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USSR Report

HUMAN RESOURCES

(FOUO 5/80)



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USSR REPORT
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LABOR

REASONS FOR FORMATION OF PERSONAL SAVINGS OF WORKERS DISCUSSED

Moscow VOPROSY EKONOMIKI in Russian No 3, Mar 80 pp 54-61

Article by A. Zaytsev, Odessa: "Personal Savings of Workers Under Developed Socialism"

Text Personal monetary savings of workers acquire great importance in the system of economic relations of developed socialism. The formation of personal savings represents a natural economic process characteristic of both capitalist and socialist countries to the same extent, although on a different absolute and relative scale and with different motives.

Despite the objectivity of the processes of formation of personal savings under socialism a dual attitude toward them is manifested to some extent. On the one hand, savings are considered an active part of the country's financial system, which makes it possible to accelerate the rates of economic development. On the other, personal savings are in the sphere of some blame as the manifestation of by no means man's best qualities, that is, a calculating nature and a tendency toward monetary accumulation. Finally, there is the view that the growth of savings is fraught with some danger, which is connected with the inevitable liquidation of vast debts on them. This precisely explains the fact that, despite the development of savings banks and savings in the USSR as a whole, the level of their organization cannot meet modern requirements. Such a dual attitude toward savings was based in large measure on the fact that for a long time their absolute and relative scale was comparatively not big and the positive contribution to the development of the socialist economy made by personal savings was negligible, while their possible negative aspects could but evoke concern.

In the last few years the volume of personal savings has increased at rates greatly outstripping the growth of the basic indicators of the development of the socialist economy. The high rates of growth of personal savings greatly outstrip the rates of growth of the national income. This led to a considerable increase in their volume in relation to the absolute indicators of the socialist economy (see table 1).

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Table 1. Absolute and Relative Amounts of Personal Savings in Savings Banks

Indicators	1950	1960	1977	1978
Personal savings (in billion rubles)	1.9	10.9	116.7	131.0
Personal savings (in %):				
of the national income	3.6	7.5	29.0	31.0
of the personal consumption fund	4.8	11.6	39.8	41.4
of capital investments	19.8	35.4	95.4	101.9
Average amount of deposit (in rubles)	125	209	972	1005
Amount of per-capita deposit (in rubles)	10.6	51.2	452.7	504.2

It should be noted that there was a significant increment not only in the amounts of personal savings, but in the volumes of their annual increases as well.

Table 2. Absolute and Relative Amounts of Annual Increases in Personal Savings

Indicators	1950	1960	1977	1978
Annual increase in savings (billion rubles)	0.3	0.9	13.7	14.4
Increase in savings (in %):				
of the national income	0.6	0.6	3.4	3.4
of the personal consumption fund	0.8	1.0	4.7	4.5
of the volume of capital investments	3.1	2.9	11.2	11.2
Increase in savings per (in rubles):				
deposit	21.0	17.2	114.2	112.7
capita	1.7	4.2	53.1	55.4

An analysis of the data in the table shows the high and stable rates of growth of personal savings both in the past and at present. The constantly growing scale of personal savings transforms them not only into an important economic factor, but also into an object and tool of the financial and credit policy, whose efficient utilization can be a reserve during the solution of many problems connected with the development of the socialist economy. At the same time, it should be noted that personal savings have a great elasticity. In our opinion, it is not complicated to take and implement measures for increasing the inflow of savings in savings banks and on this basis to greatly increase their participation in reproduction processes. It is also possible to limit the inflow of savings and thereby to prevent an intensification of their role in economic development if need be. All these circumstances advance a number of problems both in terms of theory and practice, that is, understanding the nature of and reasons for the formation of personal savings and their place and role in the socialist economy.

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In the economic literature savings are usually considered the population's personal income not used for consumer needs. In our opinion, this concept cannot be considered incorrect. However, it reflects only the external aspect of savings and does not give an answer to the question of the nature of the relationship between savings and real reproduction processes.¹ It seems to us that personal savings should be considered from different aspects. First of all, it is important to single out within the structure of personal savings two parts corresponding to two fundamentally different sources of their formation: first--accumulated personal income; second--accumulated payments of interest on money deposits. They are not the same parts of the combined amount of savings both from the quantitative and qualitative aspects. The population's personal income, that is, wages, pensions, allowances, grants, income from private subsidiary plots and so forth, is the source of the first. The interest sums paid by savings banks are the source of the second. In turn, the profit of socialist enterprises accumulated by the USSR State Bank in the form of charge for the use of bank loans is the source of the interest sums.

Every depositor has the concept that his own savings and the interest paid on them are a total sum. However, in the combined amount of savings it is possible to quite clearly differentiate both these parts. For example, if different periods beginning from 1950 are taken as the basis for the differentiation of savings formed from interest and from the inflow of personal income, the situation is as follows:

Table 3. Interest Payments and Personal Income in the Total Volume of the Population's Deposits

	Amount of Deposits (in bill. rub.)		Amount of paid interest (in bill. rub.)	Inflow of per- sonal income (in bill. rub.)	Share in Balance of Deposits	
	at begin- ning of period	at end of period			of paid inter- est	of ac- cumulated income
1950-1960	1.9	10.9	1.8	8.8	15.8	84.2
1950-1970	1.9	46.6	12.2	33.4	26.2	73.8
1950-1975	1.9	91.0	27.8	63.2	30.6	69.4
1950-1977	1.9	116.7	39.1	77.6	33.4	66.6

Thus, the share of savings, the source of which is the paid interest, has a tendency to increase, to which the data of the table attest.

1. See, for example, G. Yeremeyeva and G. Tkachenko, "Osnovy Sberogatelnogo Dela" [Fundamentals of Savings], Izdatel'stvo Finansy, 1976, p 3.

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What is the economic nature of the first and second part of savings? Since the first part of personal savings is based on personal income and personal income is based on the national income created in the sphere of material production, personal savings are the value embodiment of national labor connected with the production of the national income and correspond to the part of it that relates to the necessary product. However, this is the most general concept and it does not give an answer to the question of the difference between the national labor embodied in savings and that embodied in personal income used for consumer needs. In our opinion, the difference lies in the fact that savings, which are the value embodiment of national labor, at the same time, represent deferred personal consumption and deferred consumer demand. Deferment of consumption, whether it is short or lengthy, creates the possibility for the utilization in public production of the results of labor embodied in personal income and temporarily not used by people for direct consumer purposes. At the same time, the nature of personal income, the source of which are the formed savings, is not important, because the national income is the basis for any personal income, whether it is the wages of workers in the sphere of material production or the wages of workers in the nonproduction sphere, pensions, or grants.

However, this concept inevitably raises the following question: What is the relationship between savings and their formation, on the one hand, and the production of the national income, on the other? If the national income is a newly created value, what is ultimately "saved" in the process of formation of personal savings? Such a question is quite legitimate, because, if the national income is represented as the combination of some material wealth, apparently, the latter cannot be saved, because it is made not for "savings," but for certain production or consumer purposes and must be realized without fail.

As is well known, the labor of workers employed in the sphere of material production is the creator of the combined value, of which one part forms the value of the necessary product and is expressed in wages and the other, the value of the surplus product. The transformation of part of the personal income into savings means that the income allocated for consumption is set against the large physical and material volume of the consumption fund and, therefore, personal consumption articles with a given volume of personal income cannot be fully realized. Hence either an increase in the volume of the population's personal income so that the bulk of personal income less savings corresponds to the bulk of consumer goods and services used for personal consumption, or a reduction in the production of consumer goods and services to a level that with a given volume of personal income would make it possible to ensure their full realization, is inevitable. Thus, consumer goods and services, which should have been used for personal consumption, are "saved" in the process of formation of savings. The very process of "saving" such goods lies in the fact that with a given volume of personal income they may not be produced. These social savings within the structure of the consumption fund are inevitably embodied in another part of the national income--in the accumulation fund--and through the accumulation fund, in the accumulation of social wealth.

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At the same time, it should be kept in mind that individual savings represent individual deferment of consumption. For this reason the formation of savings represents a temporary transfer of value from the consumption fund to the accumulation fund. However, since individual savings ultimately form one public savings fund, which has a tendency toward continuous growth, the indicated transfer of value takes on a permanent nature. It would stop in one case--if, instead of an increase in savings, a process of their reduction began. At the same time, the volume of the physical and material consumption fund should inevitably exceed the annual volume of personal income.

There is another situation with the second part of savings, which represents accumulated payments of interest on deposits. As already noted, the profit of socialist enterprises is the source of this part of savings, that is, it is the part of the national product that relates to the value of the surplus product. In the process of distribution of the national income part of the savings corresponding to the annual sum of paid interest is excluded from the surplus product and together with the savings formed from personal income is returned to the accumulation fund. This process appears as the withdrawal of the profit of enterprises in the form of interest on bank loans, then transfer of interest to savings banks, payment of interest on deposits, return of interest within the structure of savings to the loan fund and, finally, granting of short- and long-term loans from savings to the national economy.

What are the reasons for the formation of savings and for the continuous growth of their volume? Several points on this score are advanced in the literature devoted to these problems. Some authors connect the formation of personal savings with the manifestation of the function of Soviet money as a means of accumulation,¹ and others, with the continuous rise in the standard of living and material well-being of the Soviet people.² There is no question that both the socialist principle of distribution according to labor and the continuous rise in the standard of living of workers, on the one hand, and the manifestation of the function of money as the means of accumulation and savings have a bearing on the process of formation of savings. In our opinion, however, they should not be considered the basic reasons for the formation of savings, because they are not so much reasons as factors creating favorable conditions for the formation of savings.

1. See G. Yeremeyeva and G. Tkachenko, "Osnovy Sberegatel'nogo Dela," p 4.
2. See A. Ye. Ilinich, "Sberegatel'noye Delo" [Savings], Izdatel'stvo Finansy, 1974, pp 4-5.

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It seems to us that the reasons for the formation of personal savings should be sought in the change in the structure of personal consumption resulting from the rise in the material well-being of workers. As the material well-being of workers rises, the share of expenditures on production goods is lowered and the share of expenditures on industrial goods and the payment for services increases. The share of expensive durables increases in the total volume of industrial goods and services. The latter can include services of sanatoriums, rest homes, guest houses and foreign and domestic tourism. As a rule, the cost of such durables and services exceeds the limits of the wages received by workers. Therefore, the accumulation of a certain amount of money becomes an inevitable condition for their acquisition. At the same time, the more the share of expensive services in the total volume of services increases, the more significant this process is, which is confirmed by the following data.

Table 4. Dynamics of Personal Savings, Retail Trade Turnover and Volume of Sale of Some Durables in 1965-1977 in Current Prices (1965=1)

	1970	1975	1977
Personal savings	2.5	4.9	6.2
Retail trade turnover	1.5	2.0	2.2
Sale of industrial goods	1.6	2.2	2.5
including:			
electrical goods	2.1	2.8	3.0
furniture and carpets	1.5	2.3	2.8
television sets*	1.7	1.8	1.8
jewellery	5.0	15.3	19.6
passenger cars*	2.0	15.0	17.3

*in units

The data cited indicate the existence of quite a close relationship between the growth of the volume of personal savings and the turnover of the sale of the most important and widespread durables. An increase in the production and sale of durables inevitably stimulates the process of formation of savings. In turn, the existence of savings increases demand and, accordingly, the production of durables.

One of the reasons for the formation of savings--workers' income (wages, pensions, grants, allowances and so forth)--is of a discrete nature and the predominant share of expenditures, of a continuous nature. Thus, a permanent balance of monetary assets in the form of a reserve of forthcoming payments is inevitably formed among the population. The amount of such a balance depends on the frequency of payment of monetary income.

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It is characteristic of man to have a reserve of material wealth necessary for life, which consists of physical articles (foodstuffs, clothing, footwear and household articles) and monetary reserves. The greater the ability of money to be transformed into material wealth, the greater the inclination to have a reserve of money, not material wealth. Essentially, this is not an economic, but a subjective-psychological, factor in the formation of savings. However, consideration of this factor makes it possible to understand many phenomena connected with the formation of savings.

So-called unsatisfactory demand is another reason for the formation of monetary savings. In fact, if a person decides to acquire some thing and does not find it on the market, inevitably he has free money. The scale of formation of such savings will be inversely proportional to the degree of commodity coverage of consumer demand and to the degree of spread of commodity shortage. However, it should be taken into consideration that consumer demand has a great elasticity. Therefore, unsatisfactory demand for some goods can be switched to others and, moreover, even produce additional demand. Therefore, it would be incorrect to consider the existence of unsatisfactory demand the basic reason for the formation of savings. If this were so, we would have a gradual reduction in the growth of savings and in their volume as the commodity coverage of consumer demand intensifies. However, the reverse occurs: Commodity coverage rises and, at the same time, savings increase.

What part do personal savings take in reproduction processes in the socialist economy? Here it is possible to note several factors. First, the effect of savings and their growth on the process of personal consumption of workers; second, the effect of personal savings on monetary circulation and monetary turnover and on the process of balancing the monetary income and expenditure of the population, consumer demand and its commodity coverage; third, the effect of personal savings on capital investments and the reproduction of productive capital.

One of the characteristics of personal savings lies in the fact that the process of their formation, in addition to objective patterns resulting from the fact that society belongs to a certain type of social and economic system, takes on a subjective and psychological coloring. Every depositor has his ideas about the expediency of savings--to keep money at home or in a savings bank. The level of education, culture, formed tradition and so forth affects the process of formation of savings. However, as already noted, it is characteristic of all types of savings, irrespective of the motives for their formation, to appear in the form of delayed or deferred consumption. At the same time, deferment of consumption contains elements of irreversibility and the longer the deferment, that is, the longer the period of existence of individual savings, the greater the irreversibility. Thus, savings appear as a factor to some extent limiting and rationalizing personal consumption.

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Another aspect should be noted. From the point of view of social and individual psychology some people, especially those that do not belong to the category of "prudent," spend a significant share of their income inefficiently. Such expenditures are not a factor in the rise of the material well-being of people and do not have a tendency toward growth as the income increases. The use of a savings account reduces the share of such expenditures.

The efficiency of the effect of savings on the process of rationalization of personal consumption depends on the number of people that use savings accounts and on the intensity of use of savings deposits. The greater the number of depositors of savings banks in the total population and the more intensive the turnover of the income and expenditure of deposits, the higher the efficiency of the effect of personal savings on the process of consumption rationalization. The efficiency of such an effect also depends to a large extent on the quality of service by savings banks. The slightest inconveniences created for depositors during the use of savings accounts, which require additional time for the formulation of operations from them, increase in each depositor the tendency to have ready cash, to buy, not to save.

Savings can appear not only as a factor in rationalization, but also as a factor in the direct limitation of consumption. The existence of a large share of deposits kept for a long time in savings banks, in particular in thrift accounts, serves as a proof of this. The extent to which it is advisable to intensify or, conversely, to limit the manifestation of such a quality of personal savings is another matter. In order to answer this question, it is necessary to proceed from the assumption that the leap in the rise in the material well-being and material security of the Soviet people in the last few years is an indisputable fact. However, in many types of consumer wealth the level of consumption increased to such an extent that often it began to exceed scientific consumption norms.

The "Basic Trends in the Development of the USSR National Economy for 1976-1980" adopted by the 25th party congress, in connection with the problems of consumption growth, note the need to "actively affect the formation of consumer demand and the development of the population's esthetic tastes." Personal savings, in particular their characteristic to appear as means of limiting the population's unsound consumer expenditures, can play an important role in the solution of this problem and in the elimination and limitation of irrational surplus consumption. The efficiency of this function depends not only on the share of personal income that is annually transformed into savings, but mainly on the share of income that is transformed into savings intended for a long-term deposit.

The effect of personal savings on monetary circulation and monetary turnover lies in the existence and continuous growth of the volume of the population's personal savings, which inevitably introduces significant changes in the mechanism of cash and noncash monetary turnover connected

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with an exchange of the population's monetary income for goods and services. These changes can be reduced to the following. Under conditions when savings are not formed there is a direct and indirect exchange of the population's monetary income for goods and services. At the same time, in order that the stability of monetary circulation may be ensured, a full coincidence of the volume of monetary income to the volume of sold goods and rendered services is necessary. If part of the personal income is transformed into savings, along with the ordinary act of exchange of income for a commodity another act appears--the transformation of income into savings and the transformation of savings into income intended for the payment for goods and services.

At first glance it may appear that no significant changes occur. In fact, however, in the second case, when the transformation of income into savings and the reverse transformation of savings into income assumes significant proportions, the problems of balancing consumer demand and its commodity coverage become sharply complicated. Under these conditions the volume of consumer demand becomes less definite and less stable not only as a whole, but in particular in time and space (territory). According to the data for 1975, a total of 49.5 billion rubles, or about 20 percent of the entire volume of the population's personal monetary income, were transformed into savings and, at the same time, 39.5 billion rubles, or about 50 percent of the balance of deposits for this year, were transformed from savings into income. It is characteristic that the share of income transformed into savings and the share of savings transformed into income grow. The money turnover connected with the transformation of income into savings and with the reverse transformation of savings into income becomes extremely big. Suffice it to say that, whereas in 1965 this turnover comprised 25 percent of the volume of proceeds from trade received in the USSR State Bank, in 1970 it comprised 32 percent and in 1975, 41 percent. In practice, this means that two spheres of monetary turnover servicing the population, that is, through the USSR State Bank and through the system of savings banks, have now been formed.

Under such conditions even the slightest fluctuations in the amount of income transformed into savings and of savings transformed into income, not to mention the fluctuations in the balance of deposits or in the annual rates of increase in savings, sharply complicate monetary circulation, the balancing of demand and supply and the provision of monetary stability. Fluctuations in the volume of increase in savings only within 20 to 30 percent of the average level over a period of several years are equivalent to an increase or, conversely, decrease in consumer demand amounting to 3 or 4 billion rubles, which comprises 1.5 to 2 percent of the volume of retail trade turnover, or 5 to 7 percent of the volume of commodity stocks in trade. Such fluctuations sharply complicate the work of trade and contribute either to the creation of a shortage of goods or stale goods.

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The direct effect of personal savings on the sphere of production lies in the fact that personal savings appear as investment resources contributing to an increase in the scale of capital investments and capital construction. The decision on the economic situation in the country and on the tasks of the party adopted at the 15th party conference stated that the rate of expansion of fixed capital, in particular, would depend on the "use of the population's savings by involving them in cooperatives, savings banks, internal state loans, the credit system and so forth."

The relationship between savings and capital investments is of quite a complex nature. Before 1964 savings were an income item of the USSR state budget and then became a source of short-term loans of the USSR State Bank. However, this external aspect does not exclude the investment nature of savings, because outlays on circulating capital, including outlays made along the line of short-term bank loans, essentially are investments. Furthermore, it is necessary to take into account that, as savings grow and the credit resources of the State Bank increase from them, there is and will be an increase in the share of credit investments in fixed capital as compared with the crediting of circulating capital.

The investment nature of personal savings means that the latter are embodied in the productive capital of the national economy, including fixed productive and circulating capital. At the same time, the greater the volume of savings, the greater the share of productive capital created and formed from savings in the total volume of productive capital. In 1965 the share of such capital within the structure of all the productive capital of the national economy comprised 3.8 percent, in 1970, 6.3 percent, in 1975, 8.1 percent and in 1977, 9.0 percent. Although this is not much, it is important that there is a tendency toward continuous growth. Furthermore, personal savings appear as a form of combining the personal property of citizens with public socialist property. In fact, the personal savings of every man are his personal property, which in no way differs from the property embodied in personal things, household articles and so forth. However, these savings are embodied in productive capital, which is socialist property.

The investment nature of personal savings means the need for the maximum possible acceleration of savings processes and the advisability for the further increase in the volume of savings.

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MORE MECHANIZATION NEEDED IN PERSONAL FARMING

Moscow VOPROSY EKONOMIKI in Russian No 5 May 80 pp 132-136

[Article by V. Vasilevskiy: "The Use of Small Equipment in Personal Farming"]

[Text] The industrialization of agriculture which is being carried out on the base of the large production of kolkhozes and sovkhozes and its integration with industry and science demands a great deal of time and significant investments which rest upon the substantial growth of labor productivity, yields and the marketability of agriculture and agricultural products. Only a large agricultural production which has been moved to an industrial base which utilizes the achievements of scientific and technical growth will be able to completely solve the problem of continuously supplying the country's population with a wide variety of all the most important high quality foodstuffs. The solution of these tasks is a complex and relatively lengthy process. Retaining a very important place under these conditions is personal farming (LPKH) in which is produced approximately one-fourth of the entire gross production of agriculture. In 1978, the relative proportion of personal farming of kolkhoz farmers, workers and employees in the total volume of the country's agricultural production came to 10 percent; the proportion of LPKH in the production of potatoes was 61 percent; 34 for eggs; 29 for vegetables, meat and milk; and 19 percent for wool.

The preservation of personal farming under developed socialism is conditioned by several causes: by the insufficient level of the development of the productive forces of agriculture, as a result of which it still does not completely provide the urban and rural population with the most important food products; and by the increase of the scale of specialization in the production of agricultural enterprises and their shift from a multi-crop structure of operation to the single crop principle which reduces opportunities for agricultural workers to be self-sufficient in all agricultural products. The rural population's self-sufficiency in the most important food products saves the state significant foodstuff resources. Thus, 72 percent of the meat, 76 percent of the milk, and

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almost 100 percent of consumed potatoes and eggs in a family of kolkhoz workers comes from personal farming.¹ The necessity of the development of LPKH has repeatedly been stressed in Party and state documents of recent years. Thus, emphasized in "Basic Directions for the Development of the USSR National Economy for 1976-1980" is the large economic role of personal farming as an essential additional source of food resources, the inadmissibility of limiting personal farming, and the necessity of rendering assistance to it by kolkhozes, sovkhozes and Soviet and economic organs.

The development of personal farming is drawing new material and labor resources into the production process which cannot be utilized in public production and is contributing to an increase in state production funds, to a shift in labor activity, and to an improvement of health and a fostering among young people of a love for agricultural work. Currently, 42.8 million families of kolkhoz farmers, workers and employees are involved in personal farming.

The Constitution of the USSR guarantees the right of citizens to own their personal farming plots and to labor in them. Article 13 of the Constitution reads, "There may be plots of land for the use of citizens granted in established legal procedure for personal farming (including the keeping of livestock and poultry), gardening and truck farming, as well as for individual housing construction. Citizens are obliged to rationally utilize the plots of land granted to them. The state and kolkhozes render aid to citizens in the conduct of personal farming."

The Number and Average Size of Personal Farming Plots*

<u>Categories of the population with personal plots</u>	<u>Number of personal plots (millions)</u>	<u>Total land under cultivation (thousands of hectares)</u>	<u>Single crop land (hectares)</u>
Kolkhoz farmers	13.2	3,360	0.25
Workers and employees	29.6	2,570	0.09
<u>Totals:</u>	42.8	5,930	0.14

*Cm. EKONOMIKA SEL'SKOGO KHOZYAYSTVA, No 10, 1977, p. 88

1. VOPROSY EKONOMIKI, No 7, 1978, p. 121

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Labor spent on personal farming is socially necessary since part of the needed products of the rural population is created by it, and it satisfies, not only personal, but also public economic requirements. Products of this labor serve the goals of the reproduction of the work force of the public sector of production and represent a component part of the state fund for foodstuff resources. More than half of those involved in LPKH are of working age; two-fifths are on a pension; and 86 percent of these people do both private and public labor.

The care of one's own cattle and poultry, the production of labor intensive products (meat, milk, vegetables and potatoes), and the extensive use of private land and garden plots with low quality technical equipment leads to large labor expenditures. The nature of labor and its cost in LPKH has not significantly changed for some time. The work is carried out by hand with great physical effort. In this connection, an important role belongs to small equipment in changing the nature of personal farming, in improving the standard of living of the rural population and in lessening labor on private plots. The tools of labor for individual use cope with the tasks connected with raising the intensity and productivity of personal farming; with reducing labor outlays and raising productivity; with increasing the foodstuff resources based on the effective conduct of personal farming, collective gardening, truck farming and bee keeping; and with the making of the rural population self-sufficient in basic food products.

The variety of labor tools being turned out for individual use -- small mechanisms, engines, machines, instruments and implements -- follows maximally nearer to the structure of the needs for them which are being formed, taking into account electrification, mechanization and automation of the labor process in personal farming and the introduction of a district heating system for living and working quarters. Small equipment includes small-size, small-capacity tractors, self-propelled chassis or trucks of 10-15 h.p., portable electric milking machines, power saws, mowing machines and sprinklers, trailer and tractor-mounted equipment (plow, harrow, cultivator, potatoe picker), domestic water pumps, electric and solar storage batteries, portable welding equipment, trailers for light motor vehicles, snow cats (motorized sledges) with covered body and universal trailer, table and standing scales with various limits for weighing and with minimal tolerance for error, machines for the shearing of sheep, electric separators, churns, chaff cutters, multi-chamber large-capacity freezers, containers and capacities for the storage and delivery of agricultural products, technically complex garden and farming implements and equipment, etc.

Such small equipment is limited for use only in public farming. The modern material and technical industrial base completely permits the organization of mass large series production of small equipment both for public agricultural production and for LPKH. However, at this time, the

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proportion of small equipment for mechanization owned by citizens is insignificant. In 1974, for example, the value of the basic production funds of LPKH came to approximately 11 billion rubles, of which 45 percent went to productive livestock. Small equipment mechanization, agricultural construction and perennial plantings came to only two percent of the gross value of the personal property of the urban and rural population (300 billion rubles).² Consequently, the relative share of small equipment in the value of basic production funds is even lower.

Today, up to 300 enterprises of 54 ministries and departments are supplying the trade network of the Central Union of Consumers' Societies and the Ministry of Trade with more than 300 varieties of small equipment for personal and garden farming. However, industry is not satisfying the population's growing demand for these labor tools. Enterprises are basically turning out garden and truck farming implements intended for hand work: shovels, rakes, hoes, cultivators and garden watering pots. At the same time, the manufacture of small mechanization equipment, complex technological machine units, instruments, mechanisms and motors used in garden and domestic agriculture is extremely limited. Planning and design and technological institutes and the Design and Technical Office have been coping with the questions of developing and introducing this or that technical innovation for decades. Those goods which are needed for the rural inhabitant (for example, a bow saw) are being removed from production.

In conditions of developed socialist society, it is necessary to stress, first of all, the expansion of individual ownership of these goods and the public and collective (cooperative) forms of organization of their use. Partial and then complete mechanization of labor in personal farming on the basis of the broad use of small equipment publically owned by kolkhozes and sovkhozes and of equipment for the small mechanization of the cultivation of land for the growing of crops and the care of livestock and poultry on private plots begun on a cooperative basis permits the drawing into circulation of additional reserves of food products and the more rational and intensive exploitation of the means of small mechanization.

Another way to expand the circle of those who have the opportunity to use machines for the small mechanization of labor is to organize the rental of them through a system of stores, domestic service and consumer cooperative trade centers. Likewise, it is advisable to organize special rental points in large villages and cities which can be included in a system of the State Committee for Agricultural Equipment. The organization of the rental of equipment for small mechanization requires the creation

2. VOPROSY EKONOMIKI, No 6, 1974, p. 8

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Equipment for Small Mechanization Being Turned out by Domestic Industry
for the Needs of Agriculture*

<u>Designation</u>	<u>Agricultural work to be carried out</u>	<u>Productivity</u>	<u>Weight (kg.)</u>
Electric hoe	Continuous and inter-row soil cultivation and weed destruction	150 square meters/hour	87
Single row hand seeding machine	Sowing of grain, leguminous and groats seeds		14
Motorized foot mowing machine	Mowing of natural and seed grass on small plots	0.29 hectares/hour	72
Sheaf threshing machine	Threshing small batches of sheafs and primary cleaning of grain, leguminous and groat crops	50-300 sheafs/hour	780
Electric cutter for soil cultivation	Continuous cultivation of soil in hot houses, hotbeds, hotbed plots; preparation of soil mixtures	790 square meters/hour	131
Indoor hotbed	Domestic hydroponic growing of seedlings, vegetables, greens and decorative flowers	500 pieces/square meter (for one rotation)	
"Rosa-3" watering unit	Stationary system for watering garden plots	0.75-9.74 liters/second (expenditure of water)	2.2
Electric movable sprayer	For chemical battle against vermin and diseases of fruit, berry and vegetable crops on private plots; watering plants; whitewashing trees; transferring water from reservoirs		48
Universal tractor-cultivator (T-25A) of the Vladimirskiy Tractor Plant (capacity 3 h.p.)	Inter-row cultivation of vegetable crops, gardens; pre-planting cultivation with chemical weed killers of gardens and truck gardens; cutting and gathering of hay; all transport work		1,800

* Manufactured only for kolkhozes and sovkhoses and in insufficient quantities

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of the necessary material and technical base with modern tools and specially equipped facilities with appropriate repair services. The necessity arises to solve the problem of the centralized delivery and return of equipment distributed for rent and many other engineering, economic, personnel and legal questions. The centralized rental system must have available the most modern types of small equipment (domestic and imported) with a corresponding assortment of spare parts. The coefficient of the utilization of small equipment on a rental basis will be significantly higher than under conditions of its use within the framework of personal ownership.

A well run rental method will contribute to the more rational utilization of production capacities for the expansion of the output of highly mechanized tools of labor. The necessity to speed up output of certain mechanisms, machine units and instruments will diminish, since the demand for them will be covered by the rental of a smaller quantity of equipment. Reliably supplied information to the population on the rules for rental and the availability of small equipment, its consumer properties and advantages in comparison with hand methods of labor will accelerate the process of the partial and complete mechanization of personal farming.

An over-all approach to the improvement of the utilization of small equipment solves a number of important economic and social problems. In the first place, the efficiency of its use is raised; of primary importance to the growth of the efficiency of the utilization of small equipment and the raising of labor productivity in LPKH is the mechanization of labor based on the use of compact instruments and machines equipped with electric motors and designed for work on private plots: the tilling and fertilization of the soil, the cultivation of garden crops, the preparation of fodder, the carrying for livestock and poultry, etc. (for example, special nozzles for electric separators permit the utilization of these mechanisms for the churning of butter and the shredding and slicing of fruits and vegetables; devices for chaff cutters serve to cut root crops for cattle and poultry). In the second place, the intensity and productivity of LPKH grows: the volume of gross and commodity production, crop capacity, will increase, and the quality of agricultural products will improve. In the third place, rural inhabitants will not be occupied in labor intensive repairs of small equipment.

In our view, it is advisable to set a quota in the state five-year plan for the expansion of production and the development of the rental of small equipment. Practice shows that the rental of items of prolonged use already today is giving a significant national economic effect (more than 100 million rubles). Both domestic service and consumer cooperative enterprises and enterprises and associations of the State Committee for Agricultural Equipment should render aid to the system of small equipment rental. In this way, questions will be solved relating to the intensive utilization of the fleet of small equipment, the acceleration of the rate of technological planning norms in this area, the creation of a repair

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base (large specialized industrial-type repair enterprises), and to the maintaining of equipment in good repair and in a long-term operational condition.

The lack of centralized regulation and planning of personal farming and its support by the administrations of kolkhozes, sovkhozes, Soviet organs, enterprises and organizations of the State Committee for Agricultural Equipment, and consumer cooperatives leads to the fact that personal farming and the raising of domestic animals and poultry is becoming more and more of a burdensome activity. Addressing the November (1978) Plenum of the Central Committee of the CPSU, L. I. Brezhnev directed the attention of Party, Soviet and economic organs to an intensification of their attention to the needs of personal farming. He said, "The possibilities of the private farms of plants and factories as well as of the personal farms of the rural population are still being poorly utilized. We adopted decrees on these questions, but they are still being carried out slowly. It is necessary to help these farms more in the acquisition of younger animals and in the supplying of fodder. It is also necessary to create a specific public climate through which kolkhoz farmers and sovkhoz workers would become aware that by raising livestock and poultry at home they are doing useful state work."

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DEMOGRAPHY

CLASS STRUCTURE, POPULATION GROWTH FIGURES GIVEN

Moscow SSSR V TSIFRAKH in Russian 1980 signed to press 10 Mar 80 pp 17, 22

[From the book "SSSR v tsifrakh" published under the auspices of the USSR Central Statistical Administration, Izdatel'stvo Statistika, 200,000 copies, 224 pages]

[Excerpts]

Class Structure of the Population (in percent)

	1913	1928	1939	1959	1970	1978
Entire population (including nonworking family members)	100	100	100	100	100	100
Of which,						
Workers and employees	17.0	17.6	50.2	68.3	79.5	84.9
Employees	14.6	12.4	33.5	49.5	56.8	61.8
Kolkhoz peasantry and cooperative artisans	--	2.9	47.2	31.4	20.5	15.1
Individual peasants and independent artisans	66.7	74.9	2.6	0.3	0.0	0.0
Bourgeoisie, landowners, merchants and kulaks	16.3	4.6	--	--	--	--

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Birthrate, Mortality and Natural Population Growth (per 1,000 people)

<u>Year</u>	<u>Births</u>	<u>Deaths</u>	<u>Natural Popula- tion Growth</u>
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1913	45.3	29.1	16.4
1940	31.2	18.0	13.2
1950	26.7	9.7	17.0
1960	24.9	7.1	17.8
1965	18.4	7.3	11.1
1970	17.4	8.2	9.2
1971	17.8	8.2	9.6
1972	17.8	8.5	9.3
1973	17.6	8.7	8.9
1974	18.0	8.7	9.3
1975	18.1	9.3	8.8
1976	18.4	9.5	8.9
1977	18.1	9.6	8.5
1978	18.2	9.7	8.5
1979	18.3	10.1	8.2

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END

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