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SOVIET INTERNAL: LAW ON PROPERTY OWNERSHIP

SUMMARY

1. STATE MONOPOLY ON OWNERSHIP BROKEN BY A LAW WHICH PLACES STATE, COLLECTIVE AND CITIZENS (IE PRIVATE) OWNERSHIP ON AN EQUAL FOOTING. BUT RESTRICTIVE DEFINITION OF WHICH PROPERTY (OWN HOUSE, MEANS OF PRODUCTION, SHARES IN ENTERPRISES) CAN BE HELD BY INDIVIDUALS. COMPROMISE FORMULA AS FAR AS REPUBLIC/ALL UNION OWNERSHIP OVER LAND AND ITS RESOURCES IS CONCERNED. IMPACT OF LAW WILL DEPEND ON ATTITUDE OF LOCAL AUTHORITIES.

DETAIL

2. FOLLOWING A FIERCE DEBATE IN THE SUPREME SOVIET WHICH HAS LASTED ON AND OFF SINCE AUTUMN LAST YEAR, THE LAW ON OWNERSHIP FINALLY PASSED BY THE USSR SUPREME SOVIET WAS PUBLISHED IN THE CENTRAL PRESS ON 10 MARCH. THE LAW BREAKS UP THE STATE'S MONOPOLY ON OWNERSHIP AND DEFINES IN BROAD TERMS WHAT CAN OR CANNOT NOW BE OWNED BY COLLECTIVES, INDIVIDUALS OR REPUBLICS. WITHIN THE LIMITS OF WHO CAN OWN WHAT, THE LAW PLACES NO RESTRICTIONS ON BUYING OR SELLING. ASSUMING IT PASSES THROUGH THE CONGRESS OF PEOPLES DEPUTIES IT WILL COME INTO EFFECT FROM 1 JULY, BY WHICH TIME A GOVERNMENT BODY SET UP SPECIALLY FOR THE PURPOSE WILL HAVE UNTANGLED THE VARIOUS PROBLEMS IN TRANSFERRING STATE PROPERTY TO REPUBLICAN OR INDIVIDUAL OWNERSHIP.
3. IN DISCUSSION IN THE SUPREME SOVIET AND IN THE PRESS THE DRAFT LAW HAS BEEN ATTACKED FROM BOTH LEFT AND RIGHT. TRADITIONALISTS CLAIMED IT WOULD SPELL THE END OF SOCIALIST PROPERTY AND WOULD LEAD TO SOCIAL STRATIFICATION. RADICALS ARGUED THAT IT DID NOT GO NEARLY FAR ENOUGH. AS IT STANDS, THE LAW PLACES STATE, COLLECTIVE, AND WHAT IT CALLS CITIZENS' PROPERTY (IE PRIVATE PROPERTY) ON AN EQUAL BASIS. CITIZENS PROPERTY INCLUDES PERSONAL POSSESSIONS, STOCKS AND SHARES, HOUSING (DACHAS AND GARDEN PLOTS) FOR PERSONAL USE, AND WHATEVER MEANS OF PRODUCTION CAN REASONABLY BE REGARDED AS NECESSARY FOR THE PURSUIT OF INDIVIDUAL WORK. THIS WOULD PRESUMABLY INCLUDE A FARMER OWNING HIS TRACTOR OR A COOPERATOR A LORRY TO TRANSPORT HIS GOODS. CITIZENS PROPERTY IS ALSO DEFINED AS INCLUDING ALL PRODUCTS OF THE INDIVIDUAL'S LABOUR: NOR DOES IT RULE OUT SHARE OWNERSHIP IN A COMPANY BY THOSE WHO DO NOT WORK THERE.
4. COLLECTIVE OWNERSHIP INCLUDES PROPERTY HELD BY COOPERATIVES, ENTERPRISES AND JOINT STOCK COMPANIES AND OTHER SOCIAL OR REGIONAL ORGANISATIONS. IT OPENS UP THE POSSIBILITY OF FOREIGN OWNERSHIP OF ENTERPRISES, BOTH INDEPENDENTLY OR VIA JOINT VENTURE PARTICIPATION, SUBJECT TO FUTURE LEGISLATION. STATE OWNERSHIP IS FURTHER DIVIDED, WITH CONTROL OVER SOME PROPERTY BEING DELEGATED TO REPUBLICS AND AUTONOMOUS REGIONS. FOR EXAMPLE LAND AND ITS MINERAL RESOURCES ARE THE PROPERTY OF THOSE WHO LIVE ON THAT TERRITORY. BUT IT IS TO BE USED "IN THE INTERESTS BOTH OF THE INHABITANTS AND OF THE WHOLE

COUNTRY'' - A COMPROMISE FORMULA UNLIKELY TO PREVENT REPUBLICS SEEKING TO CONTROL THE DISPOSAL OF RAW MATERIALS TO THEIR AND NOT THE UNIONS BEST ADVANTAGE. THE STATE MEANWHILE RETAINS EXCLUSIVE CONTROL OVER STRATEGIC PROPERTY SUCH AS TRANSPORT, ENERGY AND COMMUNICATIONS LINKS. THE LAW CONCLUDES WITH A SECTION DESIGNED TO PROVIDE GUARANTEES OF OWNERSHIP AND ALLAY FEAR THAT PROPERTY WIL NOT BE LIABLE TO SEIZURE BY THE STATE SHOULD IT CHANGE ITS MIND IN THE FUTURE.

COMMENT

5. THIS LAW REPRESENTS A SUBSTANTIAL VICTORY FOR THE REFORMIST LOBBY. THEY MANAGED SUCCESSFULLY TO DEFEND THE BILL AGAINST CHANGES THAT IT WOULD LEAD TO THE END OF SOCIALISM AND OPEN THE FLOODGATES TO BLACK MARKETEERS. THEY WERE FORCED TO COMPROMISE ON USING THE TERM ''PRIVATE PROPERTY.'' SUBSTITUTING ''CITIZENS PROPERTY'' IN ITS PLACE, AND HAD TO ACCEPT THE INSERTION OF A PARAGRAPH RULING OUT THE ALIENATION OF WORKERS FROM THE MEANS OF PRODUCTION TO PACIFY THE BILL'S OPPONENTS. NEVERTHELESS, FOR THE FIRST TIME SOVIET CITIZENS HAVE THE RIGHT IN LAW BOTH TO PRIVATE (AS OPPOSED TO PERSONAL) PROPERTY, AND TO EARN INCOME OTHER THAN THAT PRODUCED BY THEIR OWN LABOUR. WHAT IS NOT CLEAR IS THE EXTENT OF PRIVATE OWNERSHIP. IN DEFENDING THE BILL DURING ITS SECOND READING, ABALKIN CLEARLY SAW IT PRIMARILY AS ENCOURAGING THE ESTABLISHMENT OF SMALL FAMILY-RUN BUSINESSES. BUT THE LAW ALSO SEEMS TO PERMIT THE HIRING OF LABOUR, RAISING QUESTIONS AS TO HOW LARGE A BUSINESS CAN BE BEFORE IT CEASES TO BE A FAMILY CONCERN. HOWEVER, WITH WHAT APPEARS TO BE THE GREEN LIGHT TO A BROADER OWNERSHIP OF SHARES, THE LAW IS SET TO BRING BENEFITS NOT ONLY TO THE SELF-EMPLOYED BUT ALSO TO STATE EMPLOYEES. AND IF CITIZENS CAN HOLD SHARES IN OTHER ENTERPRISES, IT WILL ONLY BE A MATTER OF TIME BEFORE A MARKET THROUGH WHICH TO TRADE THEM IS ESTABLISHED.

6. WHAT IMPACT THIS LAW HAS ON THE AILING ECONOMY WILL DEPEND CRUCIALLY ON THE ATTITUDE OF THE LOCAL AND REPUBLIC AUTHORITIES. PREVIOUS LAWS - NOTABLY ON COOPERATIVES AND LEASING - HAVE BEEN HAMSTRUNG BY SUBSEQUENT ACTION FRO CENTRAL AND REGIONAL AUTHORITIES. UNDER THE TERMS OF THIS LAW, REPUBLICS HAVE THE POWER TO DEFINE WHAT PROPERTY MAY NOT BE OWNED PRIVATELY ON THEIR TERRITORY. THEY CAN ALSO SET LIMITS ON THE EXTENT OF THE OTHER FORMS OF OWNERSHIP. LITHUANIA HAS ALREADY PASSED ITS OWN PROPERTY LAW WHICH OPENS UP PRIVATE OWNERSHIP AS WIDELY AS IT CAN, GIVEN ALL-UNION LEGISLATIVE RESTRAINTS: BUT OTHER REPUBLICS ARE EQUALLY AS LIKELY TO CURB THE OPPORTUNITIES FOR PRIVATE OWNERSHIP. AND AS ONE LEADING ECONOMIST RECENTLY REMARKED, IF A COLLECTIVE CANNOT CONTROL THE INPUTS OF ITS ENTERPRISE OR DISPOSE INDEPENDENTLY OF ITS PRODUCTS, WHAT REAL MEANING DOES THE PHRASE ''COLLECTIVE OWNERSHIP'' HAVE?

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LIMITED 6
SOVIET D 6
KIEV UNIT 2
COMED 5