

JPRS: 3065

18 March 1960

IMPROVEMENT OF PRODUCTION RELATIONS DURING
THE PERIOD OF THE LARGE-SCALE BUILDING OF COMMUNISM
(USSR)

[Translation]

Reproduced From
Best Available Copy

MAIN FILE

19981208 077

Photocopies of this report may be purchased from:

PHOTODUPLICATION SERVICE
LIBRARY OF CONGRESS
WASHINGTON 25, D.C.

U. S. JOINT PUBLICATIONS RESEARCH SERVICE
205 EAST 42ND STREET, SUITE 300
NEW YORK 17, N. Y.

FOREWORD

This publication was prepared under contract by the UNITED STATES JOINT PUBLICATIONS RESEARCH SERVICE, a federal government organization established to service the translation and research needs of the various government departments.

JPRS: 3065
CSO: 3456-D

IMPROVEMENT OF PRODUCTION RELATIONS DURING
THE PERIOD OF THE LARGE-SCALE BUILDING OF COMMUNISM
(USSR)

[Translation]

Partiynaya Zhizn'
/Party Affairs/
No 22, November 1959,
Pages 55-62, Moscow
Russian, per

G. Smirnov
Bachelor of Philosophy

Our period is remarkable because communism--from a distant dream--has become in great measure a reality, has tangibly come to life. The building of communism has become a practical matter for millions of workers. Quite naturally, under such conditions the question about an improvement of production relations, which means paying attention to the most important aspect of public life, acquires great urgency.

The making of a communist society is a many-sided process. The most important thing is to provide the kind of development of production--industrial and agricultural--which would ensure an abundance of material wealth. Only under such a condition can each member of society, working according to his ability, receive food, clothing, housing, and other wealth according to his need.

The creation of material wealth is a public matter, and therefore the relationship of the people in the production process has always had, and still has, a decisive meaning. These relationships are determined first and foremost by the character of the ownership of the tools and means of production. Depending on who owns the plants, factories, land, etc., the distribution of production goods is accomplished. Under socialism they belong to the people, and social production is the source of prosperity of all workers. Therefore, socialist production relations are the mighty driving force of the development of the productive forces. The absence of exploitation, the general interest of all workers in the growth of social production, all this gives rise to a colossal and creative activity of the masses, and assures unprecedented rates of development in production.

Why then is the question being raised in such a case about the need to improve existing production relations?

This need arises objectively from the fact that the productive forces develop continuously. In order for the development of production to be successful, it is necessary, in conformance with the growth and changes of the productive forces, to improve production relations as well.

In the present stage such aspects of socialist production relations as group kolkhoz-cooperative property, distribution according to work, and the barter form of exchange, promote the development of socialism's productive forces on the road to communism. But it is already obvious that the laying of the material-technological foundation of communism--in particular the complete electrification of the country and the complex mechanization and automation of the production processes--requires greatly improved production relations. Under communism, instead of the state and kolkhoz-cooperative forms of property, the base of production relations will be formed by a single national property. The principle "from each according to his ability, to each according to his work" will be replaced by the principle "from each according to his ability, to each according to his need." New, communist forms of exchange activities will also emerge. Thus, the transition from socialism to communism will signify substantial changes in the sphere of production and of economic relations between people.

The task of improving production relations during the period of the large-scale building of communism also consists of working out and introducing such concrete forms of distribution, change, and division of work which would promote the highest growth of society's productive forces, and which would gradually lead to communist forms of production relations.

However, the replacement of some economic forms by others is not an accidental or arbitrary matter. The transition to a single national form of ownership of the means of production, to distribution according to need, can take place only according to the development of the productive forces. That or a different economic form cannot be introduced before it becomes possible and necessary. For example, the transition to distribution according to need will take place only when the development of the productive forces provides an abundance of material wealth.

The law about the conformity of production relations to the productive forces forms the objective basis for the economic policy of our party. Revealing the contradictions between the productive forces which had arisen, and the antiquated aspects of production relations, the party and the socialist government have introduced measures aimed

at improving production relations, at bringing them in accord with the requirements of the productive forces. During the past few years, a number of important measures have been carried out in our country, as a result of which the productive forces received a new stimulus for an even more rapid growth. To this category belong the strengthening of kolkhozes, the reorganization of the administration of industry, construction, and transport, the reorganization of MTS's, abolition of compulsory deliveries, the change in the fixed price paid by the state for its purchases, and others.

The effect of the law on conformity of production relations to the productive forces was firmly established in the resolutions of the 21st CPSU Congress. Envisaging as the main task during the period of large-scale building of communism the creation of a material-technological foundation of communist society, the congress pointed out the main direction of the further improvement of socialist production relations and worked out the concrete roads to their development in communist production relations. Of what do they consist?

Toward Single National Ownership of Means of Production

The most important, most decisive matter in the process of the further development of production relations consists of the gradual coming together of state and kolkhoz-cooperative property and of the formation of a single national form of property. When we speak about forms of property, we have in mind the historically defined forms of ownership of material wealth, i.e. whether this is personal, group, or national ownership. Therefore, if we want to understand how property relations will develop, we must reveal the changes in the sector of the ownership of material wealth.

The state as well as the kolkhoz-cooperative forms of property present in themselves social ownership of the means of production. Not a private individual, but society as a whole and a collective of people in the sense of cooperatives can own the machines and other implements of work. Both state and kolkhoz-cooperative property exclude man's exploitation by man, develop in a planned manner, and ensure the satisfaction of the consistently growing needs of the workers. Both these forms of property develop in the direction of communism. But kolkhoz-cooperative property, in its form not different from state property, is at the same time below it as concerns the level of socialization. It represents group ownership, but not on the scale of society. This means in practice that the production of separate kolkhozes, included in the over-all State Plan and getting direct aid from the state, accrues in the main to their own resources. Capital investments, cultural construction, and wages are derived in the kolkhozes from the

profits gained by them. In distinction from group or cooperative property, state property affords by far greater, practically unlimited possibilities for the rational utilization of material and financial resources with the aim of developing social production. It makes it possible for production to advance much more rapidly both in separate enterprises as well as in society as a whole.

Consequently, an improvement in property relations during the period of the large-scale building of communism must consist of raising the level of the socialization of kolkhoz-cooperative property to the level of public property, and in the gradual obliteration of the difference between them. This process is already taking place at the present. In this connection the 21st Congress pointed out the following four features:

1. The indivisible funds of the kolkhozes are being steadily augmented. This process is taking place with increasing speed. It constitutes one of the decisive premises for the gradual merger of kolkhoz-cooperative property with national property, since its essentially indivisible funds--including those items which are not subject to distribution according to need for private use by the kolkhozniks (tractors and other machines, engines, agricultural buildings, working and breeding cattle, etc.)--are hardly different from national property. These funds are being established as a result of the labor not only of kolkhozniks, but also of workers. They consist in the main of socialist accumulations at the expense of a deduction from the social economy, with the help of state credits. It is natural that the utilization of indivisible funds has to depend not only on the productive aims of the kolkhoz, but also on other social requirements.

The following picture could frequently be observed in the recent past. A kolkhoz reaps large profits: much is allotted for a work-day, money is put into productive construction, and the kolkhoz acquires heavy and light motor vehicles. But at the same time there were not enough educational facilities in the village, no clubs or water supply, and the roads were poor. This came about because it was thought that the profits of the collectives are group property only, and that they must only contribute in particular to the expenditure for the productive requirements of the kolkhozes and for the wages of the kolkhozniks. Care of culture, of health, and of other aspects--that was a matter for the state. But is this true? Of course not. The kolkhozniks, and society as a whole, gain only if the public funds of the kolkhozes shall be used for production requirements as well as for the construction of schools, hospitals, clubs, roads, etc.; which means that they will share in the all-state expenditures for these items. Many kolkhozes already take part in such construction, and their indivisible funds are all expanding considerably.

An increase in indivisible funds leads to an improvement in the technological equipment of kolkhozes, and that promotes the development of the productive forces of agriculture and the laying of the material-technological foundation of communism in agriculture.

2. The level of socialization in the kolkhozes is being raised. This occurs as a result of the amalgamation of the weaker kolkhozes into one powerful economy, and thus by means of the diffusion of social production into all branches of agriculture. In 1940, there were around 237,000 kolkhozes in the country; now, as a result of their consolidation, there are more than 69,000. A corresponding concentration has affected arable land, cattle, machines, and indivisible funds on the whole. This process is still taking place now.

The changes which are taking place in the kolkhozniks' private plots are also of great importance. In the measure in which the kolkhozes' social economy will ever increasingly satisfy the needs of the kolkhozniks, the private kolkhoz plot will gradually lose its former importance. This is already apparent now. For example, in 1941, the public livestock cows in the USSR constituted 30.9% of all the livestock cows in kolkhozes and belonging to kolkhozniks; in 1959 it had increased to 47.5%. The livestock cows in the kolkhozniks' private economy are being reduced.

3. The development of inter-kolkhoz production relations is going ahead. The importance of this process is exceptionally great. The raising of socialization within kolkhozes alone cannot lead to the formation of a single national property. It is therefore necessary to supplement the socialization within kolkhozes with the development of production relations between kolkhozes. The development of inter-kolkhoz production relations takes place along the lines of joint electrification, irrigation, processing of agricultural raw materials, building of roads, etc. In the Ukraine, for instance, there were already 564,000 inter-kolkhoz construction organizations by the middle of 1958, and 68.7% of all the kolkhozes in the republic took part in them. Inter-kolkhoz construction organizations represent no longer the property of one kolkhoz, but rather that of a group of kolkhozes. In that way the expansion of the boundaries of group property takes place, and wider socialization of the kolkhozes' means of production, which also brings kolkhoz-cooperative property closer to national property.

4. Kolkhoz means of production are being merged with those of the state. The processes mentioned earlier concern developments taking place in kolkhozes and in kolkhoz-cooperative property as a whole. But it is quite apparent that the raising of the level of socialization of kolkhoz-cooperative property cannot be limited to this. The development

of productive forces proceeds inevitably and is already leading to the specific merging of the kolkhoz means of production with state means through the development of electrification, mechanization, automation, etc. For instance, the complete electrification of kolkhozes, provided for in the Seven-Year Plan, will be carried out in the main at the expense of state electric power stations. The property belonging to the kolkhoz, and kolkhoz production will tie its fate still more closely to state and national property.

These are the principal paths to the merging of two forms of property and to the formation of a single communist form of property.

Transition to Communist Principle of Distribution

The predominance of the public form of ownership of the means of production already leads during the first stage of communism to the fact that work according to ability in the socialist society is the chief source for the satisfaction of the citizens' needs. It serves as a fixed criterion of the social position of man, of his role in public life. The difference between socialism and communism in the sphere of the distribution of material and spiritual wealth consists of the fact that under socialism, distribution is carried out in accordance with the quantity and quality of work by members of the society, but under communism it is carried out according to need.

In order to proceed to the communist principle it is necessary, first, that the growth of productive forces will lead to an abundance of consumer goods, and, second, that work according to ability without regard for a specific remuneration will become a habit, and that work will be a necessary thing for a healthy organism.

It is impossible to skip over these conditions. Consider for a moment that society would start to distribute the entire material and spiritual wealth it possesses irrespective of the quantity and quality of the workers' labor. To what would this lead? This would lead to wage-leveling, since under the present level of production no complete satisfaction of needs could be accomplished without eating into the national wealth. And wage-leveling would be of benefit only to idlers.

At the present stage we still cannot renounce the principle of personal material interest. And what is more, in order to proceed to distribution according to need, it is necessary consistently to realize distribution according to work. It cannot be regarded as normal when different wages are being paid for the same work in different departments without reason. Not infrequently the forms of payment and bonuses do not stimulate, or stimulate insufficiently, the struggle for raising

productive labor and the lowering of working costs, for the introduction of new techniques and of advanced equipment. This, of course, curtails the development of productive forces. Achieving the elimination of shortcomings in this matter, the party has introduced practical measures for regulating wages. As is known, much has already been done in this respect. This will also benefit the development of the productive forces and the inculcation of a communist attitude toward work.

On the other hand, a considerable part of the material and cultural wealth in socialist society is distributed free in the form of pensions, scholarships for students, gratuities for mothers with many children, means for the building and upkeep of schools and hospitals, kindergartens, creches, boarding-schools, and also for clubs, libraries, and other cultural establishments. During the early years of Soviet power, these were, according to V. I. Lenin, only model offshoots of communism; today however, we no longer have isolated offshoots, but a whole system of various organizations of communist type. Here we have distribution of material and spiritual wealth independent of the quantity and quality of each individual's work.

The importance of this form of distribution grows ever larger. At the present, the wealth which is being distributed independent of the labor of the workers constitutes one-fourth of the entire consumption fund. "This portion of the public consumption fund will be increased even more, which is an important premise for the gradual transition to the communist principle of distribution," it says in the 21st Party Congress resolutions based on the speech by N. S. Khrushchev.

The moral stimuli toward work will assume a much greater meaning in the context of the advance of our society toward communism. It is well known that personal material interest is represented by a previously defined remuneration for corresponding work efforts. In distinction from the social moral stimuli, we call such motives action, the working strength of an individual, which flows from his understanding of the social expediency of his actions, independent of personal interests, or even despite them.

When Valentina Gaganova decided to transfer from an advanced brigade to a backward one, and voluntarily sacrificed a much higher wage, she knowingly accepted a material sacrifice guided by the public interest. She, and a number of other Soviet people as well, acted in the knowledge that this accrues to the advantage of the whole society, of all workers, and does not flow into the pockets of the capitalists. High devotion to the communist system is also that material stimulus which urges people on to selfless actions.

To develop in the Soviet people the inner need to work to the utmost of their powers and abilities without counting on remuneration is one of the important historical tasks of the period of the development of the construction of communism. It will be successfully solved under conditions of a correct combination of material and moral encouragement by the toilers of a socialist society.

Development of Social Division of Labor

An important aspect of the improvement of production relations is the development of the social division of labor. It changes depending on the form of ownership of the means of production and the level of development of the productive forces.

Socialist society knows no antagonistic opposition between town and country, between mental and physical labor. The relationship between workers, kolkhozniks, and the intelligentsia is characterized by collaboration and mutual assistance. But essential differences between agricultural and industrial work, between mental and physical labor have still remained in the socialist society. The obliteration of these essential differences constitutes one of the important trends in the development of the distribution of labor.

Under socialism there is still a great difference between skilled and unskilled labor. But at the present time important changes have taken place in our country with regard to the specialization of workers in production. Heavy, unskilled manual labor is increasingly disappearing from the professions. Operations which for the workers are mechanical, repetitive, and monotonous--therefore most tiresome--are increasingly being eliminated.

The State Committee for Labor and Wages has introduced a classification of the so-called mixed professions which are being duplicated in different factories under different names. As a result of this it was possible to establish 318 mixed professions and specializations, which take in more than 50% of the workers in the national economy, in the place of a few thousand which had existed earlier. In particular, this list included 158 professions and specializations in machine construction, instead of 2,960. This means that narrow specialization is gradually disappearing from production, and its place is being taken by specialties with a broad profile, by a combination of professions.

A division of functions is taking place not only among people, but also among machines, among complexes of automated machine tools and production lines. In conformity with this process, the manysided development of the worker, guidance of machine processes, a man with a high level of cultural-technological preparation, will be enlarged more and more.

From this it does not follow, however, that under communism it will be easy for people to transfer from one kind of work to another; to pour steel and bake bread, to build mines and navigate an ocean vessel, to manufacture textiles and build machines... Such a combination of diverse specializations will, as a rule, also be impossible under communism as a result of the complexity of the mastery of the aggregate of necessary knowledge, and also because society will always need more or less fixed availability of workers in different branches of production for the maintenance of continuity in the production process.

Therefore, when there is talk about the all-round development of workers, one has to keep in mind, first, the mastery of contiguous professions which make up the complex of a specific specialization. The conditions for such a development exist already under socialism. Second, one has to keep in mind the combination of people thus employed, who require certain knowledge and experience, but who because of their peculiarities can do a number of things. Let us say that the agronomist in the communist society, occupied with growing wheat, can at the same time be a zootechnician, or a performer, or an artist, independent of his abilities and propensities. Or, let us say, a metallurgical engineer, working in a plant, can at the same time be a literary critic, a musician, etc.

The 21st Party Congress posed the task of liquidating, during the Seven-Year Plan, heavy manual labor on the basis of the complex mechanization of the production processes in industry, in agriculture, in construction, and in transportation. The congress stressed that the realization of measures for mechanization and greater automation in production is not only of economic, but also of great social importance, and will further the elimination of differences between town and country, between mental and physical labor. The resolutions of the June 1959 CPSU Central Committee Plenum constitute a further strengthening of the lines projected in this direction at the 21st Party Congress. The struggle by the party organizations for the inculcation of new techniques and the raising of the workers' qualifications, in particular for combining the professions, for the development of general education studies, and for the perfection of the administration of production, leads to the creation of a new division of labor which corresponds to the period of the large-scale building of communism.

From Commodity Exchange to Direct Exchange of Goods

Under communism, commodity exchange will be replaced by a direct exchange of goods, which will be realized along lines of the distribution of the means of production according to branches and raions of the country; and consumer goods will be exchanged among the people on the basis of a

thorough determination of need. Currently, however, commodity exchange is a necessary integral part of socialist production relations, which are a necessary condition for the development of the productive forces. And what is more, the sale of tractors and other agricultural machines to the kolkhozes and the changeover in many kolkhozes to money wages for work leads to a further expansion of the sphere of commodity circulation; this overlooks the fact that the natural growth of production even without this constantly increases the volume of commodity circulation.

How will the volume of the commodity form of exchange be replaced by a direct exchange of goods? Under socialism the premises of communist relations in this sphere are ripening as well. Land and the active means of production (factories, plants, agricultural enterprises, and others more) will no longer be commodities. This would put a halt to the working power of commodities. A whole series of services is available to the population without cost (medical assistance, study in schools and vuzes, the use of libraries, etc.), and, consequently, these services also do not have commodity aspects. With the growth of free services will come a further increase in the non-commodity forms of the exchange activity.

Consequently it must be kept in mind that commodity exchange itself will undergo quite substantial changes. It will take on a social aspect in contrast to the private aspect it had under socialism, since here it is not only the solitary proprietor who partakes in exchange, but the collective of people united in socialist enterprises. The spontaneous character of exchange has been replaced by planned organization, and in the place of capitalist competition came socialist competition as the powerful motivating force of socialist production.

Commodity exchange under socialism, as distinct from capitalism, is no longer a means of exploitation, and it has quite a different character. But the goods of the socialist society are of a different economic nature. The goods produced and needed in the state sector are one thing, and the goods produced in the subsidiary kolkhoznik economy and sold on the free market are quite another. The economic turnover of a socialist society includes: first, the buying and selling of the means of production in the state sector of the national economy; second, the exchange of the means of production between state and cooperative enterprises; third, the sale to the population of articles of consumption by state and cooperative enterprises (through a trading network); and, fourth, the sale by kolkhozniks of goods on the free market.

These aspects of the economic turnover differ from each other with respect to the level of socialization of the commodity producer and user and, consequently, with respect to their different organization. If, let us say, the price drops sharply in state enterprises between the receipt

of cheese and its sale, the part realized by kolkhoz production goes on the free market at a price which, though it was influenced by the price of state trading, was formed to a considerable degree under the influence of demand and supply; that is, it was determined spontaneously. Still less organized are commodity producers who realize goods produced in their private subsidiary economies.

The differences in the character of commodity producers and users cause different levels of planning, different methods of realization in different aspects of economic turnover. On this depend also their different chances with respect to an approach to communism. First of all, it is necessary to hope that those goods which are being produced by kolkhozniks in their private subsidiary economies disappear from the commodity circulation. This leads to a cutback in private subsidiary economies, which can already now be observed in a number of instances. Subsequently, when a single national form of property is formed and society changes over to distribution according to need, the possibility will arise for an introduction of a direct exchange of goods. When there will be no need to compensate for the quantity and quality of work, having been applied by the collectives of different enterprises in the production of goods, the need for monetary forms of exchange disappears. The exchange of the means of production and the necessary implements between branches and enterprises will go on only as a planned distribution on the basis of cost calculation for one or the other product.

Such are in general the main directions in which an improvement of socialist production relations during the period of large-scale building of communism will take place. The importance of a successful development of this process is exceptionally great, for the rapid growth of production depends first and foremost on specific economic conditions. The development of the economy from socialism to communism is a natural historical process which must not be arbitrarily disturbed or avoided. But the people can hasten or slow down this process depending on how extensively their activity corresponds to the urgent tasks.

When the conscious work of the millions-strong masses coincides with the historical law, with the objective processes of the movement toward communism, no power and no obstacles can succeed in putting a stop to this powerful movement.