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The System of Industry-Agriculture Relationship and the Socio-Economic Equilibrium

The paper tackles the relationships of interdependence between industry and agriculture, the organic link between these branches, the mutual exchange of activities, the ensurance of the proportions and correlations in the economy.

It examines the subsystems characterizing the place and role of the two branches, the technical endowment, labour productivity, the demo-economic typologies, territorial location, the market of the industrial and farming products, the relationship between incomes and prices and the ways of adjusting the growth rates of these branches for speeding up progress and for maintaining the general socio-economic equilibrium.

The systemic tackling of the phenomena and processes in nature and society is opening up a wide field of problems which can be explored and which involves most varied branches of human activity. Thus, the deep knowledge both of the functioning of the economic mechanism, of its structure, dynamic character and behaviour and of the socio-economic equilibrium is no longer possible without a complex, manysided analysis which should take into consideration an extremely important number of variables which are in an endless line-up of connexions.

A particularity of the national economy as a system is that of the interconnection of the economic subsystems with the social and demographic ones and their integration into a complex and long standing process which should ensure the socio-economic equilibrium.

The cybernetic-economic systems are defined by Academician Prof. Manea Mănescu as "big aggregates of ordered elements which are mutually interconditioned within a more complex formation and which logically constitute a unitary whole. They behave as homogeneous entities, qualitatively different from those of the component elements" [3].

Through a normal functioning of all subsystems of the national economy in which the material production subsystem is playing a decisive part, they aim at ensuring the proportions and correlations and the socio-economic equilibrium (Fig.1).

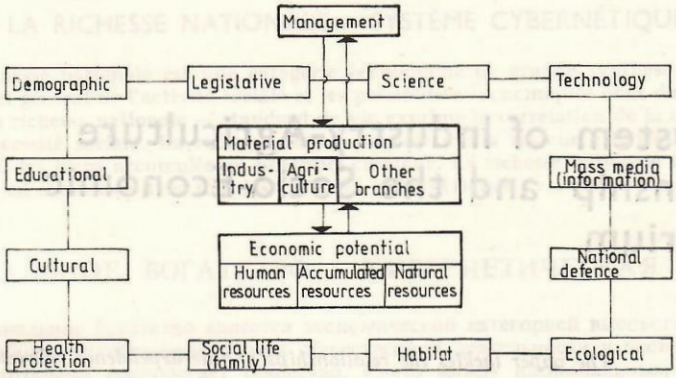

Fig. 1. The national economy and its subsystems.

The profound knowledge of the interdependence of industry and agriculture is revealing complex processes, some of them contradictory the analysis of which requires a multilateral examination in a realistic outlook, by taking into consideration both the priorities and needs imposed by the behaviour of these branches and by the conditions specific for different countries.

To consider these branches only as components of the social body — although this is important, too — without a thorough analysis of the organic texture between them, of the direct and feed-back, open and hidden connexions, means to distort the general image of the anatomy and physiology of the society, to create serious obstacles in the knowing and functioning of the whole economic mechanism.

The problems of the system of relationships between industry and agriculture are extremely extensive and regard the place of the two branches in the economy, their growth rate, the relation with the market, technical endowment and human resources, home and foreign trade exchanges, the living conditions of the population working in the two branches, the ways and methods of adjustment.

Industry promotes technical progress and determines the functionality of the socio-economic organism through a complex system of feed-back connexion, being conditioned and determined, to a great extent, by the development of agriculture. That is why, the systemic examination of the equilibrium and inter-connexions between these two basic branches of the economy acquires a profound socio-economic and political significance.

"... Only a harmonious development of both industry and agriculture — Nicolae Ceaușescu, General Secretary of the Romanian Communist Party pointed out — can ensure the successful implementation of the fundamental aim — the building of the multilaterally developed socialist society in our country, Romania's getting nearer, in a short time, the countries with an advanced economy, the raising of the entire people's material and spiritual living standards." [1].

Industry, as far as it is conceived and developed rationally, determines the economic character of a country, it stimulates the development of all subsystems of the national economy, inclusively of agriculture, it deepens the social and territorial labour division, the modernization of the socio-economic structures and the multilateral progress of the entire society.

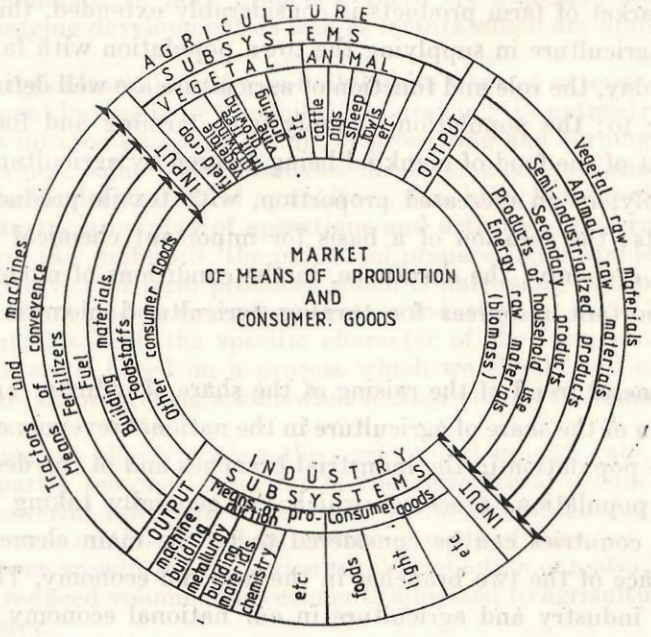

Fig. 2 The system of industry-agriculture relationships.

At the same time, the equipment of industry with modern technology revolutionizes working conditions, stimulating the factors likely to increase labour efficiency and is thus creating conditions for the attainment of convenient economic growth rates. In its turn, agriculture, being involved in the modernizing process through the deep and rapid mutations in its economic structures, is opening up a home market for both the industrial production means, necessary for the agricultural production and for the farm and food consumer goods necessary for the village population. Thus, industry — by extending those subsystems which provide modern means of production — machines and tractors, fuel and lubricants, chemical fertilizers, electric power, etc.— is playing an important part in the development of agriculture, in the intensive and complex increase of the agricultural output and, in the long run, in the improvement of rates and proportions in the economy.

At the same time, the complex development process is generating a new pattern of a more intensive and more productive agriculture, with a smaller share of the active population, phenomena which have at least two consequences: a) the market increases for the food and light industries, that is the branches subordinted to agriculture and b) through a new pattern of distributing the population according to social life environments, by restricting the share of the agricultural population and by increasing the urbanization level, the market of farm products is considerably extended, thus enhancing the role of agriculture in supplying the town population with farm and food products. Today, the role and function of agriculture are well defined and they mainly refer to: the population's supply with farming and food products, 98% per cent of the food of mankind being secured by agriculture; the population's supply, in an increased proportion, with textile products, footwear and garments; the creation of a basis for important chemical products for the national economy; the ensurance, in the conditions of modern technologies, of important resources for turning agricultural biomass into energy resources.

The general trend of the raising of the share of industry and of a relative reduction of the share of agriculture in the national revenue, of the growth of the active population in the industrial branches and of the decrease of the agricultural population, processes which are generally taking place in all modernizing countries can be considered to be the main element characterizing the place of the two branches in the national economy. The change of the place of industry and agriculture in our national economy can be seen in figure 3.

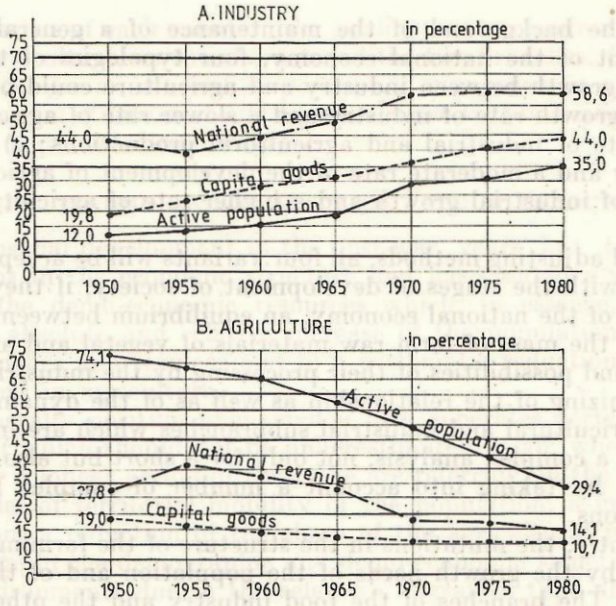

Fig. 3 The place of industry and agriculture in the national economy.

2. THE GROWTH RATE

The place of industry and agriculture in the economy is determined, of course, also by the growth rates of the two branches in the general context of development. In both branches, there are objective and subjective factors encouraging development as well as factors which are limiting and restricting it.

Unlike agriculture, industry is building its ways of extensive and intensive development having large possibilities of drawing the natural resources and raw materials into the economic circuit, of processing and turning to account, thus adding a new value which increases the volume of the national product.

With the modernization of agriculture, this branch is gradually transferring to industry a number of operations and activities concerning the processing of farm raw materials, the industrial preparation of fodder, the handling and preparation of farm produces which is narrowing the sphere of activity in agriculture and is extending that in industry.

We could also add the specific character of the farm products which being raw materials based on a process which we should call of "biological processing" are incorporating a somewhat limited volume of human and materialized labour.

Of course, in characterizing the agricultural growth rate, one cannot neglect the partly seasonal character of the agricultural production nor the sometimes powerful influence of the random factors which can slacken the development rate of this branch in certain periods of time.

The slower growth rate of agricultural production can also be explained by the more reduced volume of investments allocated to agriculture as compared to industry.

Against the background of the maintenance of a general balance in the development of the national economy, four typologies of the dynamic relationship of growth between industry and agriculture could be presented: a) a very high growth rate of industry and a slower rate of agriculture; b) a high growth rate of industrial and agricultural productions; c) a moderate rate of industry and a moderate rate of the development of agriculture; d) a moderate rate of industrial growth and a higher rate of agricultural production growth.

As general adjusting methods, all four variants will be accepted as rational in keeping with the stages of development of society, if they ensure the proportionality of the national economy, an equilibrium between the agricultural potential, the mass of farm raw materials of vegetal and animal origin and the needs and possibilities of their processing by the industrial branches.

The optimizing of the relationship as well as of the dynamic character between the agricultural and industrial subbranches which are in direct connexion requires a complex analysis, not only for a short but also for a longer period of time, by taking into account a number of complex factors with deeper connexions.

Consequently, the mutations in the structure of the farming production are stimulated by the growth needs of the population and of the consumer goods industry. The branches of the food industry and the other sectors of the consumer goods industry constantly entail and guide the general character of the agricultural production. The rates are affected in connection with the production of cereals and technical plants, of vegetables, the meat production especially for the species with production cycles which can be integrated into industrial processes. This requires, naturally, a dynamic readaptation, not without difficulties, according to the requirements of the light and food industries, and to a rational harmonization of the growth rates of various agricultural crops and species of animals, of the consumption needs of the population and of the export requirements.

3. THE TECHNICAL ENDOWMENT OF INDUSTRY AND AGRICULTURE

The equilibrium between industry and agriculture depends, to a great extent, on the level of technical endowment of labour, on the volume, dynamic character and structure of investments and of the fixed assets. This relationship can be examined from at least three points of view: a) of the share of investments and capital goods in the national economy; b) of the level of technical endowment of labour and c) of labour productivity in the two branches.

According to the economic structure, that is the formation of the national product created on economic branches, *the share of investments, as well as that of fixed assets in agriculture should be, in general, in an equal proportion to that of the share of the national revenue or of the gross national product* if the other conditions are approximately equal.

However, the problem which obviously arises is not so much that of the levelling or even out running by agriculture of the rate of technical endowment of labour but rather one should analyse the *level of bringing nearer the standard of technical endowment of labour between industry and agriculture.* This depends on several conditions, namely: the technical structure of the

industrial branches of each country, the quality and proportion of manpower employed in agriculture, on the character of the two branches. *Usually, it can be estimated that for a rational proportion of manpower in agriculture, the degree of endowment of labour should be much closer to that existing in industry or at least to most industrial branches.*

4. THE VOLUME AND QUALITY OF LABOUR RESOURCES

The industrial development in the post-war years has brough about deep mutations in the economic structure and has created a new model of structure of the demo-economic resources which, in essence, express two trends: a) an absolute and relative increase of the population employed in industrial branches and services and b) a systematic reduction of the population employed in agriculture.

This generally positive phenomenon also generates certain trends the implications of which should not be underestimated at all, when the balance is analysed for a longer period of time. We are referring, in the first place, to a certain model of territorial mobility of the population, a marked growth of urbanization, a reduction of the share of the agricultural population, an essential change in the demographic and demo-economic structure in the two social life environments due to the selective migration type absorbing, with priority, the younger contingents. In this context in certain countries, the two branches may be in an obvious want of balance; industry having a younger population from the demographic point of view and, agriculture a structure on groups of age plainly favourable to the elderly population.

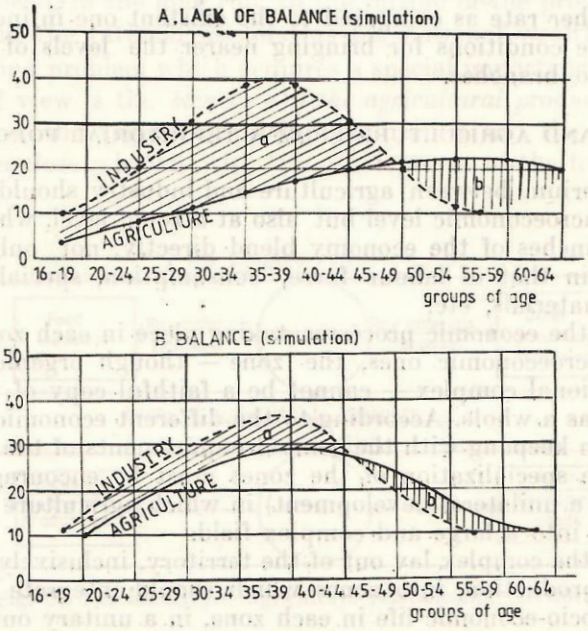

Fig. 4. The optimizing of labour force on groups of age in industry and agriculture

Belonging to the typology of the socialist countries, our country has registered a qualitatively important leap in the post-war years, in reshaping the sectorial demo-economic resources by considerably reducing the agricultural population and by increasing the population employed in the other non-agricultural activities, mainly industrial ones.

Based on the demographic mutations in the population on groups of age, certain distortions have been suggested in our country, too, between the pattern of the active population on age groups in agriculture and industry. The knowing of this type of balance-want of balance in a cybernetic system is not only of a theoretical but also of a direct practical importance.

To ensure the optimizing of the demo-economic structures between industry and agriculture, one must tend towards a certain pattern of balance. Of course, in this case, there is no question about an absolutely identical pattern for each of the two branches, but only about structures close to the optimum which should tend towards a rational use of the material and human resources, the stimulation of technical progress and the relative homogenization of the standards of development of the two branches.

The way of adjusting this structure is represented, in the first place, by the economic development, the implementation of industrial targets in the countryside, which should ensure, within certain limits, the maintenance of the young active population in the agricultural branch.

In the conditions comparable to those of the technical endowment of labour, of the structure on age groups and for the level of training and of other factors, the level of labour productivity in agriculture can be close to that existing in most industrial branches. If we refer to our country, at present and in the future, the growth rate of labour productivity in agriculture is registering a higher rate as compared to the existent one in industry, a fact which will create conditions for bringing nearer the levels of developemnt between the two branches.

5. INDUSTRY AND AGRICULTURE FROM A TERRITORIAL POINT OF VIEW

The equilibrium between agriculture and industry should be examined not only at a macroeconomic level but also at a zonal level, where these two fundamental branches of the economy blend directly, not only in point of production but in that of labour force, consumption, special activities, a source of raw materials, etc.

Of course, the economic processes taking place in each zone cannot reproduce the macroeconomic ones, the zone — though organically integrated into the national complex — cannot be a faithful copy of the structure of the economy as a whole. According to the different economic and natural conditions and in keepong with the general requirements of the national economy, a relative specialization of the zones must be encouraged (without tending towards a unilateral development) in which agriculture and industry should integrate into a large and complex field.

Of course, the complex lay out of the territory, inclusively, the division of agricultural production into zones which should integrate the essential aspects of the socio-economic life in each zone, in a unitary outlook of large vistas, is of special importance in ensuring a balance between the agricultural

and the industrial productions.* Besides the administrative territories having a well-established function within the economic system, socio-economic zonal systems and subsystems can be set up which should play a special part as subsystems of the national complex and which should lead to the increase of the agricultural and industrial output.

The general economic zone raises new problems for blending the agricultural and industrial production with that of other branches, the dimensioning of the industrial and agricultural units, their rational organization as well as pattern of lacoting the factories subordinated to agriculture in the rural areas.

Thus, the problem arises of developing a structure of production on the territory which should ensure an organic unity between the agricultural and industrial branches, in the multiple aspects of production, distribution, circulation, consumption, habitat, etc.

A first essential problem for agriculture is, of course, the *full and efficient use of the landstock* which has the high capacity of being reproduced, constituting a big, inexhaustible national wealth. That is why, the need is so sharply in our economic policy of using resources, to avoid the substraction of land from the agricultural circuit, to conserve the soil, to maintain its quality, to use efficiently the land in the interest of the national economy, through a rational fertilization of soils, the ensurance of a certain structure of crops, the rational exploitation of the land, the rotation of crops, the adoption of new, priority biological technologies, ample measures of land improvement which should lead, in the long run, to the raising of the production capacity of the soil and the rational use of this big national wealth.

The second problem which acquires a special importance from the territorial point of view is the *structure of the agricultural production* on the two big subsystems, the vegetable production branch and the animal production branch in close relation with the development of the food and light industries.

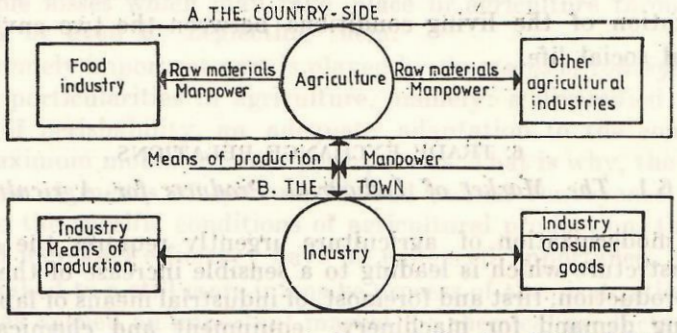

Fig. 5. The industry — agriculture relationship, territorially.

* The experience of many countries shows that only by a rational location of crops on the territory, the agricultural production has benefitted from a 40% increase per crop.

This trend of improving the relationship between the vegetable and the animal production in general and territorially, in favour of the latter pursues the best use of the vegetal raw materials even within the agricultura branch, the point in question being, in fact, about a "biological processing", incorporating a supplementary work into the product. The present evolution of the technical progress, the world energy and raw materials crisis, the food crisis as well as the implications raise al least three new problems for agriculture: a) the development of the raw materials basis; b) the stimulation of genetics; c) the reconsideration, obviously in a new outlook, of the traditional branches of agriculture; d) the stimulation of a new function of agriculture, namely that of a supplier of energy resources (biomass).

Special problems are also put for industry, such as: the optimal dimensionning of the factories, their integration with agricultural raw materials, resources — vegetable and animal — the character of the industrial units, mainly their location. The development of the food and light industries, from the territorial point of view, tends to become still more dependent on agriculture, on the agricultural raw materials. The trends of locating industry in the countryside pursues its bringing nearer the stable basis of raw materials, having a number of advantages: a) it reduces transport expenditures; b) eliminates the losses caused by the perishability of certain vegetal and animal agricultural products; c) it permits the recruiting of manpower and provides opportunities for its polyqualification both for industry and for agriculture; d) it facilitates the solving of the housing problem and the ensurance of energy consumption from local resources, by saving the energy from exhaustible resources. Such a pattern of zonal blending of the two branches of the socialist economy tends to reduce the cost of territorial mobilization and that of urbanization, providing a new significance to the equilibrium between village and town, stimulating and accentuating the trends of homogenization of the living conditions between the two environments of urban-rural social life.

6. TRADE EXCHANGE RELATIONS

6.1. *The Market of Industrial Products for Agriculture*

The modernization of agriculture urgently requires the development of its infrastrcture which is leading to a sensible increase of the demand for means of production, first and foremost, of industrial means of labour.Through the growing demand for machinery, equipment and chemical fertilizers, agriculture, in its turn, requires of industry a model of specialization on branches, subbranches and on products which should meet, quantitatively and qualitatively, with the increased needs of the development of agriculture.

In this context, industry has an extremely important part to play in supplying agriculture with machinery and equipment, tractors, combines, mechanical sowing machines, irrigation installations and other equipment for the modernization of this branch.

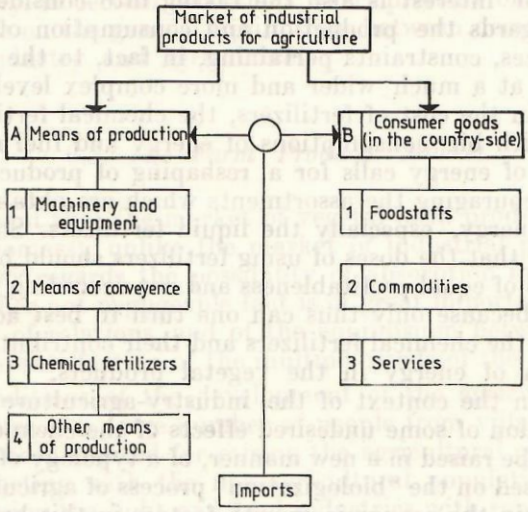

Fig. 6. The industry —agriculture exchange relation

Such trade exchange relations *must require, with priority, the adaptation of the industrial market of machines and installations to the needs (demand) of agriculture.* This calls for the market of the industrial means of production to take into consideration the requirements of agriculture for satisfying gradually and efficiently a number of demands in the field of mechanization, of agricultural work, especially in the sectors requiring a big volume of manual work, such as: vine-growing, fruit-tree-growing, vegetable-growing cattle breeding, the gathering in of cultivated plants, etc. and the avoiding of considerable losses which may take place in agriculture through delays in harvesting or even by neglecting them.

An extremely important part is played by *the means of conveyence* which have certain particularities in agriculture, namely: a diversified volume, a high degree of perishability, an adequate adaptation to the conditions of the soil, a maximum mobilization in peak periods. That is why, the ensurance of the number of means of mechanical and animal conveyence and their adaptation to the specific conditions of agricultural production, their diversification and increased efficiency have an enhanced importance, at present.

Being linked to a still more intensive process of chemicalization, modern agriculture has opened an important market for chemical products and fertilizers, mainly herbicides, insecto-fungicides and for bio-stimulators in animal breeding.

The harmonizing of economic interests between industry and agriculture requires the adaptation, at multiple levels, also of the fertilizers production in point of volume, growth rate, structure, delivery terms, assortments of high economic efficiency which should lead to the diminishing of losses in agriculture.*

Of particular interest is also the taking into consideration of certain constraints as regards the production and consumption of chemical fertilizers and substances, constraints pertaining, in fact, to the approach of economic efficiency, at a much wider and more complex level by taking int o account the rise in the cost of fertilizers, the chemical fertilizers production being obtained with big consumptions of energy and fuel resources.

The saving of energy calls for a reshaping of products on the fertilizers market by encouraging the assortments which are obtained with a lower consumption of energy, especially the liquid fertilizers. Some specialists in this field consider that the doses of using fertilizers should be obtained according to the curves of equal profitableness and not according to generally standardized norms, because only thus can one turn to best account the efficiency of energy in the chemical fertilizers and their contribution to the increased bioconversion of energy in the vegetal products.

Naturally, in the context of the industry-agriculture relationship and maybe, as a reaction of some undesired effects of the chemicalization of agriculture, they can be raised in a new manner, of a typology of economic growth in agriculture, based on the "biologization" process of agriculture. This means, mainly, that within the economic growth factors in this branch, besides the industrial methods of using chemical fertilizers within rational limits, greater stress is laid on the natural biological methods of increasing the agricultural output **.

6.2. *The Consumer Goods Market for Agriculture*

The field of action of the economic connexions between industry and agriculture is, of course, not confined only to the market of the means of production but also to that of consumer goods, industrial goods, foodstaffs commodities sold in the countryside. With the industrialization and development of the entire national economy, the market for industrial products in the countryside is expanded, the trade exchange forms are diversified and the index of retail goods sales is increased.

The dimension and structure of the market is directly linked with the typology of the agricultural producers' selfconsumption, with the volume and

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* The losses in agriculture, at a world level, as a result of the action of noxious agents, diseases or weeds are estimated at 20% for cereals, 30% for potatoes and 40% for vine. In point of money, this means about 35% of the value of the crop.

** Also added is the need of a more rational blending of mixed means for improving the quality of the soil — of chemical fertilizers with extremely valuable traditional means, such as the natural fertilizers. Specialists estimate that in our country, 8—10 million tons of farmyard manure could be annually obtained, containing 30—40 thousand tons of nitrogen, 10—15 thousand tons of phosphorus and 20—25 thousand tons of potassium.

structure of the soluble demand of the agricultural population and the behaviour of the consumer goods market.

The limitation of the rural market to consumer goods of daily necessity in the condition of an increase in the peasants' incomes and thus, of the soluble demand may, in certain conditions, exert pressure on the urban market with implications on the general equilibrium between demand and consumption, between industry and agriculture.

6.3. *The Farm Products Market*

It can be said that the market of vegetal farm produces and of energy products (the biomass), unlike the market of industrial products is practically unlimited as regards the possibility of absorbtion in the country and abroad. This rather not negligeable fact is of great importance for understanding the system of relations and of the equilibrium between the two basic branches and the satisfaction of the multiple needs of the national economy.

In the conditions of the development of the agricultural production and of the transfer of a large number of people from villages to towns, new conditions have been created for raising the agricultural commodity production and for meeting with the non-agricultural population's consumption needs, for supplying the light and food industries with raw materials and for expanding the home and foreign market. This requires the creation of a new equilibrium between the vegetal and animal agricultural production and the commodity production, on the one hand, and between the level of the agricultural commodity production and that of the urban population, on the other. This is explained by the fact that in the conditions of a growth rate of the agricul-

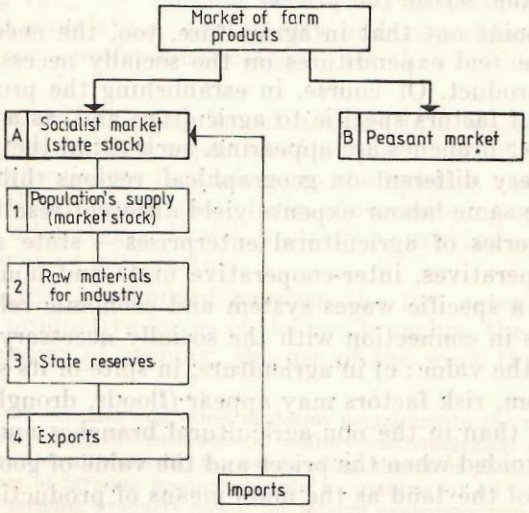

Fig. 7. The agriculture — industry exchange relation

tural output at the level of the general growth rate of the population, the agricultural commodity production must register a more rapid growth which should cover the supplementary consumption requirements of the urban population mainly, as a result of the migration growth of the population deriving from agriculture.

In the present conditions of socio-economic development, the agricultural production will have to register a much more rapid growth which should satisfy the following relations: a) cover the consumption needs of the population released from agriculture which has settled down in towns; b) ensure the consumption requirements of the urban population inclusively of its natural growth; c) ensure the increase of the population's consumption in general; d) contribute to the creation of farm and food reserves of the national economy; e) permit the allocation of an adequate share for industrial processing and f) contribute with a convenient share to export.

7. RELATION OF PRICES AND INCOMES

7.1. *Relation of Prices*

Through their content and through the capacity of quantifying social labour, the necessary expenditures for the obtaining of production, prices are playing a major part in shaping the proportions and the equilibrium between industry and agriculture, in intensifying the economic exchanges between towns and villages. In this respect, at least two problems can be examined: a) the level of the prices of products and services in the two branches and b) the dynamic character between the prices of farm products and of industrial products (the scissor of prices).

We shall point out that in agriculture, too, the need apperas for prices to reflect the real expenditures on the socially necessary work incorporated into the product. Of course, in establishing the production social expenses, a series of factors specific to agriculture and, as a rule, more seldom found in the other branches are appearing, such as: a) the pedoclimatic natural conditions very different on geographical regions (hill, mountain, field) which makes the same labour expense yield different results; b) the presence of several categories of agricultural enterprises — state agricultural units, agricultural cooperatives, inter-cooperative units and households of the population-having a specific wages system and economic relations which raise certain problems in connection with the socially necessary work, and, therefore, the size of the value; c) in agriculture, in spite of its still more organized character, random, risk factors may appear (floods, drought, epizooties, etc.) more frequently than in the non-agricultural branches and which, naturally, should not be avoided when the prices and the value of goods are established; d) the presence of the land as the main means of production and the need of quantifying the ground rent.

The equilibrium we refer to regards, statically, the relationship between the level of the prices of farm products and, dynamically, the relation between the price indices of the farm products and of the industrial products.

In this respect, the relation between the level and indices of prices of the industrial products purchased by the farmers as means of production and consumer goods and that of the prices index of the vegetal and animal farming products sold by the peasants must be in a certain equation which satisfy certain constraints: a) the equitable distribution of the incomes obtained from the agricultural and industrial activities; b) the establishment, still closer to the concrete conditions, of the socially necessary work in the two branches; c) the rational distribution of the accumulations and profits between the agricultural and industrial units; d) a correct reflection of the proportions between the branches in the creation of the national revenue; e) the rational distribution of manpower on categories of rural-urban social life*.

The relationship between the prices of the industrial products and those of the farm products is, of course, part and parcel of the state's general economic policy, being one of the means of basic adjustment of the development of the economy, of the intensification of the economic connexions between towns and villages, of the expansion of goods exchanges on the home and foreign markets and of the ensuring of a monetary stability. The maintenance of judicious correlations between these prices requires adaptations and resets of prices from a stage to another in keeping with the new factors which are constantly appearing in the conditions of the socio-economic development.

7.2. *Relation of Incomes*

The improvement of the relations between industry and agriculture pursues, in the long run, the relation of incomes between the agricultural and non-agricultural population, the quality and importance of the social work done by each socio-professional category for the creation of the national revenue.

This relation regards the relation of incomes in a much wider outlook comprising, in fact, the multiple aspects of the quality of life for the two social categories. We refer, in the first place, to the incomes and expenditures, the consumption level, an active span of life, the pensioning system, the system of social-family advantages, health protection, working and leisure condition and other psycho-social factors.

Of course, the living standard between the two categories is linked with the level of the productive forces of the two branches, the level of technical endowment of labour, of training, the use of the work time, the organi-

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* In this context, we can also add other problems pertaining to the mechanism of this relation such as, for example: a) the ensurance of unitary methodological principles of establishing costs in agriculture for all units; b) the prices of the means of production of consumer goods as well as the prices of farming products should be unitary for all categories of units; c) the social costs of the farming products meant for foreign exchanges must also include the equivalent of the ground rent to make them comparable at an international level.

zation of labour, etc. As a matter of fact, the problem of the relation of incomes between the agricultural and the industrial population is raised in all countries and there are few cases in which the level of the agricultural population's incomes is equal or is exceeding that of the industrial population. But, a too great discrepancy between the living conditions in towns and villages within general factors of aspiration to parity tends to break a certain balance between the level of modernization and productivity between the two branches.

In our country, the tendency of levelling the incomes between peasants and workers is a lawful character of development. What is the essence of this problem and what is its significance in this system of industry-agriculture relationship?

In thie first place, the levelling of incomes can take place only by increasing incomes obtained from agricultural labour through the raising of production and productivity of agricultural work. Second, the incomes of the agricultural population can be raised through supplementary resources, such as the incomes from non-agricultural activities, mainly industrial ones. We shall add the fact that the experience so far of the countries with a developed economy shows that agriculture alone cannot ensure the full use of labour, throughout the year, unless other activities, mainly industrial ones are associated with it.

8. METHODS AND WAYS OF ADJUSTMENT

Several ways of modelling are known in ensuring the socio-economic equilibrium and in maintaining an optimal balance between the two basic branches of the national economy: industry and agriculture: a) the optimizing of the volume and structure of investments for agriculture and industry and the sustained modernization of the two branches; b) the priority location of industrial units in the countryside, mainly small factories with a low energy consumption which should turn to account, at the source, the vegetable and animal raw materials and the existing labour; c) the ensurance of a correct relationship between the prices of the farm and industrial products-which should permit an equitable distribution of incomes between the agricultural and the industrial population; c) the ensurance of stable incomes throughout the year and the gradual creation of social conditions close to those of the industrial workers (pensions, social and medical assistance, maternity leaves and leisure holidays, etc.; e) the wellbeing of the village in point of house building, economic and cultural life for gradually creating living conditions ever closer to those of the towns.

In our country, the creation of a rational equilibrium between the living conditions of the rural and urban populatin is extremely important problem aimed to raise the national revenue and the national wealth, to model the village-town migration flows within the limit strictly necessary for keeping the youth within a convenient structure in the countryside, for sensibly raising living conditions in the countryside and for optimizing the industry-agriculture relationship.

The improvement of the socio-economic relations between the two basic branches of the economy is in the centre of the Party's and State's policy. The measures adopted are materialized in the enhanced contribution of industry to the extension and modernization of the technical basis of agricultural production, which enhances the possibilities of agriculture to make, in its turn, its contribution to raising the country's economic potential and to a better supply of the population; the improvement of the prices of the industrial products delivered to agriculture and of prices of the farm products, all this aiming at maintaining certain basic proportions and equilibrium within the national economy.

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LE SYSTÈME DES RELATIONS INDUSTRIE-AGRICULTURE ET L'ÉQUILIBRE ÉCONOMIQUE ET SOCIALE

L'auteur approche les relations d'interdépendance entre l'industrie et l'agriculture, la liaison organique entre ces branches et l'échange réciproque d'activités, la garantie des proportions et des corrélations de l'économie. On examine les soussystèmes qui caractérisent la place et le rôle des deux branches, le nantissement technique, la productivité du travail, les typologies démo-économiques, l'emplacement territorial, le marché des produits industriels et agricoles, les rapports entre les revenus et les prix et les voies de réglementation des rythmes du développement de ces branches en vue d'accélérer le progrès et maintenir l'équilibre général économique et social.

СИСТЕМА ОТНОШЕНИЙ МЕЖДУ ПРОМЫШЛЕННОСТЬЮ И СЕЛЬСКИМ ХОЗЯЙСТВОМ И ОБЩЕСТВЕННО—ЭКОНОМИЧЕСКОЕ РАВНОВЕСИЕ

В работе делается подход к отношениям взаимозависимостей между промышленностью и сельским хозяйством, к органической связи и взаимному обмёну метду этими отраслями, обеспечению пропорций и корреляций в экономике. Рассматриваются подсистемы, характеризующие место и роль этих двух отраслей, техническое оснащение, производитель ность труда, демоэкономические типологии, территориальное размещение, рынок промышленной и сельско хозяйственной продукции, отношение между доходами и ценами, и пути регулирования темпов развития этих отраслей для ускорения прогресса и подержания общего социально-экономического равновесия.