-year programme to raise meat consumption by a third.<sup>52</sup> Later they pursued a five- to six-year credit. In 1973, General Secretary Brezhnev expressed to a congressional delegation his interest in long-term US deliveries to the USSR.<sup>53</sup>

Soviet leaders sought closer economic relations with capitalist countries if agricultural conditions required it and there were financially acceptable conditions. They did so not as solicitors, but from a self-confident, or overconfident, position. Similar things apply to other Eastern European governments which tried to establish closer links to capitalist economies. Some also tried to enter the General Agreement on Tariffs and Trade (GATT) in the late 1960s.<sup>54</sup> Official contacts between the CMEA and the European Economic Community (EEC) started in 1973.<sup>55</sup>

Secondly, Soviet political and trade representatives pressed for the best possible business conditions. In the 1972 grain deal they were so successful (benefitting, too, from US subsidies), that there was a public outcry and an investigation of the US Congress concerning this so-called "Great American Grain Robbery".<sup>56</sup> A former USDA official concluded: "They beat us at our own game – capitalism."<sup>57</sup> The Soviets blocked US attempts to regularly receive (bilaterally or through international organizations) information about their crop situation. This information was relevant to economic issues such as American selling tactics and pricing as well as Cold War-related security concerns. The Soviet side wished to avoid food-related political dependence,<sup>58</sup> while some US politicians openly propagated the use of "food power" against the USSR.<sup>59</sup>

51 Huskamp Peterson, *Sales, Surpluses and the Soviets*, pp. 64-67.

52 Peterson to Nixon, confidential memo, 9 December 1971, "Visit with Russian Agriculture Minister", NARA, Nixon papers, CF, Box 8, CO 158 USSR 1971-74.

53 Minutes of the meeting, 23 April 1973, NARA, Nixon papers, CF, Box 1, AG 1971-74.

54 Metcalf, Council, p. 95.

55 D. Jajesniak-Quast, *Polen, die CSSR und die Europäische Wirtschaftsgemeinschaft während des Kalten Krieges*, in: Greiner et al., *Ökonomie*, pp. 380-381. See also the article by Suvi Kansikas in this volume.

56 Trager, *Robbery*; W. Broehl, *Cargill – Going Global*, Hanover and London 1998, pp. 163-227; North American Congress on Latin America (NACLA), *Weizen als Waffe*, Reinbek 1976, pp. 21-23.

57 "Russ grain deal 'blessing', says expert", in: *San Jose Examiner*, 1 August 1975, in NARA, RG 16, USDA Gen.Corr., Box 5980, Grain 3, September-October 1975.

58 Gerlach, *Getreidegeschäft*, pp. 486-487; Gerlach, *Welternährungskrise*, pp. 577-78.

59 Several examples in NACLA, *Weizen*; Laird, *Grain as a Foreign Policy Tool*, pp. 80-89.

Thirdly, after heavy reliance on the US during 1972–1979, the Soviets returned to their earlier policy of diversifying import destinations due to the US grain export embargo in 1980/81.

On the American side, struggles between interest groups (representing farm policy, domestic economic policy, foreign policy, and “global welfare and development policy”) led to several shifts in US grain export policy during 1972–1976.<sup>60</sup>

Among the opponents to trade with the Soviets were usually military leaders and veterans’ associations.<sup>61</sup> Within the US Congress negative reactions outnumbered positive ones, the former caused by Cold Warriors among the constituencies,<sup>62</sup> the latter mostly coming from states with large farming communities interested in export dollars. But the fiercest rejection usually came from the labour unions, in particular from the long-shoremen. Hostile to communists, they wanted to prevent new food price hikes for US consumers due to large exports and wished to protect US shipping interests and, consequently, jobs on ships.<sup>63</sup>

One of the usual proponents of trading with the USSR was the USDA.<sup>64</sup> However, they only became interested in long-term agreements when prices were down and grain surpluses accumulated. International grain trading companies took the same side.<sup>65</sup> US farmers seem to have been divided on the topic but were rarely asked.<sup>66</sup>

The position of the US State Department toward the grain trade was flexible (as was that of the press – and the CIA).<sup>67</sup> Kissinger, together with Richard Nixon, pursued a policy of détente and entanglement of the socialist countries from which they would not be able to disassociate themselves. They made economic relations and food a part of it and an instrument to ensure friendly relations. Everything was done in accordance with the Nixon doctrine based on a new “multipolar international order”.<sup>68</sup>

60 I.M. Destler, *United States Food Policy 1972-1976: Reconciling Domestic and International Objectives*, in: *International Organization* 32 (1978) 3, pp. 617-653, esp. p. 618.

61 For instance Huskamp Peterson, *Sales, Surpluses and the Soviets*, p. 70.

62 *Ibid.*, pp. 61, 63, 66.

63 *Ibid.*, pp. 69-70; Paarlberg, *The Failure of Food Power*, pp. 41-42; Destler, *United States*, pp. 644-649; Porter, *Grain Agreement*, pp. 11, 45-47, 56-58; Ford Library, Paul C. Leach Files, Box 4, *Grain Sales to the U.S.S.R.*; News from Illinois Farm Bureau, “Farm Bureau President Assails Ford-Meany Deal”, 10 September 1975, Ford Library, L. William Seidman Files, Box 172, Butz, Earl (2).

64 “Press Conference with Secretary Earl L. Butz, Moscow, Russia”, 12 April 1972, NARA, RG 16, USDA Gen. Corr., Box 5571, Grain 3, Oct 16, 1972; “Press Kit” (as note 34).

65 Huskamp Peterson, *Sales, Surpluses and the Soviets*, pp. 62, 68.

66 Porter, *Grain Agreement*, pp. 104-107, 125-126.

67 Huskamp Peterson, *Sales, Surpluses and the Soviets*, pp. 60, 69; Porter, *Grain Agreement*, p. 122.

68 H.-D. Jacobsen, *Das Koordinationskomitee für Multilaterale Exportkontrollen*, in: Greiner, *Ökonomie*, pp. 428-429; Gerlach, *Getreidegeschäft*, pp. 490-493; Richard Nixon, “A New Foreign Policy for a New World”, 10 June 1972, NARA Nixon records, NSC, Box 329.

## 5. Facing Globalization in Socialist Countries, 1972–1989: Nationalist Responses

If all of this was part of globalization, how did communist governments respond to its challenges? It seems that their measures were production-oriented, defensive, nationalist, and largely uncoordinated.

In the field of grain imports it was every nation for itself. After 1973 until about 1985, the Soviet Union raised their tacit subsidies for CMEA countries to around USD 5 to 6 billion annually – but largely through oil exports at rates under the world market price.<sup>69</sup> The USSR was a net exporter of oil, but not of grain after 1972. The other CMEA countries increased their imports from capitalist countries not only because their demand had risen, but also because Soviet help in this field decreased.<sup>70</sup> In fact, the Soviet move of 1972 contradicted very recent fundamental CMEA plans. In July 1971, the CMEA comprehensive programme had stated that trade of agricultural and food products with third countries was to be “developed,” but that the import demand of CMEA members should “largely” be covered by deliveries among CMEA countries.<sup>71</sup> In July 1972, the month when the US-USSR grain deal was announced, the CMEA still recommended that member states make fertilizers and pesticides a point of emphasis *after* 1975, underestimating the urgency of the situation.<sup>72</sup>

Relationships between global and regional integration were complex and shifting. The Soviet move to raise meat consumption (to catch up with the rest of Eastern Europe) forced the other socialist states to finance their own grain imports. But European CMEA countries depended on trade with the other members to very different degrees. Romania’s dependency on foreign trade rate was 38.7 per cent, while Bulgaria’s and Czechoslovakia’s dependence was over two thirds in 1981.<sup>73</sup> Other trends furthered closer integration within CMEA. Protectionist integration policies within the EEC (focusing on agriculture) thwarted some business of CMEA countries, forcing them to step up cooperation among each other.<sup>74</sup> During the 1970s, the trade among socialist countries grew almost as steeply as did their trade with the capitalist sphere.<sup>75</sup> This was a response to hard currency debt problems, decreasing competitiveness, and sinking growth rates. Much has been said about the “negative integration” in CMEA (shrinking shares of trade among socialist countries in proportion to their foreign trade as a whole), but in the late 1970s and in part during the early 1980s this trend was reversed, especially in the USSR.<sup>76</sup>

69 See M. Marrese and J. Vanous, *Soviet Subsidization of Trade with Eastern Europe*, Berkeley 1983, esp. pp. 3, 38, 43–44, 49–50; also Zwass, *Der Rat für gegenseitige Wirtschaftshilfe*, pp. 98, 102–103, 105, 111.

70 See Lavigne, *International Political Economy*, p. 282; Beaucourt, *East European*, p. 427.

71 „Komplexprogramm [...]“, July 1971, BAB DC 20/20104, pp. 93–94 of the document.

72 „Protokoll der XXVI. Tagung des RGW“, July 1972, BAB DC 20/22105, p. 14 of the document.

73 Zwass, *Der Rat für gegenseitige Wirtschaftshilfe*, p. 88.

74 Metcalf, *Council*, pp. 92, 95, 97.

75 Zwass, *Der Rat für gegenseitige Wirtschaftshilfe*, p. 91.

76 Nove, *An Economic History*, p. 393; Abonyi, *Eastern Europe's Reintegration*, p. 182; Metcalf, *Council*, p. 120; Szymanski, *Socialist World-System*, p. 74.

Closer cooperation also materialized in the food sector and encouraged by the CMEA. From 1974 to 1978, several council meetings called for the member states to increase the production of food for exportation within the CMEA and to provide producers with price incentives to this end (while each nation was to focus on covering its own demand).<sup>77</sup>

But beyond declarations, the CMEA showed little multilateral effort to improve grain and meat production. Even the declarations were telling. Acknowledging the need to improve consumer supply and reduce imports for hard currency, the CMEA's 1978 target programme emphasized the importance of agriculture, planned information exchange, and joint research, but not internationally cooperative specializations in production. Already in the 1960s efforts at CMEA cooperation in order to modernize meat production were limited to bilateral knowledge exchange (which included Yugoslavia, an associated country).<sup>78</sup> Between 1970 and 1988, the CMEA's International Investment Bank channelled a mere 2 per cent of their credits to agriculture.<sup>79</sup> A CMEA meeting ranked food diversification among the most important economic issues, but product specialization was only planned for fruits, vegetables, wine, tobacco, malt, and hops<sup>80</sup> and all with unclear goals. The CMEA often announced that national specialization should be studied, but reported no concrete decisions and reserved cooperative efforts mostly for the production of a few relevant special chemical agents. Usually it was stated that each country should maximize production to cover its own demand in food grain, feeds, and livestock.<sup>81</sup> In combination with secondary mutual agricultural exports, this amounted to conditional autarky. Of course, tendencies to work toward food self-reliance are strong in many nations, it is just that socialism largely did not overcome them.

In tune with the vague CMEA suggestions, member states adopted different policies to raise grain and meat production, or rather their different approaches may have prevented a common effort. The USSR intensified and subsidized agriculture after 1965. Despite a comfortable foreign debt position, the Soviet government restricted grain imports (on a high level) in the second half of the 1970s before becoming the world's biggest grain importer in the 1980s when Soviet grain harvests dropped substantially in 1981–1985.<sup>82</sup> As a countermeasure, and a response to the embargo of 1980/81, the CPSU adopted a plan for raising food production in 1982, leading to considerable investments and some production increases in the Gorbachev era.<sup>83</sup> Soviet meat and milk production virtually

77 CMEA meeting protocols for 28<sup>th</sup>, 29<sup>th</sup> and 30<sup>th</sup> meeting, 1974–76, and "Kommuniqué der XXXII. Tagung des RGW", June 1978, BAB, DC 22107, 22108, 22109 and 22111, respectively.

78 See Poutrus, *Die Erfindung des Goldbroilers*, pp. 81, 83, 85–86, 92, 97.

79 Van Brabant, *Economic Integration*, pp. 92–93, 257; Lavigne, *International Political Economy*, p. 276.

80 Deutsch, *Food Revolution*, p. 5; Beaucourt, *East European*, p. 422.

81 See „Protokoll der XIII. Ratstagung des RGW“, July 1960, BAB DC 20/22092; „Komplexprogramm“, July 1971, BAB DC 20/22092, pp. 93–100 of the document; „Protokoll der 30. Tagung des RGW“, July 1976, BAB DC 20/22109, pp. 19–21 of the document.

82 Lavigne, *International Political Economy*, p. 282; Nove, *An Economic History*, pp. 379–380.

83 See Deutsch, *Food Revolution*, esp. pp. 52–57; Hajda, *Changing Perspectives*, p. 402.

stagnated in 1978–1983.<sup>84</sup> Inefficiency added to the problems; the seeding rate was high, the feeding was inefficient, the feeds lacked protein, and there was much waste in grain storage.<sup>85</sup>

The Soviet effort contrasted to the dropping share of investments in agriculture (in comparison to all investments) in all other Eastern European countries in the early 1980s, despite lip service paid to the contrary.<sup>86</sup> Before 1980, Hungary (with some interruption) and, less intensely, Poland had shown a contrary tendency.<sup>87</sup> In violation of promises, grain acreages virtually stagnated as well from 1970–1984.<sup>88</sup>

Concerning the grain-meat complex, there was another interesting differentiation between socialist countries. All socialist countries tried to avoid meat imports and, if necessary, imported feeds. Poland produced about as much meat as it consumed (but exported meat products), while the Soviet Union produced slightly less than its consumption rate. Some countries generated much more than their own citizens used, especially Hungary and the GDR.<sup>89</sup> Hungary delivered about half of its surplus to the USSR, a rate steeply increased in the 1970s. Though more than half of Hungarian agricultural exports were channeled to CMEA partners, Hungary's agricultural trade balance with the West was still positive.<sup>90</sup> While Bulgaria and Hungary (for the most part) could export meat without major grain imports, the GDR, Romania, and Czechoslovakia imported grain, to a certain point, in order to export meat. The GDR's exports were especially important to West Germany and, above all, to West Berlin.<sup>91</sup> This strategy (which was already in place around 1960 but intensified thereafter)<sup>92</sup> was meant to slightly improve the trade balance with capitalist countries, building on relatively low production costs, instead of further increasing meat supplies for domestic consumers.

A similar picture of production-oriented nationalism emerged during the preparation of and from the contributions of socialist countries' representatives to the World Food Conference of November 1974 that was convened against the backdrop of the world food crisis. There is no evidence that Soviet politicians or experts were concerned that their country had contributed to causing the crisis (by its sudden huge purchases). PRC emissaries blamed imperialism and the world trade system for a large part of the world food problem. By contrast, Soviets and other delegates from Eastern Europe and Cuba emphasized that land reform was necessary to abolish big estates and minifarms, which

84 B. Severin, *The USSR: The Livestock Feed Issue* in: Brada and Wädekin, *Socialist Agriculture*, p. 355.

85 P. Raup, *Assessing the Significance of the Soviet Market for United States Agricultural Exports* in: Brada and Wädekin, *Socialist Agriculture*, esp. pp. 410, 420; Severin, *The USSR*, pp. 347–348, 352.

86 Lavigne, *International Political Economy*, p. 274; Z. Fallenbuchl, *An Overview of the Role of Agriculture in the Polish Economic Crisis* in: Brada and Wädekin, *Socialist Agriculture*, pp. 127–128.

87 *Ibid.*; Deutsch, *Food Revolution*, pp. 70–71.

88 Czaki et al., *Die Landwirtschaft*, p. 111.

89 See I. Benet, *Hungarian Agriculture in the 1970s and 1980s*, in: Brada and Wädekin, *Socialist Agriculture*, p. 193, and Deutsch, *Food Revolution*, pp. 126–127.

90 Beaucourt, *East European*, p. 428; Severin, *The USSR*, p. 378; Kochanowski, *Jenseits der Planwirtschaft*, p. 205.

91 Lavigne, *International Political Economy*, pp. 278–279.

92 See Poutrus, *Die Erfindung des Goldbroilers*, pp. 50, 65–66, 84, 94, 115, 121, 124; Nazarenko, *The Impact of Changes*, p. 47.

would open the door for more use of technical inputs such as fertilizer and machinery, thus raising production; this change would automatically solve the hunger issue.<sup>93</sup> So the USSR co-sponsored a resolution on the establishment of the International Fund for Agricultural Development.<sup>94</sup> Such production-oriented outlooks were compatible with those of many delegates from the capitalist world.

## 6. Lean Years: Meat Consumption in Capitalist Eastern Europe After 1990

Communist politicians wished to supply citizens with more meat as a sign of modest prosperity and for political pacification. Using meat consumption as a case in point, their Cold War critics insisted that socialism is unable to provide for a country and that it is thus inferior to other systems.<sup>95</sup> If meat consumption does indicate wealth and status, what happened after 1990 implies a dramatic and persistent decline in living standards for many Eastern Europeans in capitalist systems, compared to those in socialist ones.

Generally, the formerly socialist countries experienced steep falls in meat consumption in the early 1990s, followed by a slow rise in average consumption. That rise became steeper by the mid-2000s, followed by another modest drop after 2008. From 1993 to 2005 the daily per capita intake of energy from livestock products (including dairy and eggs) in Eastern Europe and the USSR hovered around a level about 15 per cent lower than it was during 1975–1990.<sup>96</sup> In Russia, after meat and dairy intake dropped by one-third in the early 1990s, the consumption of meat and meat products per capita climbed back to 62 kilogrammes by 2006,<sup>97</sup> almost reaching the level of the 1980s, but dairy intake was still much lower than during Soviet times.<sup>98</sup> Ukrainian meat lovers fared much worse, consuming 60 kilogrammes in 1975 but only 45.7 kilogrammes in 2007.<sup>99</sup> In Hungary meat consumption by the mid-2000s still stood at about 65 kilogrammes, down from 76 to 77 kilogrammes on average during the 1977–1980 period.<sup>100</sup> In Poland, consumption

93 UN Press Section, Office of Public Information, Press Release EC2579, 12 February 1974, and Adel Beshai, "An edited resumé of the points made by all delegates at the 2<sup>nd</sup> Prep Com", ca. April 1974, both in FAO Archive, RG 22/4A.

94 FAO Archive, RG 22/WFC-Docs. of the Committees (documents from 1974).

95 Kochanowski, *Jenseits der Planwirtschaft*, pp. 200–260, and Poutrus, *Die Erfindung des Goldbroilers*, write narratives of failure of socialism.

96 FAO, *The State of Food* (2009), p. 10.

97 FAO, *The State of Food and Agriculture*, Rome 1996, p. 235.; E.N. Trifonova, *Forecast Scenario for the Development of the Meat Market in Russia until 2020*, in: *Studies on Russian Economic Development* 21 (2010) 1, p. 104.

98 Da Russophile, "Russia Overtaking USSR, Converging With West, On Food, Housing Consumption", 18 August 2012, <http://darussophile.com/2012/08/18/russia-overtaking-ussr-converging-with-west-on-food-housing-consumption/> (accessed 4 October 2012).

99 Ukrainian Ministry for Development and Trade, "Situation in meat and meat products market", 2009, <http://www.ukrexport.gov.ua/eng/economy/ukr/2213.html> (accessed 12 October 2012); Stebelsky, *Food Consumption Patterns*, p. 104.

100 Data for 1977–80 from Tirapolsky, *Food Self Sufficiency*, p. 21, and Deutsch, *Food Revolution*, pp. 126–127.



dropped less steeply in the early 1990s and the 1990 level was surpassed in 2006, but did not reach the levels of the mid-1970s to the early 1980s.<sup>101</sup>

These developments throughout Eastern Europe imply that what happened after 1990 was not just a kind of “normalization” after Soviet policies had driven agricultural production to climatically unsustainable levels. People may have curtailed their meat-eating, opting to spend their money on newly available consumer goods, but this does not explain the slow recovery of consumption. The same goes for a certain scepticism toward meat eating in some European countries that took ground from the 1990s onwards, contributing to stagnating or decreasing meat consumption in a number of states in Western Europe. Rather, it can be said that Eastern European citizens spent less on meat due to a massive drop in real incomes. Due to agrarian reforms and low demand, meat and dairy *production* also plummeted everywhere in the early 1990s, particularly in Hungary and Bulgaria.<sup>102</sup> Given the much lower use of machinery and fertilizer, yields, acreage, and production of the most important grains often fell.<sup>103</sup> Cereal imports also dropped – in Poland from 3 to 3.6 million tons annually (1986–1990) to 0.5 to 0.6 million tons in the 1990s.<sup>104</sup>

The interpretation that decreasing meat consumption indicates widespread impoverishment is also supported by the rise of cheap meats (above all poultry) and the decline in beef consumption, a phenomenon that can also be observed in the US and other capitalist countries since the 1970s. In Poland (a traditionally pork consuming country where socialist governments had cultivated beef consumption), the average inhabitant ate 17.4 kilogrammes of beef in 1988 as compared to 2.5 kilogrammes in 2011. By contrast, per capita consumption of poultry rose from 7.6 to 24 kilogrammes.<sup>105</sup> Hungary showed a similar development since 1970, which accelerated after 1989. For similar reasons of economization, the GDR (another pork consuming country) had propagated chicken consumption since the 1960s with health-related arguments, but experienced limited success.<sup>106</sup> In Russia, where beef is traditionally favored over other meats, beef continued to make up 31 per cent of meat and meat product consumption in 2006.<sup>107</sup>

Generally speaking, we can assume that meat consumption became more unevenly spread among the populace, which reflected growing inequality. The longer meat and dairy consumption levels in Eastern Europe are down from 1970s and 1980s levels, the

101 Compare CEEC Agri Policy, “Situation and perspective for the meat sector in Poland”, 2007, [www.euroquality-files.net/cecap/Report4/Section1countryreport/CECLAPrept4section1POLAND.pdf](http://www.euroquality-files.net/cecap/Report4/Section1countryreport/CECLAPrept4section1POLAND.pdf) (accessed 4 October 2012), p. 10, to Tirapolsky, Food Self Sufficiency, p. 21 and Deutsch, Food Revolution, p. 126.

102 See data in Liefert, Grain Sector Reform, pp. 99–100.

103 G. Raskó, Cereals Sector Reform in Hungary, in: Smith and Spooner, Cereals, pp. 156, 158; M. Stockbridge, Strategic Aspects of Cereal Sector Reform in the Russian Federation, in: *ibid.*, pp. 196, 204.

104 G. Hughes, Grain Sector Reform in Poland, in Smith and Spooner, Cereals, p. 144; similarly for Belarus FAO, The State of Food (1996), p. 236; different picture for Hungary in Raskó, Cereals Sector Reform, p. 156.

105 A. Mileham, Polish campaign to drive domestic consumption, 10 July 2012, <http://www.globalmeatnews.com/Industry-Markets/Polish-campaign-to-drive-domestic-consumption> (accessed 4 October 2012); CEEC Agri Policy, “Situation and Perspective for the meat sector”, p. 10; see Kochanowski, Jenseits der Planwirtschaft, p. 206.

106 See Poutrus, Die Erfindung des Goldbroilers, esp. pp. 41, 46, 51, 213–214.

107 Trifonova, Forecast Scenario, p. 107.



less this can be attributed to past systemic errors in socialism or transitional problems due to a change of societal systems and the more it would appear as being caused by problems inherent to capitalism.

## 7. Conclusion

Socialist governments were seeking more intense exchanges with capitalist countries *inter alia* in order to provide meat and dairy for their population. Socialist countries, and Soviet leaders in particular, were not lured into this business by the West, and in fact they pursued it persistently and against considerable resistance in the US. To this extent, it was not always capitalist countries that pursued economic globalization and socialist ones who resisted it.<sup>108</sup> However, this policy of grain importation reached certain limits by the mid-1970s. Meat consumption leveled off. Later, full integration into the capitalist world system after 1990 did not lead to a rise, but instead to a marked decrease in meat and dairy consumption. Neither in the 1980s under socialist governments, nor since the 1990s under capitalist ones (including EU membership), did closer global entanglements prove to be a sustainable strategy to increase the meat consumption of the population of Eastern Europe above a certain level.

Intensifying economic relations with capitalist countries led to a major debt problem by the second half of the 1970s, which enforced import restrictions. The USSR tried to avoid such a debt problem, also by temporary limitations to importation. In some capital intensive sectors politicians found temporary relief in closer cooperation between CMEA countries, but in the field of agriculture multilateral approaches did not seem to offer viable alternatives. However, attempting to be independent did not help either. Bilateral cooperation among socialist countries, encouraged by the CMEA, had some limited impact, as had attempts to earn hard currency by buying grain from capitalist countries and to sell meat produced with that grain to them. This kind of spin-off business also demonstrated that planners saw a general necessity to intensify international economic relations, instead of a realistic chance to roll back, unless one risked losses in the population's standard of living.

108 This contradicts some accounts of globalisation such as P. Fässler, *Globalisierung*, Cologne 2007, pp. 125-126.