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# USSR Report

ECONOMIC AFFAIRS

(FOUO 4/81)



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USSR REPORT  
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PLANNING AND PLAN IMPLEMENTATION

KHACHATUROV EXAMINES SOVIET ECONOMIC PROSPECTS

Moscow VOPROSY EKONOMIKI in Russian No 1, Jan 81 pp 3-14

Article by Academician T. Khachaturov: "New Prospects of USSR Economic and Social Development"

Text The 26th CPSU Congress--a great event in the life of the Soviet people--is approaching. Each party congress marks a new stage of the development of socialist society. "Each congress has opened new horizons before our party and country," L. I. Brezhnev said at the June (1980) CPSU Central Committee Plenum. Extensive prospects of the further development of the Soviet economy are developed in the draft plan of the CPSU Central Committee for the 26th party congress, "The Basic Directions of USSR Economic and Social Development for 1981-1985 and the Period to 1990," which has been brought up for national discussion. The great interest of Soviet economists in this document is understandable, bearing in mind the theoretical and practical importance of the provisions contained in it. Many of the provisions aim economic thought both at the need for their further theoretical elaboration and at the search for means of their practical substantiation and use in the planning and management of the development of the national economy.

The draft plan of the CPSU Central Committee has a number of peculiarities both with respect to structure and with respect to content, which distinguish it from similar documents which were published earlier for the 24th and 25th CPSU Congresses.

First of all the draft plan covers not only the next, the 11th Five-Year Plan, but also the more distant future--up to 1990, that is, the entire decade of the 1980's. This conforms to the new system of national economic planning, which is called for by the decree of the CPSU Central Committee and the USSR Council of Ministers of 12 July 1979, with the coverage by the long-range plans of periods of 20, 10 and 5 years (apart from the annual plans). Such a broadening of the planning horizon makes it possible to determine the directions of the forthcoming development of socialist society for an extended period of time and to present more clearly to both the Soviet people and the peoples of other countries the anticipated direction of the building of communism. For the first time since Lenin's plan for the State Commission for the Electrification of Russia, which was drawn up for a 10- to 15-year period, the draft of the Basic Directions calls for the drafting of a plan intended for a period of 10 years.

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Another important feature of the draft plan of the CPSU Central Committee is that the importance of the social aspect of the development of society is emphasized in it. Its very title speaks about the economic and social development of the USSR, and not about the development of the national economy, as in the Basic Directions adopted by the 25th CPSU Congress. In conformity with this such important social goals as the comprehensive development of the personality of the Soviet individual, the access of the entire population to cultural values for the purpose of ensuring the harmonious spiritual life of the people, the increase of the level of education and culture and moral upbringing are included in the draft plan in question. Working conditions will be improved, a communist attitude toward labor will be further developed, the labor and social activeness of workers and their participation in the management of social production will increase. An increase of the free time of workers on the basis of the development of public services is called for. Many of these questions require careful study by economists and sociologists. On the one hand, the very setting of such tasks of increasing the standard of living and level of culture of the people is possible owing to the achievements of the Soviet economy and the increase of the material well-being, while, on the other hand, the socio-economic development of society is responsible for the Soviet way of life and the new gains of the building of communism.

The aim at a comprehensive nature of development, both economic and social, is a third peculiarity of the draft plan of the CPSU Central Committee. The possibility and necessity of comprehensiveness stem from the advantages of the socialist economy, the conformity to plan and the proportionality inherent in it, the public ownership of the means of production. Comprehensiveness can and should be achieved in all the directions of the development of productive forces and social relations, including the use of natural resources, the development of means of production, technical progress, the combination of sectors and the interrelations of regions. Thus, the assurance of the uniform planning of the proportionate and balanced development of all the sectors of agriculture, industry, transportation and warehousing services, which belong to the complex, and their precise cooperation on the output of agricultural produce, its storage, transportation, processing and delivery to the consumer is in accord with the strengthening of the agro-industrial complex and the implementation of the food program. The planned formation of territorial production complexes for the assurance of the efficient distribution of productive forces will undergo further development. A number of major comprehensive programs of economic development will be implemented, the production management system will be improved. Economic science is faced with the problem of elaborating methods of determining the effectiveness of the comprehensive approach in the development of the economy, of comparing the capital and current expenses in the case of different versions and of identifying the advantages of comprehensiveness.

The fourth peculiarity of the draft plan is the examination of the questions of combining the scientific and technical revolution with the advantages of the socialist economic system, introducing highly efficient new equipment and technology in all sectors of production and using them in solving social problems as well. The improvement of the methods of determining the effectiveness of the versions of technical development and the finding of the optimum one of them, as well as the establishment of the optimum versions of social development and the comparison of the various means of meeting social needs are the obligation of economic science and practice.

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The fifth peculiarity of the draft plan is the aim at the utmost placement into operation of the enormous production resources and internal reserves, which exist in all the links of the economy, the increase of labor productivity, the saving of material resources, the reduction of the production cost and the acceleration of production processes. This implies the need to utilize the advantages of the socialist economy under the conditions of the near exhaustion of the potentials of extensive growth in the presence of full employment and rising expenditures on the commitment of new natural resources to the economic turnover. The noticed depletion of some resources must also be taken into account. Therefore the transition to intensive methods of managing the economy is becoming more and more urgent. The need to strive for an increase of the efficiency of social production, its intensification and the achievement of high end results is emphasized in the draft of the Basic Directions. It is a matter of an immutable principle of the building of the economy--the achievement in the interests of society of the greatest results with the complete utilization of production resources.

Much attention in the draft plan is devoted to the improvement of administration and to the increase of the level of leadership and management in all the links of the economy.

As is known, the measures stipulated in the decree of the CPSU Central Committee and the USSR Council of Ministers of 12 July 1979, "On Improving Planning and Strengthening the Influence of the Economic Mechanism on Increasing Production Efficiency and Work Quality," will be implemented during the new five-year plan.

The study of the draft plan shows that the provisions belonging to it and its entire structure and content are an invaluable contribution to the elaboration of the problems of the political economy of socialism.

A significant increase of the well-being of the people is planned by the draft plan. It is important to emphasize that the sectors of industry of group B will increase production more rapidly than the sectors of group A, with an increase of the public consumption funds.

An increase of industrial production by 26-28 percent, or 4.7-5 percent a year, of agricultural production by 12-14 percent, or 2.3-2.7 percent, the freight turnover of rail transport by 14-15 percent, or 2.7-2.8 percent a year, and of capital investments by 12-15 percent, or 2.3-2.8 percent a year, is planned for the 11th Five-Year Plan on the basis of the powerful production base created during the 10th and preceding five-year plans.

The achievement of the indicated growth rates is a difficult task. A considerable straining of the available assets and potentials, the increase of labor productivity in all the links of the economy, technical progress and the reduction of the materials-output and capital-output ratios of production are required for its solution. In recent times the growth rate of the production of a number of developed capitalist countries has slowed considerably. According to the available data of the Organization for Economic Cooperation and Development, the forecast of the national income for 1981 showed for the United States a decrease of its amount by 0.5 percent, for France an increase by 2 percent, for the FRG an increase by 2.5 percent, for Italy an increase by 1.5 percent, for Great Britain a decrease

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by 0.5 percent, and on the average for all the OECD countries an increase of only 1.2 percent.

Of course, the standard of living and the level of well-being of the people depend far from only on the rate of economy growth, but also on the levels of social development, culture and education. At the same time the level and effectiveness of economic development, as well as to a great extent the degree of utilization of the economic potentials which society has, influence the solution of the problems of social progress.

Enormous potentials for economic growth and social development exist in the USSR economy. The planned economic and social progress on the basis of the increase of production efficiency and the intensification of production can be ensured on the condition of their utilization both during the 11th Five-Year Plan and in the subsequent future period. This depends on the degree of realization of such most important conditions as technical progress and the development of science, the increase of labor productivity and the decrease of the labor-output ratio of production, the efficient use of material resources and their saving, the increase of the effectiveness of capital investments and the expanded reproduction of fixed capital, the better organization of the management of the national economy. Economic science is capable of examining and determining the influence of each of these conditions in all their specific details and components on the economic and social development of the country and of giving them a quantitative evaluation in comparison with the expenditures necessary for their realization.

The development of science and technology is the main path of the intensification of the economy and the increase of its efficiency. In expediting the development and adoption of the latest technical achievements, at the same time obsolete products should be removed from production and their use should be halted, thereby promoting the updating of the production and the increase of the efficiency of consumption. It is possible to distinguish two types of new technology. Many well-known and proven models of new equipment, which are still not being produced in adequate quantity and have not become widespread, belong to one of them. With respect to these model the problem of their mass adoption and better utilization is arising. By increasing the production and use of computers and other electronic equipment, lasers, synthetic materials, metal powders and other types of new technology, which have demonstrated their worth, it is possible to ensure in a short time an increase of the technical level of production and consumption, and at the same time their greater and greater economic efficiency.

Along with this the acceleration of the development and the introduction of the other type of new technology--fundamentally new technology such as thermonuclear power, new types of compact and economical motors which did not need petroleum fuel, the development of space and the control of the weather and climate--are an important task. Fundamentally new technology is the high road of its development in the long-range future, which reveals unprecedented possibilities of the progress of socialist society and the prospects of creating the material and technical base of communism.

The development of both types of new technology is called for in the draft of the Main Directions. The use of highly efficient systems of machines and technological

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processes, which ensure the complete mechanization and automation of production, is planned. The number of mechanized and automated flow lines and automated control systems will be increased. Industrial robots and built in systems of automatic control with the use of microprocessors and minicomputers will be used extensively. The production of computers and other instruments and means of automation must be developed considerably on the basis of the latest achievements of microelectronics, optical electronics and laser technology. The extremely rapid growth in recent years of the output of computers in the United States and Japan, the great efficiency, the employment of the user system of the use of computer centers and their considerable workload should be taken into account.

In the development of new machines and equipment their capacities will be increased with the simultaneous decrease of their dimensions, metal-output ratio and power consumption and with the reduction of the expenditures per unit of the final product. The module principle will be used in the designing of new machines with the use of standardized blocks and units.

The further electrification of the national economy will be of enormous importance for technical progress. The generation of electric power in the country will increase by 1985 by 20-24 percent as compared with 1980 and will come to 1.55-1.6 billion kWh. Of this amount 220-225 billion kWh (or 15 percent) will be generated at nuclear electric power stations. This means that the proportion of electric power generated at nuclear electric power stations will increase 3.7-fold as against 1980. The proportion of nuclear electric power in 1979 was 12 percent in the United States, 13 percent in France and 10 percent in Japan. The increase of the proportion of nuclear electric power in its total generation, which is planned for 1985, should be rated favorably, as a stage of its further growth and technical development.

It is important to emphasize the need for the leading growth of the generation of electric power as compared with economic growth as a whole. In 1980 650-fold more electric power was generated than in 1913 and 26-fold more than in 1940, while the national income was respectively 75-fold and 13-fold greater. The growth rate of the generation of electric power was greater than the growth rate of the national income during the years of the postwar five-year plans, including during the 10th Five-Year Plan, when the generation of electric power increased by 24 percent, while the national income increased by 21 percent. The leading growth of the generation of electric power is important especially because it leads to an increase of the electric power-worker ratio, which, in turn, is conducive to an increase of labor productivity. Thus, the electric power-worker ratio in industry increased from 1970 to 1979 by 36 percent, while labor productivity increased by 52 percent. For the period 1975-1979 the corresponding figures were 8 and 14 percent (it should be taken into account that labor productivity is calculated by dividing the gross output in /current prices/ *[in italics]* by the number of workers).

In electric power engineering itself technical progress also takes the form of the concentration of production, the changeover to more powerful electric power stations and more powerful units. In recent years thermal electric power stations have been built with a capacity of up to 4 MW (the Zaporozhskaya GRES), while hydroelectric power stations have been built with a capacity of up to 6.5 MW (the Sayano-Shushenskaya GES). The production of nuclear reactors with a capacity of

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1-1.5 MW and power blocks with a capacity of 500,000-800,000 kW, of turbogenerators with a capacity of 1-1.5 MW is planned for the future. The great capacity of electric power stations and power blocks makes it possible to increase the efficiency of electrification and to economize on the unit capital investments and the cost of electric power. The capacity of electric current transmission systems will also increase—to 1.5 million V of direct current and 1.2 million V of alternating current. This will make it possible to solve the problem of supplying electric power to the European part of the USSR and the Urals without the transportation there of low-calorie coals, which would require major investments in the construction of new rail outlets from the east. The coal of Ekibastuz and the Kansk-Achinsk basin will be burned locally in the furnaces of the boilers of electric power stations, and the electric current will pass through electric power transmission lines of the first stage—a direct current with a tension of 1,500 kV from Ekibastuz to the Center and an alternating current with a tension of 1,150 kV from Ekibastuz to the Urals.

The concentration of production, as is known, is not suitable always and everywhere. V. I. Lenin wrote that "in industry... the law of the superiority of large-scale production is not at all as absolute and simple as is sometimes thought..."<sup>1</sup> It is easier to change medium-capacity enterprises over to a new processing method. For example, the construction of small-capacity metallurgical plants at the site of the consumption of metal products and the formation of ferrous metal scraps is envisaged in the draft of the Basic Directions.

Much attention in the draft of the Basic Directions is devoted to the task of increasing the output of advanced materials. It is a matter of increasing the strength properties, corrosion resistance, thermal shock resistance and cold resistance of metals and alloys, metal components and pipe, as well as of producing new materials, components and articles on the basis of powder metals. In our country the production of polymeric materials, synthetic resins and plastics and synthetic fiber is still not being adequately developed. Therefore the considerable increase of the output of these important materials, which in many instances effectively replace ferrous and nonferrous metals, as well as natural fibers (especially for the production of industrial fabrics) is called for.

Along with the extensive adoption of new technology which is already known and has been tested, the broadening and acceleration of theoretical scientific research are of enormous importance for the increase of the productive forces. The tasks of developing such fundamental social sciences as political economics and philosophy are set in the draft plan of the CPSU Central Committee. These sciences will receive a new impetus on the basis of the analysis of the achievements of the development of socialist society and the prospects of its movement, as well as studies of the economic and social problems of mature socialism and the world socialist system, the economics and politics of the capitalist countries. The questions of generalizing the experience of the world communist and working-class movement are especially singled out.

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1. V. I. Lenin, "Polnoye sobraniye sochineniy" [Complete Works], Vol 4, p 110.

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A number of major tasks have been set on the development of the natural and technical sciences, so that the results of research in the area of mathematics, physics, chemistry, biology and other basic sciences could be prepared in good time for subsequent use in production.

The possibilities of a considerable increase of labor productivity are an enormous reserve of economic and social development. In accordance with the draft of the Basic Directions an increase of the productivity of national labor for the country as a whole by 17-20 percent, or 3.2-3.7 percent a year, and in industry by 23-25 percent, or 4.3-4.5 percent a year, and in agriculture (the public sector) by 22-24 percent, or 4-4.1 percent a year, is planned for the 11th Five-Year Plan. The growth of labor productivity is even higher in some sectors of industry. The growth of labor productivity will be greater than it actually was during the 10th Five-Year Plan. Thereby the lag in the growth of labor productivity will be offset.

The main source of the increase of productivity is the introduction of new technology. Labor productivity should increase more rapidly than the production capacity of new equipment and its cost. If the growth of labor productivity is less than the growth of the production capacity of equipment, this means that the created objective possibilities of increasing output will not be fully realized due to the lag of labor productivity.

The increase of labor productivity depends on the level of the mechanization of labor. The proportion of manual labor in our country is still very high. In industry about one-third of the workers, not counting repairmen and adjusters, are engaged in manual labor. In construction the proportion of those engaged in manual labor is even higher--about one-half. The supplantation of manual labor will make it possible to eliminate the shortage of manpower, which is being experienced here and there and is to a considerable extent the result of shortcomings in the organization of labor and the use of machinery. About 10 million people are employed in our country in materials handling operations. This figure is excessively great. The use of manual labor limits the possibilities of developing production. The goal of the utmost reduction of manual, unskilled and difficult physical labor is set in the draft of the Main Directions.

The increase of the intensity of labor by means of the elimination of losses of working time and idle times is an important factor of the increase of labor productivity. The intensity of labor, where it is lagging, must be brought up to the socially normal average level. Labor discipline should be tightened up and the responsibility for the assigned matter should be increased. The elimination of these shortcomings depends on the improvement of the organization of labor and production. In order to reduce the intrashift idle times, which often take up a significant portion of the working time, it is necessary to ensure the continuous supply of materials, raw materials, fuel, electric power, as well as spare parts, to achieve the normal operation of the equipment and the smooth pace of production and to eliminate crash work.

Advanced forms of the organization of labor and the combining of occupations should be used more extensively. Steps must be taken for the elimination of the monotony of labor processes, the lending of a creative nature to labor, the stimulation of initiative, rationalization and invention. The tightening up of discipline and

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the increase of responsibility in all the links of production, the development of socialist competition and the extension of material and moral stimulation are an important task.

Economic science and practice are faced with the important tasks of studying the questions of the economics of labor and elaborating specific proposals on increasing its productivity. It is necessary to analyze regularly the main factors which govern the overall level of labor productivity and to determine quantitatively the role of technical progress, the intensity of labor, its organization, the skill of workers and material and moral stimulation in increasing the level of labor productivity. The proposals on the improvement and dissemination of the rate setting of labor, the improvement of working conditions at enterprises and labor safety procedures may provide much. Economic estimates of the comparison of the expenditures with the obtainable economic and social impact from measures on the increase of labor productivity are needed.

The intensification of production and the increase of its efficiency in many ways depend on the improvement of the use of materials, raw materials, fuel and power. Much attention is devoted to these questions in the draft of the Main Directions. The task of saving material resources, reducing the outlays of the main types of materials, using secondary resources and byproducts extensively and eliminating losses in all sectors of the national economy is set.

The proportion of the material expenditures in industry has reached 80-85 percent of the total expenditures on the output of commodity production. The reduction of the material expenditures by just 1 percent would yield a saving of about 4.5-5 billion rubles a year. In fact, the efficiency of such a reduction of expenditures is even greater, if we bear in mind that limited natural resources are conserved, environmental pollution is reduced and so forth.

The saving of material resources is possible at all stages of the production cycle, beginning with the extraction of raw materials. The available data for the extractive industry show that up to 30-40 percent of the coal found in a deposit, up to 50 percent of the gas, up to 70 percent of the petroleum and up to 20 percent of the iron ore are left in the ground. Measures on increasing the yield of mineral resources are quite possible. Thus, the use of new methods of affecting petroleum beds and the adoption of an advanced means of the gas lift operation of wells and of highly productive deep-well pumps are indicated in the draft of the Main Directions. The material interest of enterprises of the extractive industry in increasing the yield of mineral resources must also be increased--for example, by the appraisal of deposits and the entry of their value in the balance sheet of the enterprise. Then, for example, a coal mine would also strive to bring coal to the surface from thin seams which it is now unprofitable to use. It is quite possible to prevent great losses of casing-head natural gas. More than half of the gas being obtained is now being used, but still much gas is annually burned on flares. The reason for this is the delay with the construction of gas-collecting systems, compressor stations, natural gasoline and other plants, tanks and so on. An end must be put to this wastefulness.

The complete utilization of extracted raw materials may yield a great impact. Thus, at the Ust'-Kamenogorsk Lead and Zinc Combine raw materials of a large number of

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descriptions are processed and many types of products to be marketed are produced, including those, the need for which was previously met by imports. At the Balkhash Mining and Metallurgical Combine byproducts constitute up to 30 percent of the total output. Processes of the thorough recovery of nickel, copper and cobalt have been set up at the Noril'sk Mining and Metallurgical Combine. A significant amount of the sulfuric acid produced in the USSR is obtained from the sulfur dioxide exhaust of copper smelting and other plants of nonferrous metallurgy. At the Azovstal' Plant the metallurgical slags are used for the production of construction materials. But many useful components contained in the raw materials being extracted are not being used. Zinc, bismuth, antimony, tungsten, molybdenum, gold and silver go to the dumps.

The possible saving of fuel and energy resources is a substantial reserve of the development of production. Specific assignments on the saving of fuel and energy resources, ferrous metals, pipe, rolled products, nonferrous metals, lumber and cement are cited in the draft of the Main Directions. These assignments should be regarded as the minimum assignments.

We produce more mineral fuel than any other country. However, it is not being used efficiently everywhere. In electric power engineering there are many obsolete power blocks which should be replaced by more improved ones. The consumption fuel in ferrous metallurgy and the chemical industry is too high. Many gains have been made in the country in the central heating of cities and enterprises. But still there are more than 400,000 small, uneconomical boiler houses, which belong to various departments and overconsume an enormous amount of fuel. The heat losses in new apartment houses, which has excessively large areas of windows in conformity with current fashion in architecture (without consideration of the peculiarities of the climate in our country) are great. Much fuel is wasted in transportation, much electric power is wasted due to the reduced voltage in power systems and the reduced frequency of the alternating current. The elimination of these shortcomings requires capital investments, but estimates show that the unit capital investments allocated for saving fuel and energy resources are one-fourth to one-third as much as the unit investments necessary for increasing fuel production.

We are in first place in the work in the production of "the bread of industry"--pig iron and steel, but we do not have enough ferrous metal. Meanwhile a significant saving can be achieved in the production and consumption of ferrous metals. It is quite possible to reduce the large losses of metal in ferrous metallurgy itself by the more extensive use of the oxygen-converter method of producing steel in combination with its continuous teeming and the increase of the production of rolled products from semikilled metal instead of killed metal. In machine building and metalworking it is possible to reduce the scrap by the replacement, where possible, of the cutting of metal by pressing, for which it is necessary to increase the production of rolled sheet. More precision injection molding should be performed.

It is possible to decrease significantly the wear of parts of machines and equipment by increasing the production of high grade steels, and this is equivalent to the increase of the production volume. The production of tin sheet metal, including the thinnest, will be increased. Losses from corrosion can be reduced by the extensive use of powder-base coatings, as well as plastic coatings. These and other measures will provide a large saving of metal, will increase the economic

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efficiency of the production and use of metal in the national economy and will make it possible to realize the large internal reserves.

We fell more trees than in any country whatsoever. But we are experiencing a serious shortage of wood. It is necessary to improve sharply the use of wood in the national economy by reducing the great waste and losses which form at the logging sites, in transportation and in processing. It is a question of tens of millions of cubic meters of scrap wood, from which it is possible to make wood pulp, wood particle and wood fiber board, cellulose, paper, cardboard and a number of products of wood chemistry. Tens of millions of cubic meters of round timber are used for making boards for boxes, which usually make not more than one turnover, and then are thrown out or burned. At the same time large amounts of fertilizers, vegetables, fruits and other products are being lost due to the shortage of packaging. The increase of the production of cardboard, polyethylene and other packaging can save much timber and capital and eliminate the spillage of valuable products.

The available data attest to considerable losses of construction materials--brick, glass, cement, of which we also produce more than any other country. The losses are in many ways connected with careless loading and unloading and poor storage. The responsibility for losses and the material interest of construction workers in saving construction materials must be increased.

The same thing applies to fertilizers. Our country is in first place in the world in the production volume of mineral fertilizers. However, there are still not enough fertilizers, especially for application to grain crops. The losses of fertilizers during transportation, unloading and storage are especially intolerable. The excessive consumption of fertilizers when applying them to the soil, their washing away and contamination of bodies of water with all the adverse consequences of this are also occurring. As a result of the inadequate development of the infrastructure (roads, warehouses, elevators, refrigerators) the losses of agricultural produce are large. Grain is being lost, potatoes, vegetables and fruits are spoiling, the live weight of livestock purchased by the state is decreasing. The development of the infrastructure requires expenditures, but they will be recovered in short periods not exceeding 2-3 years, if the elimination of losses of agricultural and other products is taken into account. Moreover, the supply of the population will be improved. The strengthening of the infrastructure is one of the important conditions of the food program which has been planned for implementation.

Economists are faced with the crucial task of making a comparative evaluation of the means of saving material resources in the national economy--in industry, agriculture and material supply--and of eliminating the considerable losses. These resources of economic growth must be fully utilized.

The better use of the created fixed capital is a great reserve in the socialist economy. The workload of equipment in industry, agriculture and transportation must be increased significantly. It is possible to judge the reserves available here from a large number of indicators. The shift coefficient in industry is low, it is approximately 1.3. The study of the possibility of increasing this coefficient and thereby increasing the production volume merits attention. The number of hours of the operation of electric motors in industry is an important indicator of the use of capital--on the average it does not exceed one-fifth of the total annual

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number of calendar hours. There are data that, for example, in the United States this indicator is considerably higher. It would be advisable to study the possibility of loading equipment more completely. A very important measure is called for by the decree of the CPSU Central Committee and the USSR Council of Ministers of 12 July 1979--the drawing up of passports of enterprises. One of the goals of these passports is the identification of the production capacity of the enterprise as a whole and of its individual shops and other subdivisions. The production capacity of the entire enterprise is often limited by its least developed units--for example, the procurement or transportation shop. The development of this unit, the "undoing of the bottleneck" so that it would not limit the capacity of the enterprise as a whole, can increase it considerably. This should become an important object of economic analysis and calculation. The improvement of the use of the fixed capital of the enterprise also depends on the quality of the organization of production management.

A special section in the draft of the Main Directions is devoted to questions of capital construction, the task of which is the increase of the production potential on a new technical base, as well as the development of the nonproduction sphere.

Construction holds an important place in the Soviet Union. In the past 15 years the fixed capital of the USSR has increased nearly twofold, while the fixed production capital has increased 3.2-fold. This made it possible to increase the gross national product 2.5-fold and the national income 2.3-fold.

The economic impact obtained from capital construction could be considerably greater, if the existing shortcomings were eliminated. Among them are: long construction periods, as a result of which the production facilities at times are technologically obsolete by the time construction has been completed and the rated capacity has been completely assimilated; the exceeding by the actual cost of construction of the initial estimated cost, according to which the project was included in the plan; a not always high quality of construction, which creates the need for modifications and improvements after the projects has been presented for acceptance.

The task of radically improving construction and increasing the effectiveness of capital investments is set in the draft of the Main Directions. In order to shorten the construction period, it is necessary to do away with the dispersal of capital investments among too large a number of projects, while for this it is envisaged to concentrate capital investments at the most important construction projects and to decrease the number of projects being built at the same time. This will make it possible to reduce to the standard the unfinished construction, which now amounts to the annual amount of capital investments. Further, capital investments should be channeled first of all into the renovation and retooling of operating enterprises. The construction of new enterprises and the expansion of operating ones should be begun only if the needs of the national economy cannot be met by means of renovation and retooling. The instructions on the production of a set of machines for the performance of construction operations under the conditions of an operating works are of great importance for the priority performance of renovation and retooling. Measures on the improvement of planning and estimating are called for.

The increase of the efficiency of capital construction presumes the implementation of the measures contained in the decree of the CPSU Central Committee and the USSR

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Council of Ministers of 12 July 1979. The new procedure of drafting long-range plans for 20, 10 and 5 years and especially the fact that the importance of five-year plans as compared with annual plans has increased, are especially important to improving capital construction. The five-year plans have now become the main form of the planning of the economic and social development of the country and have become the basis of the organization of economic activity. It is clear that precisely long-range plans, and not annual plans, are more in keeping with capital construction, which in many instances requires a long time. Another important instruction concerns the fact that current production and new construction should be planned as a unified whole. This makes it possible to determine more validly the need for construction. The drawing up of passports of construction organizations, just as for industrial enterprises, will be conducive to the sounder planning of assignments on the amount of work, which should be performed.

The adoption of a new procedure of financing capital construction--not according to the amount of work performed during the given period (month), but for the completed and turnkey projects--will help to eliminate the shortcomings of capital construction. The increase of the role of credit and the other measures, which are called for by the above-indicated decree and are aimed at the radical improvement of construction and the increase of its efficiency, are also of substantial importance.

The elaboration of procedural questions of the determination of the effectiveness of capital investments, both productive and unproductive, the evaluation of the effectiveness of individual directions of capital expenditures, for example, on the infrastructure, the use of natural resources and individual major projects by oblasts and regions of the USSR, and the elaboration on this basis of proposals on increasing the efficiency of social production are required of economic science. A new Standard Method of Determining the Effectiveness of Capital Investments and methods of calculating the effectiveness of expenditures on nature conservation measures and the nonproduction sphere have recently appeared. They should be recommended for experimental checking and subsequent extensive use.

The development of the economy and the increase of production efficiency ensure the implementation of important measures aimed at social development and the increase of the national well-being. Labor is the only source of the increase of the national wealth. The increase of consumption is also in keeping with the increase of production. It is planned to increase the per capita real income during the five-year plan by 16-18 percent. The average monthly wage of workers and employees will increase by 13-16 percent and will come to 190-195 rubles a month, while the income of kolkhoz farmers from the public sector (not counting the income from the private plots) will be increased by 20-22 percent, that is, to 142-144 rubles. The increase of the production of goods needed by the population will make it possible to increase the retail commodity turnover by 22-25 percent and thereby will promote the more complete satisfaction of consumer demand with the stability of state retail prices for the main goods. The solution of the food problem will make it possible to improve the nutrition of the population by means of the most valuable products with respect to quality. The demands for industrial goods will be met more completely.

The public consumption funds will be increased by 20 percent. State aid to families having children and to young couples will increase. For the purpose of improving

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the working conditions and conditions of everyday life of working women partially paid leave to care for a child of up to one year is being introduced, while the opportunity to work a part workday or part work week is being introduced for women having young children. The network of kindergartens and nurseries will be expanded. The social security system will be improved. Trade and public dining will undergo considerable development. Apartment houses with a total area of 530-540 million m<sup>2</sup> will be built. The improvement and development of public education, socialist culture and art and health care are planned. All this will promote an increase of the level of well-being and the culture of the people, and thereby will also affect the increase of labor productivity and further economic development. An important task of economists is to establish the effectiveness of social progress for the development of the economy of the country as a whole and by sectors and regions.

Considerable space in the draft of the Main Directions is devoted to questions of the distribution of productive forces and to the economic and social development of the union republics. The development of the production potential of the eastern regions of the country--Siberia, the Far East, Kazakhstan and Central Asia, which have large natural resources--is called for in this section. The development of power-consuming works, machine building and agriculture, as well as the necessary production and nonproduction infrastructure should be carried out here. At the same time in the European part of the country and the Urals industry will be developed on the basis of the previously created economic potential, the renovation and re-tooling of operating enterprises without an increase of the number of working people. This is not the place for new power-consuming and water-consuming works. Power engineering will be developed by means of nuclear electric power stations. The draft plan contains instructions on the development of production by republics and economic regions with allowance made for their specialization and the division of labor in the country. All this is another object for economic analysis, the sound choice of effective versions of distribution and the improvement of the methods of determining them.

The improvement of administration and the increase of the level of management in all the units of the economy are spoken about in the last section of the draft of the Main Directions. The enhancement of the role of planning as the central unit in the management of the national economy and the increase of the importance of the five-year plan as the main tool of the implementation of party economic policy are called for. The need for the reflection in the plans of the internal reserves of production and the present achievements of scientific and technical progress and for the choice of the most effective directions of development is emphasized. In production management the role of the policy of economy should be increased, cost accounting should be consolidated, the time factor should be taken more completely into account, all types of resources should be used, losses and waste should be eliminated and nonproductive expenditures should be reduced. Great importance is attached to the requirement of efficiency and the quick payback of new technology and products. A number of important instructions are given on the improvement of the style and methods of the management of the economy on the basis of Leninist principles of administration, the development of initiative and socialist enterprise. It is necessary to combat bureaucracy and formalism, departmentalism and regionalism, to increase the responsibility for the assigned matter and the results of work and to develop the creative initiative of workers in the management of the economy. Only on these conditions is it possible to ensure the improvement of the management of all units of the economy and the complete utilization of available reserves.

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These instructions in the area of the management of the economy and the improvement of planning, as in the areas stipulated by other sections of the draft of the Main Directions, provide a mighty stimulus for the development of the scientific and practical activity of economists and sociologists. All this will promote the enrichment of social science and will be a valuable contribution to the development of the political economics of socialism and of philosophy. The Soviet people, guided by these instructions, will ensure by their labor further gains of the economic and social development of the country and the acceleration of the movement of socialist society along the path to communism.

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PLANNING AND PLAN IMPLEMENTATION

EXPERTS CONFER ON 1981-1985 PLAN, PERIOD TO 1990

Moscow VOPROSY EKONOMIKI in Russian No 1, Jan 81 pp 56-109

Article: "Discussion of the Draft Plan of the CPSU Central Committee for the 26th Party Congress, 'The Main Directions of USSR Economic and Social Development for 1981-1985 and the Period to 1990'"

Text: In December 1980 there was a discussion of the draft plan of the CPSU Central Committee for the 26th party congress, "The Main Directions of USSR Economic and Social Development for 1981-1985 and the Period to 1990," which was held by the editorial boards of the journals VOPROSY EKONOMIKI, PLANOVOYE KHOZYAYSTVO and SOTSIALISTICHESKIY TRUD. Staff members of a number of scientific research institutes and higher educational institutions and workers of planning and economic organizations took part in the discussion.

Academician T. S. Khachaturov (editor in chief of VOPROSY EKONOMIKI). The editorial boards of the journals VOPROSY EKONOMIKI, PLANOVOYE KHOZYAYSTVO and SOTSIALISTICHESKIY TRUD along with the most active readers have gathered at this conference to discuss the draft plan of the CPSU Central Committee for the 26th party congress, "The Main Directions of USSR Economic and Social Development for 1981-1985 and the Period to 1990." This draft plan reveals new prospects of development to the Soviet Union and our people. It has peculiarities which distinguish it from a similar document that was published for the 25th congress. These differences consist first of all in the fact that in the past five years the country has advanced far, and we are now faced with new gains and new tasks. Their specification is also the main content of the draft plan of the CPSU Central Committee. But this draft plan also has differences with respect to methodology.

Let us begin with the fact that it covers not only the next, the 11th Five-Year Plan, but also the decade up to 1990. This is in keeping with the decree of the CPSU Central Committee and the USSR Council of Ministers, "On Improving Planning and Strengthening the Influence of the Economic Mechanism on Increasing Production Efficiency and Work Quality," in which the new procedure of compiling long-range plans of economic and social development for 20, 10 and 5 years is established. The draft of the Main Directions being discussed covers a 10-year period, and the prospects for the 11th Five-Year Plan are elaborated with the necessary detail, while the main goals of development are outlined for the decade as a whole.

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The second peculiarity of the draft plan consists in the fact that the directions of not only the economic, but also the social development of the USSR, as is obvious from the very title of this document, are examined in it, while the preceding draft plan for the 75th congress was called "The Main Directions of National Economic Development."

In conformity with this questions of the comprehensive development of the individual, the broadening of the access of the entire population to cultural values and the increase of free time on the basis of the development of services and questions of demography and the strengthening of the family are included in Section II of the draft plan of the CPSU Central Committee. A large number of tasks of social development and the increase of the national well-being are contained in Section VIII of the draft plan.

Of the other peculiarities of the draft plan it is possible to indicate the great importance which is attached to the development of science and the acceleration of technical progress, which was reflected in Section III of the document, and these tasks were set before the tasks in the area of industry, agriculture, transportation and capital construction. It is a question here both of the introduction of technical achievements, which are already known and need extensive dissemination, and of fundamentally new tasks of the development of the social and natural sciences, which govern the high road of further scientific and technical progress. The questions of the development of agriculture, like the other questions, are given in the draft of the Main Directions comprehensively, in connection with the development of the other sectors associated with agriculture and the entire section acquired the corresponding title--"The Development of the Agro-Industrial Complex."

A special section is devoted to nature conservation with the distinction of the tasks in this area. The means of improving administration and increasing the level of management in all the links of the economy are also specified in an independent section. As a whole the draft of the Main Directions with respect to both the methodology and the content sets the basic tasks both for the 11th Five-Year Plan and for the subsequent future period.

What is the main task of our conference?

The draft of the Main Directions has been submitted for extensive national discussion. We can make specific suggestions in development of what has been outlined in this draft plan, or can give new suggestions which could be discussed here. For example, the tasks in the area of the increase of labor productivity are recorded in the draft plan. Perhaps, it would be worthwhile to speak about the specific directions of this increase--to what extent it should take place due to the introduction of new technology and the intensification of production and to what extent due to the improvement of the organization of labor and management.

It seems to me that it would be possible to speak in more detail about the availability of material reserves and to attempt to determine the means of their more complete utilization. Perhaps, the means of increasing the efficiency of social production, the effectiveness of fixed capital and capital investments and of decreasing current expenditures should also be indicated.

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It is desirable that the statements at this conference would conclude with specific suggestions, which we could print in the journals and which could be used in the final preparation of the draft plan.

Corresponding Member of the USSR Academy of Sciences Ye. I. Kapustin (director of the Institute of Economics of the USSR Academy of Sciences). The main goal set by the Communist Party for the 11th Five-Year Plan and the future period to 1990 is the more complete satisfaction of the needs of the Soviet individual and the comprehensive development of the individual. The most important aspect of the socialist way of life found expression in the wording of the main tasks of economic and social development. The increase of the social and labor activeness of the Soviet people in the coming period is one of the means of achieving the goal of socialist production. As T. S. Khachaturov has already said about this, the draft of the Main Directions is notable for its social orientation: it is the draft of the plan of not only the economic, but also the social development of the country. For all the decisive importance of the task of further increasing the level of consumption of material wealth by the workers, such an indicator of our socio-economic development as the vital activity of a person, his specific behavior in labor and daily life, his goals and methods of achieving them is extremely important. The program of the steady increase of the national well-being far from exhausts the tasks of the further social progress of our society. There is no direct relationship between the standard of living and the way of life. It is incorrect to assume that the more material wealth a person consumes, the more complete a reflection socialist principles find in his labor and behavior in everyday life. The increase of the material well-being should perforce be combined with the moral development of the individual, for which certain economic conditions, which are envisaged by the draft of the Main Directions, are needed.

The tasks of the development of the socialist way of life must be reflected more completely in the draft plan. This should be done in Section II of the draft plan, in which the policy of "increasing the social and labor activeness of the Soviet people" is discussed and the task: "To ensure the further social progress of society, to implement an extensive program of the increase of the national well-being" is set for the next decade.

In both formulations it would be advisable to include the words "the further improvement of the socialist way of life"; this concept is considerably broader than the concept "labor and social activeness," since the latter does not cover all the vital activity of a person.

The task of further developing the socialist way of life (which at the same time means an uncompromising struggle against negative phenomena in the life of individual members of society) has also not been included in the formulation of the main task of the 11th Five-Year Plan. The attitude of a person toward his own labor in social production, his responsibility for the assigned job, his discipline and so on are and will be the most important condition of the further increase of the efficiency of social production.

Under the conditions of present-day scientific and technical progress, the increase of the complexity and cost of new equipment, the objective processes of the intensification of socialization, the specialization and cooperation of production each

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violation of discipline and labor rhythm does much greater damage to the state and society as a whole than before. In the 1980's the increase of the responsibility of people to society and of the discipline of each person must be ensured not only by administrative measures and educational work, but also by other socialist methods--by the creation at the works of those conditions which would promote to the utmost the increase of the labor initiative and independent action of the workers.

In this connection I would like to emphasize that in the draft of the Main Directions, where the increase of the responsibility of each person for the assigned job is discussed, it is necessary to speak more precisely about the responsibility of engineering and technical personnel for the organization of labor at the works. In the draft plan of the CPSU Central Committee the enormous importance of the introduction of the scientific organization of labor is quite correctly indicated, but it is important first of all to ensure the material and moral responsibility and interest of engineering and technical personnel in the more effective use of the labor of all workers and employees. We call upon the workers to participate in socialist competition, to make the most of every minute, but these minutes made available at times are squandered due to the unsatisfactory management of some engineering and technical personnel. We make the appeal to make the most of, to save and to use efficiently metal, fuel, power and equipment, and at the same time these materials, this equipment frequently are piled up in the production yard; new technological processes, which ensure the economical use of manpower and material resources, in many instances are being adopted slowly. The responsibility of the engineering and technical personnel, the management and engineering staff for the organization of production and labor must be emphasized to the utmost. It is expedient to do this in Paragraph 6 of Section II of the draft plan, in which the need "to increase the responsibility of economic managers for the results and quality of the work, the fulfillment of the plan assignments and contractual obligations, the observance of the principles of cost accounting, the assurance of the profitability of production and the acceleration of the turnover rate of the working capital of enterprises" is discussed. To these requirements it should be added "and for the organization of production and labor."

The development of socialist competition is acquiring greater and greater importance in the improvement of the socialist way of life, the increase of socialist discipline and responsibility and the strengthening of the combination of personal and public interests. In the draft of the Main Directions the need "to promote in every possible way the increase of the social and labor activeness of the Soviet people and the development of socialist competition" is discussed distinctly. But it must be borne in mind that socialist competition should be integrally combined with the plan. Meanwhile in the conception of many of our planners and managers competition is contrasted with the plan. Therefore, in our opinion, it is expedient in Paragraph 6 of Section II of the draft plan, in which the assurance of "the fundamental coordination of the plan, economic levers and stimuli" is discussed, to add the words "and socialist competition."

Apparently, it is also necessary to make more precise the tasks of the social sciences, having provided in the list of these tasks for the extension of the research on theoretical and methodological questions of socialist competition.

The tasks of improving working conditions and developing the content and nature of labor are set in the draft plan of the CPSU Central Committee, which is extremely

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necessary for the further development of the socialist way of life, which is first of all the labor way of life. The need for the enhancement of the creative nature of labor and the increase of the satisfaction of each person with his labor are also discussed in it. But when tasks are set in the area of the development of industry and the production of systems of machines and equipment, especially automatic systems with program control, in my opinion it must be clearly indicated that it is a matter not simply of the elimination of manual labor in unskilled and monotonous jobs, but first of all of the development of the creative nature of labor, which is of the greatest importance for creating the satisfaction of a person with his labor, the need for which is increasing more and more.

The active involvement of workers in the management of social production is one of the most essential aspects of the socialist way of life. The tasks of broadening the involvement of workers in management, of further developing socialist democracy, of increasing the initiative of workers, of developing competition in every possible way and so on are set in the draft plan. In my opinion, this formulation should be augmented. It would be correct in principle, when speaking about competition, to emphasize that namely it is the most massive and effective form of the participation of workers in the management of social production, and this in the end also implies the further development of socialist democracy.

The existence of a group of workers who receive the minimum wage is of definite importance for the still existing differences within the very socialist way of life. The task is for the increase of the monetary wage, including for workers receiving its minimum amount, to be accompanied simultaneously by a rise in labor productivity and an increase of the material wealth being produced.

Along with workers who receive the minimum wage there are families whose working members may have an average wage or even higher. However, when there are a large number of dependents, and first of all children, the per capita income in families is small. An increase of the payments and benefits from the public consumption funds and of the grants for such families is called for in the draft plan. It seems to us that it is expedient to formulate the task of the assistance of more needy families on the part of society and to link it more closely with questions of demographic policy and the problem of strengthening the family, which were reflected in the formulation of the main tasks of the economic and social development of the country.

M. M. Darbinyan (USSR Gosplan). In the draft of the Main Directions much attention is devoted to the problem of meeting the needs of the population. The need for the concentration of forces and resources and for the gradual implementation of programs is indicated. The food program is called the primary program. The main contours of this work are outlined in the draft plan of the CPSU Central Committee and in the speeches of L. I. Brezhnev at the November (1979) and October (1980) plena of the party Central Committee.

A greater interest in the receipt of products from state resources and a much smaller interest in other sources: the private plot and the subsidiary farms of production enterprises, have been noticed in recent years. Consumption owing to the private plot has not increased appreciably. Thus, during 1960-1978 for meat it remained at approximately the same level. The proportion of the output of the

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private plot in the total resources differs greatly by republics. Thus, in 1978 for meat it ranged from 13 percent in the Estonian SSR to 34 percent in the Kazakh SSR. Therefore, the need to increase the output of products of subsidiary farms and private plots is quite legitimately indicated in the draft of the Main Directions. The taking of the per capita level of consumption as a plan indicator will increase significantly the interest in the resources from the above-indicated sources. At present local organs frequently devote too little attention to the development of the private plot, kolkhoz trade and the commission trade of consumer cooperatives and at the same time make a request for the allocation of additional stocks of foodstuffs through state resources.

Standards of consumption and a model of rational consumption should be the goal of the entire food program. For some products these standards have already been achieved, for others they might be achieved in the next few years, for still others (for example, fruit) the achievement of the standards might go beyond 1990. It is quite understandable that it is impossible to assume that the satisfaction of the demand with respect to the main foodstuffs would be achieved in 5-10 years. And this means that the program should envisage a rational balanced diet for all these years and at the same time the balance of supply and demand with respect to each commodity for each year, without waiting until the time when actual consumption reaches the standards for all commodities. This is a very complicated and difficult problem, but its solution should be provided for in the program. In this connection I propose to note in Section V of the draft of the Main Directions: "The food program should be aimed at meeting the needs of the population at the level of the standards of rational consumption, as well as should ensure the balance of supply and demand at all stages of the implementation of this program."

The program of the development of the production of consumer goods and services is identified as another important program which requires elaboration in the draft of the Main Directions. The subprogram of the increase of the production of new consumer goods, in our opinion, should become a component of this program. The elaboration of the latter is called for by the decree of the CPSU Central Committee and the USSR Council of Ministers, "On Improving Planning and Strengthening the Influence of the Economic Mechanism on Increasing Production Efficiency and Work Quality." This subprogram should be aimed at the elaboration of a system of measures on the creation and the assurance of the development and functioning of the economic mechanism and the material and technical base for the production of new consumer goods in conformity with the steadily increasing demands of the population. According to our estimates, not less than 25-30 billion rubles of these goods should be produced during each five-year plan.

At present some work has been done on creating the economic mechanism of the production and introduction in everyday life of new goods: instructions on the procedure of setting the prices for new goods have been approved, stimuli aimed at increasing their output have been stipulated. However, for the present things are still progressing slowly. In this connection the instructions on the output of goods characterized by novelty, which are stipulated in the draft of the Main Directions in Section IV, should be moved, in our opinion, from the paragraph in which cultural, personal and household goods are discussed to the paragraph in which the need to develop the production of consumer goods as a whole is emphasized, they should be formulated more precisely and it should be noted that the elaboration of measures

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on the stimulation of the production of new goods should become a component of the overall program of the development of the production of consumer goods. For the regulation of the sale of new goods it is necessary, in our opinion, to develop a network of special stores for the sale of especially fashionable goods and new goods. Firm stores should be enlisted extensively in this work, and it is expedient to exempt them entirely from the sale of goods in short supply.

Ye. A. Odinets (USSR Gosplan). The food program is extremely important both economically and socially. It should be based, in our opinion, on scientifically sound standards of consumption, on the food allowances elaborated by the Institute of Nutrition of the USSR Academy of Medical Sciences for different age groups of the population with allowance made for climatic zones.

Fish products account for more than 20 percent of the protein of animal origin in the total balance of this protein which is consumed in the USSR. The average per capita consumption of these products is now close to the standard recommended by the Institute of Nutrition--18.2 kg, but a shortage of fish products is being felt in some economic regions and population centers. Such factors as the increase of the size of the population of middle age, for whom this protein is more beneficial than the protein of the meat of warm-blooded animals, as well as the disappearance of national habits in nutrition play a considerable role in this. Taking this into account, as well as several other factors, we presume that in the next few years with an overall increase of the consumption of proteins of animal origin the proportion of fish protein in the food balance will be maintained, while in some regions it should be increased. A gradual increase of the proportion of live, chilled and individually frozen fish, cooked fish and prepared fish will be observed in the structure of fish products. The production and consumption of canned fish will not increase as rapidly as during the past decade.

The need to increase the productivity of inland bodies of water and to develop more rapidly the production of fish is discussed in the draft of the Main Directions. At present pond, lake and other commercial fisheries (including agricultural fisheries) are already providing us with about 190,000 tons of good table fish--carp, Amur, silver carp, peled (whitefish), trout. In 1985 it is envisaged to increase the production of this fish to 410,000 tons. But, when catching fish in rivers and lakes, we should "sow" and cultivate the future "crop," consuming 4.5-5 kg of mixed feed per kilogram of commercial fish. The national economy has to spend considerable capital in order to offset the losses of biological resources in rivers, lakes and reservoirs due to water pollution, the change of the hydrologic regime, which is connected with the irrecoverable consumption of water, and inadequately controlled amateur fishing. During the 11th Five-Year Plan it is planned to allocate about 500 million rubles just for the development of commercial fishing enterprises in the system of the fish industry (excluding agriculture) and the infrastructure connected with them.

A number of ministries and departments underestimate the importance of the building of fishing facilities, which in conformity with the approved plans of construction of industrial enterprises, hydraulic and other structures should be built to offset the harm being done to fish stocks. The construction of such fishing facilities is often carried out last of all or is postponed for an indefinite period. As a result great harm is done to biological resources. Therefore in Section IX "Nature

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Conservation" of the draft of the Main Directions an additional paragraph, in our opinion, should be inserted: "The general clients of the construction of industrial enterprises, power developments, water management systems and structures, the building of which may do harm to the biological resources of inland seas, rivers, lakes and reservoirs, are to ensure at the same time as the indicated construction the building of facilities which offset this harm."

V. V. Il'in (USSR Gosplan). In the draft of the Main Directions very much attention is devoted to increasing the production of consumer goods. We should direct the main attention when producing consumer goods to the increase of the quality of the output being produced and the updating of the assortment. Stimulation is a very powerful lever of the increase of the production of consumer goods. It must be used correctly for increasing the production of these goods.

The Main Statutes on the Formation of Incentive Funds, including for the stimulation of the production of consumer goods, have already been drafted for the 11th Five-Year Plan. Much attention is directed to stimulating an increase of the quality of the output being produced through the corresponding systems of indicators, such as the proportion of output of the highest quality category and the reduction of the output of products of the second quality category.

However, there is also another very important aspect in this problem--we need not only to achieve the required quantity and the proper quality of goods, but also to see to it that they reach the consumer. In other words, it is necessary to increase the responsibility of ministries and enterprises for the output of these goods and their delivery to consumers. Therefore the formation of funds and the payment of bonuses during both the 10th and 11th Five-Year Plans have been made dependent on the meeting of contractual obligations. But this system also has its shortcomings. They consist in the fact that with respect to consumer goods the supplier bears responsibility for delivery according to a consolidated products list (assortment). During the 11th Five-Year Plan it is necessary to remedy this situation. The delivery of products for production engineering purposes and consumer goods in conformity with concluded contracts should be the main indicator of the evaluation of the activity of an enterprise. Only in this case will we be able to ensure complete compliance with the interests of consumers.

With the now prevailing system of management the head ministries are responsible for the production of certain goods or others. However, unfortunately, there is no statute on the head ministry which would be responsible for the production of specific mass demand goods. Therefore it is necessary for this statute to be drafted and approved in the shortest possible time. The following clause, in our opinion, must be recorded in the draft of the Main Directions: "To increase the personal responsibility of the executives of ministries, departments and enterprises for the production of consumer goods."

Apparently, it would be advisable to give assignments to the ministries so that they would deliver them to production associations and enterprises and would assimilate the production of new mass demand goods according to the models of the All-Union Permanent Pavilion of Models of Consumer Goods of the USSR Ministry of Trade, and to establish a procedure of economic stimulation for the fulfillment of these assignments. For the purposes of increasing the quality of the goods being produced for

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the population and expediting the updating of their assortment it is useful, in our opinion, to introduce a procedure, in accordance with which only those new goods, which in consumer properties, technical level, external appearance and other parameters meet the demands made on items of the highest quality category, would be put into production. At the same time the time for obtaining the approval of standard technical specifications for new consumer goods must be shortened. The evaluation of the activity of ministries, associations and enterprises on the output of cultural, personal and household goods also requires improvement. It is expedient to evaluate the production of these goods according to the total volume, including the production volume of the components, blocks and parts for them.

An important question concerns the stimulation of the manufacture of children's goods. For these purposes it is desirable to increase the percentage of the temporary markups on the retail prices for these goods of improved quality, which would be allocated for the payment of bonuses to workers.

V. F. Mayyer (Scientific Research Institute of Economics attached to USSR Gosplan). While approving of the draft plan of the CPSU Central Committee for the 26th party congress, I would like to make a few provisions more precise. The capital investments in agriculture can be reduced by means of the expenditures on reclamation, if, for example, we do not carry it out in such oblasts as Murmanskaya Oblast and ones like it, where the impact will be small. The obtained assets can be invested with a much greater impact in other areas of the development of the national economy.

In the draft of the Main Directions there is a paragraph in which it is stated that it is necessary to place the main stress in agriculture on the production of grain and fodders. Moreover, the need for the safe keeping of agricultural produce is discussed there. I propose to remove the middle of this paragraph, which pertains to grain and fodders, since given the present level of the development of production and consumption not only grain and meat are important for us. Given the assets which are now being invested in agriculture, it is quite possible to ensure the production in the necessary amounts of vegetables, fruits and all other agricultural produce.

It is necessary, in my opinion, to augment the text pertaining to working conditions with indications of the specific measures which would ensure the reduction of manual labor, especially hard manual labor. It is well known that programs of the reduction of manual labor, as well as of the mechanization of loading and unloading, handling and warehousing operations will be elaborated. It would be advisable to note specifically how these programs should be implemented and to what extent it is expedient to reduce manual labor.

The question of meeting the demand of the population is very important. It was reflected in the section on social development and the increase of the national well-being. But it is necessary to expand this paragraph and to indicate specifically by what means the problem of meeting the demand of the population should be solved. But it must, in my opinion, be solved, first, by expanding the output of the corresponding products; second, by improving the planning of the production and sale of consumer wealth; third, by achieving the proper ratio between the increase of the monetary income of the population and its backing with goods and, finally, fourth, by means of an active policy in the area of retail prices. It is necessary to keep

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stable or reduce the average level of prices when adjusting the prices for individual goods. Both the way of life, which Ye. I. Kapustin discussed in his statement, and the problem of the effective stimulation of production rest upon the problem of demand.

Corresponding Member of the USSR Academy of Sciences S. S. Shatalin (All-Union Scientific Research Institute of Systems Research of the USSR State Committee for Science and Technology and the USSR Academy of Sciences). In the draft of "The Main Directions of USSR Economic and Social Development for 1981-1985 and the Period to 1990" it would be necessary to cite the main strategic indicators of the development of the USSR national economy to 1990--the growth rate of the national income, the real income of the population, industry, agriculture, capital investments and so on. This would make the economic and social development of the USSR in the future more visible.

Only one indicator of the characterization of the aggregate efficiency of social production--the increase of the productivity of national labor--is contained in the document. The data concerning the fact that during the 11th Five-Year Plan 85-90 percent of the increase of the national income should be provided by the increase of labor productivity, could create for the reader inadequately trained in economics, it seems to me, the impression that the proportion of intensive factors in the economic growth of the country is being planned precisely as such, which, of course, is incorrect. Moreover, the question arises, why with a 20-percent increase of the national income during the 11th Five-Year Plan and a 20-percent increase of labor productivity is not 100 percent, but 90 percent of the increase of the national income being provided by means of the latter?

The plan assignments not only on the increase of labor productivity, but also on the change of the output-capital ratio and the materials-output ratio of social production, on the increase of the aggregate efficiency of the use of material and manpower resources and concerning the proportion of intensive factors in the increase of the amount of the national income of the country must be cited in the draft of the Main Directions.

During the further work on the draft of the Main Directions it is expedient to seek an opportunity to stabilize the proportion of nonproductive capital investments in their total amount. In recent years this proportion has steadily declined. It is necessary to proceed on the basis that the increase of capital investments in the development of health care, education, culture, housing construction and science. is the most important condition of the assurance of a steady long-term increase of the efficiency of the use of production resources.

The elimination of losses in the national economy is a less capital-intensive means of achieving the end national economic results as compared with the increase of production volumes. It is also necessary to outline more specifically the main structural changes and to single out the task of developing technologies which save material, manpower and natural resources. Without this it is very difficult to ensure the balanced, effective development of the national economy without a deficit. On the basis of the elaboration and implementation of a program of the prevention of losses and the development of an "economizing" structure of production and "economizing" technologies it is possible to solve more constructively the questions

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of the acceleration of the dynamics of nonproductive capital investments, the improvement of the structure of capital investments in the agro-industrial complex and the determination of their rational amount.

In the Main Directions it would be advisable to provide for the elaboration of a comprehensive goal programs of the complete satisfaction in 1990 of the effective demand of the population for material consumer wealth and services. The assurance of a balance in the consumer sector of our economy is the most important condition of the steady increase of the national well-being, the creation of an effective system of material stimulation and the transition to the primarily intensive balanced development of the national economy as a whole.

Such a program should, in my opinion, contain purposeful interconnected measures in the area of the expansion of the production of goods and services, the improvement of the economic mechanism, the regulation of the monetary income of the population and retail prices. It should also be closely coordinated with the food program now being elaborated.

Let us note specifically that the assurance of the balance of supply and demand in the consumer sector of the national economy presumes the pursuance of a more active planned policy in the area of retail prices. The steps in this area should not be of a purely financial nature, that is, these steps should not bear the consumer function of the static "cutting off" from consumption of a number of less "effective" goods and services from the point of view of the level of income of consumers. Retail price policy should also create the economic conditions for the stimulation of producers in the expansion of production and the increase of the quality of scarce goods and services.

The further improvement of the system of pension security is called for in the draft of the Main Directions. It seems expedient to augment the system of means in this area with the task of increasing the newly granted pensions for all categories of workers, employees and kolkhoz farmers. Moreover, I consider it necessary to develop a mechanism of the constant adjustment of pensions with allowance made for the index of the growth of the real income of the population and the retail price index for consumer wealth and services.

And, finally, it seems necessary to set in the Main Directions the task of the further centralized increase of the wage of workers of the nonproductive sphere of the national economy, the average level of which lags behind the average wage level in the national economy. Let us recall that the wage in the nonproductive sphere does not increase "automatically" following an increase of social production and the productivity of national labor.

E. P. Gorbunov (Institute of Economics of the USSR Academy of Sciences). T. S. Khachaturov said that one of the main traits of the draft of the Main Directions is its social orientation. The solution of these problems is linked with the need to change over to direct planning, which ensures the balanced development of social production. It is possible to ensure a balanced type of expanded reproduction on the basis of the enormous material resources which we have today. Therefore in Section I of the draft of the Main Directions there must be inserted the provision that as a result of the fulfillment of the Ninth and 10th Five-Year Plans the

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material conditions were created in the country for the transition to balanced economic growth.

At the same time it is necessary to emphasize more distinctly the role of the sphere of consumption. At present the very course of expanded reproduction cannot be backed effectively enough if the old planning and preplanning instructions on the role of consumption, which were widespread 15-20 years ago when we interpreted the sphere of consumption as a deduction from the national income, are applied to its development.

Consumption plays an active role in the process of expanded reproduction. The figures cited in the draft of the Main Directions attest quite convincingly to this. During 1981-1985 the national income will increase by 18-20 percent, labor productivity--17-20 percent, the real income of the population--16-18 percent, wages--13-16 percent, public consumption funds--20 percent, personal services--40-50 percent. The connections between the growth rates of labor productivity and the national income, as well as between the rate of increase of the consumption of the national income and the growth of labor productivity are traced quite distinctly here. During the period of mature socialism the sphere of consumption plays a most active role in the process of expanded reproduction, and, of course, we should take this circumstance into account. In point of fact, the development of the sphere of consumption serves as an indicator of the optimality of our development, of the optimum rate of expanded reproduction as a whole.

The development of the sphere of consumption acts as a gauge of the amount of socially necessary expenditures of labor. K. Marx has a thesis about a more developed expression of the law of value, when he states that the amount of these expenditures is determined not only by the average expenditures of labor, but also by the distribution of national labor in proportion of social needs. This circumstance is of the greatest importance for taking into account in the national economic plan the distribution of national labor and public capital truly in proportion to all social needs, including the needs of the population.

Here the question arises of improving the system of material stimulation, which, in particular, finds expression in the brigade contract. Measures on improving the planning of the development of consumer items and services, in my opinion, should also be implemented in this direction. In connection with what has been said, it seems to me, the need has arisen for a change in the traditional, established methods of planning the consumer sphere.

We are using rational standards of consumption too extensively in planning. These standards are revised from time to time, they bear a minimum of economic information and are designed for the so-called average man, without consideration of the specific social conditions of his existence. In science there is a much more precise reference point of the standards of consumption, which is based on the analysis of socio-economic conditions and the formed level of consumption in each social group of the population. Planning must also be carried out with allowance made for the socio-economic structure of the population. This concerns both the output of individual types of products and the planning of prices, rates, the system of material stimulation, social security and others.

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Under the conditions of balanced economic development the consumption fund, which is calculated in accordance with socio-economic standards, can be the objective basis of the formation of the entire structure of social production. A scientifically sound amount of the consumption fund, which is defined as the sum of the effective demand of the population plus the amount of the public consumption funds, would make it possible on the basis of advanced standards to establish both the amount of the accumulation fund, which is necessary for their production, and its total amount, the amount of the national income, the gross national product and others. The main ways of implementing measures which ensure balanced economic development should be singled out in the section of the draft of the Main Directions, in which the economic mechanism is discussed.

The last suggestion concerns the final section. Here, in my opinion, it is expedient to single out a special paragraph, in which it is necessary to emphasize the need for the differentiation of the economic mechanism depending on social production in individual territorial zones and regions of the country. This is sufficiently well known, the problem here is clear, but this principle should be observed, because our national economy is losing much from the lack of this.

A. V. Orlov (director of the All-Union Scientific Research Institute of the Study of Consumer Demand and Marketing Conditions). The thesis advanced by L. I. Brezhnev at the October (1980) CPSU Central Committee Plenum that the production of consumer goods should be strictly dependent on trade and the consumer, should be reflected in the draft of the Main Directions. For this a system of plan and evaluation indicators must be developed. Here we are for the present still at the very start of the path. It would be correct in Section VIII of the draft plan of the CPSU Central Committee, as well as in the five-year and annual plans to provide for the introduction of the indicator of the degree of satisfaction of the demand and needs of the population. Such an indicator can be used along with the indicators of the volume and growth rate of the retail commodity turnover. The basis exists for its calculation in the form of predictions of demand and standards of consumption.

An evaluation indicator of the degree of satisfaction of the declared need of trade for resources, which would attest to what extent the planned production volumes meet the needs of trade for goods, should be introduced for evaluating the development and the interrelations of the sectors producing consumer goods with trade. In the interrelations between production associations and enterprises, on the one hand, and organizations and enterprises of trade, on the other, it is expedient to establish an indicator of the acceptance and filling of the orders of trade with allowance made for the assortment, the dates of the making of delivery and the qualitative attributes of the goods. They should conform to the contractual relations which are established at wholesale trade fairs. In this connection in Section VIII of the draft plan, in which the development of trade is discussed and the increase of the role of the economic contract in the drafting of the plans of the production and sale of consumer goods is stressed, the need to sharply increase the importance of the orders of trade should also be discussed.

The creation of the conditions for increasing the degree of balance of supply and demand is of great socio-economic importance. This influences the stability of money circulation, the possibilities of developing the retail commodity turnover,

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the efficiency of social production and the improvement of the economic mechanism and as a result the needs of the Soviet people are met more completely. Therefore the planning organs, which are working on the general problem of the balance of the plans of economic and social development, should direct the most serious attention to this aspect of the problem. It would be correct in Section II of the draft plan of the CPSU Central Committee among the main goals, which define concretely the primary socio-economic task of the 11th Five-Year Plan in the area of the improvement of management (Paragraph 6), to make the following entry: "To seek when drafting and implementing the plans of economic and social development an increase of the degree of balance of supply and demand on the domestic market of the country."

The need for the development of the production of consumer goods at an anticipatory rate and for the improvement of coordination and specialization in the production of such goods is emphasized in the draft plan of the CPSU Central Committee. This clause, in our opinion, should be given in the following wording: "For finding reserves for increasing the output of consumer goods, improving their assortment and quality and meeting the needs of the national economy and the population to increase the responsibility of the head ministries, to improve coordination and specialization in the production of consumer goods."

There is also another thing to which I would like to direct attention--the problem of new goods. The problem is urgent, since different criteria of the updating of the assortment exist in industry and trade. If we direct our attention to the data of light industry, the annual updating of its items is 50-60 percent. In the case of stricter criteria the percentage of updating is considerably lower--10-20 percent. Apparently, the contradiction between the conception of what the updating of the production assortment is and what the updating of the trade assortment is must be overcome. It is necessary to give more precise definitions of the criteria of the improvement of the assortment, its updating, the novelty of items and the concept of "fundamentally new goods."

The assumption that the improvement of the study of demand is needed has been formulated in the document being discussed. Obviously, this work cannot be restricted only to trade. In many countries--socialist and capitalist--industrial associations, combines and firms are engaged in the study of the market and demand. Here the sphere of activity of trade and industry should be clearly delimited. It is one thing to study demand for drawing up requisitions and orders, it is another to study the demand for new, promising, technically complicated items. Therefore it is expedient in the draft of the Main Directions to note: "To improve the work on the study of demand in trade and industry, to establish a unified system of the comprehensive study and forecasting of demand."

D. N. Karpukhin (director of the Scientific Research Institute of Labor). An increase of the growth rate of labor productivity as compared with what was actually achieved during the 10th Five-Year Plan is called for in the draft of the Main Directions. This requires the making of an entire set of decisions.

The level and growth rate of labor productivity in all the sections of the national economy depend on the increase of the effectiveness of capital investments by means of the shortening of the duration of the construction of projects and the increase of the quality of construction, the speeding up of the placement into operation and

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assimilation of capacities, the carrying out of the renovation and retooling of operating enterprises on the basis of the latest achievements of science and technology. Meanwhile the designing and construction periods in our country considerably exceed the established standards and come to 8-10 years, as a result of which by the time they are placed into operation the new enterprises are becoming technically obsolete. The lack in the plans of sections on the scientific organization of labor has the result that a considerable amount of manual operations and adverse working conditions are being maintained at new enterprises and enterprises undergoing renovation. The technical and economic indicators, and the level of labor productivity in particular, in a number of instances are planned at a lower level than the achieved average sectorial level.

The shortening of the cycle of the assimilation of production is one of the important reserves of the increase of labor productivity. The prevailing standards of the assimilation of capital investments are still very great. According to these standards, 6-12 years are required from the start of the elaboration of the engineering plan to the placement into operation at the rated capacity, and the designing takes up nearly 24 percent of the total time, the performance of the construction and installation work--46 percent and the assimilation of the rated capacities--30 percent. This means that the standard period of the investment process is lengthened artificially by one-third due to assimilation alone. The experience of advanced construction projects of the USSR and foreign practice attest to the possibility of shortening the duration of the cycle of the building and assimilation of new capacities by one-third to one-half.

The main thing which determines the level and growth rate of labor productivity is the increase of the technical level of production. During 1971-1980 great changes occurred in the production apparatus of industry, the fixed production capital increased significantly, new implements of labor and advanced technological processes were introduced in production. However, during the year of the 10th Five-Year Plan the fixed production capital grew less rapidly than during the Ninth Five-Year Plan. The rate of increase of the replacement of obsolete and worn out machinery and equipment is especially lagging. As a result, a considerable amount of worn out and obsolete machinery is now in operation in industry.

The development of fundamentally new technology and the quickest possible introduction in production of new implements of labor and technological processes, which ensure both an increase of production efficiency and the solution of social problems, are of particular importance under present conditions. The implementation of the comprehensive goal program of the reduction of manual labor is one of the main reserves of the increase of the growth rate of labor productivity.

Great reserves of the increase of labor productivity are incorporated in its better organization. The reporting data show that the percentage of fulfillment of the plans on the scientific organization of labor is increasing from year to year, but the number of measures on the scientific organization of labor is not increasing, while the proportion of those covered by these measures among industrial personnel engaged directly in production is decreasing. An especially large amount of attention should be devoted to the scientific organization of labor when designing new enterprises, renovating operating ones and developing new equipment and technological processes. In the overall system of measures on the scientific organization of

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labor the proportion of such advanced directions as the brigade form of the organization of labor, the combining of occupations and the operation of several machines should be increased. At the same time it is necessary to transform the requirements of the scientific organization of labor into criteria of the choice of socially acceptable versions of technical and technological decisions, as well as changes of working conditions and the production environment.

The timely revision of the norms and their thorough substantiation are the most important conditions of the increase of the role of rate setting in the increase of labor productivity. During the 11th Five-Year Plan measures aimed at the more extensive use of intersectorial and sectorial standards should be elaborated so as to achieve in the immediate future the average level for industry of the coverage of pieceworkers by these standards; particular attention should be devoted to the checking of the quality of the standards being used and to the organization of the timely revision of obsolete sectorial standards.

During the 11th Five-Year Plan it is expedient to gradually convert all sectors and works to the standard method of planning of the number of employees and to establish that the enterprises and organizations, which have converted to such a method of planning of the number of employees, are exempt from certain forms of the regulation of staffs.

In light of the implementation of measures on the improvement of the economic mechanism the economic and material stimulation of competition requires further improvement. The bringing of socio-economic factors into play is an important condition of the acceleration of the growth rate of labor productivity.

The situation in which the plans for labor productivity are not fulfilled but plans for production volume "are achieved" by means of the enlistment of an additional number of workers has lasted for a long time now. Thereby great complications are arising with manpower resources, the balance of which is tight as it is.

During the coming period in connection with the sharp decline of the growth of the able-bodied population there will be no possibility of fulfilling the planned production volumes with the nonfulfillment of the plan on the increase of labor productivity. There will simply be no additional workers. Therefore enterprises and sectorial ministries should match their needs for manpower with the actually existing manpower resources of the given region, city, oblast. In this connection it would be advisable in the draft of the Main Directions to include the following clauses: "The combination of the full employment of the population with the increase of the efficiency of labor in all sectors of the national economy is an important task in the area of the use of manpower resources. It is necessary to ensure conformity between territorial and sectorial planning of the number of employees. In the location of production and the performance of capital construction to take into account the regional peculiarities, the dynamics and structure of the manpower resources. To elaborate comprehensive goal programs of the improvement of the pattern of employment in regions with a high and low growth of the able-bodied population."

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The following paragraph should also be recorded: "To step up state monitoring of the use of manpower in all sectors of the national economy, to establish effective penalties for the violation of the limits of the number of workers and employees, large losses of working time, the turnover of personnel, a high proportion of manual labor."

An important problem is the overcoming of elements of the spontaneity of the labor mobility of the population. Territorial, sectorial, interplant and interoccupational shifts of workers are still achieved predominantly in an individual, centrally unregulated manner, which inevitably gives rise to inefficient flows of labor from a national economic standpoint and increases considerably the costs of the reproduction of manpower resources. In this connection the question of reorganizing the established system of job placement on a uniform basis should be raised; the network of job placement and information bureaus for the population should be increased; their rights should be broadened and the efficiency of their work should be increased.

The improvement of working conditions is discussed in the draft of the Main Directions. But, in our opinion, they are inadequately specified. Therefore I propose to note: "To continue the policy of further implementing socio-economic changes in labor, which are aimed at the increase of its efficiency, the enrichment of the content, the improvement of the conditions and the gradual achievement of the social homogeneity of labor. The elaboration and implementation of goal programs in the area of labor should ensure a decrease of the number of workplaces which require unskilled manual, difficult physical labor, as well as with monotonous and unappealing functions."

In our country the amount of capital which we are using to make payments in connection with unfavorable working conditions is increasing more and more. In the structure of the regular labor force, in spite of the implementation of a set of measures aimed at improving the working conditions, the number of workers enjoying benefits and compensation in connection with a job at works and in shops with difficult and harmful working conditions is increasing with each year. As is known, in addition to higher wage rates and salaries, the receipt of free preventive diet therapy, as well as the granting of the right to a state pension with special benefits and in favorable amounts, the workers employed at works with difficult and harmful working conditions enjoy additional leave and a shortened workday. In the draft plan of the CPSU Central Committee it should be noted that state assets and the assets of enterprises should be used first of all for avoiding and eliminating unfavorable and unappealing working conditions. It is also expedient to include in the draft plan the following provision: "To provide opportunities for the continuous creative growth of workers. To cultivate in labor collectives, brigades and links intolerance toward violators of production and labor discipline."

Yu. P. Kokin (Scientific Research Institute of Labor). The draft plan of the CPSU Central Committee is based on the fact that the entire arsenal of the centralized and decentralized regulation of wages should be subordinate to the task of increasing the influence of wages on production efficiency and the increase of work quality. In the 1980's not so much the increase of the levels of pay as the improvement of its organization should be placed at the center of attention when implementing centralized measures.

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In Section VIII of the draft of the Main Directions it must be noted, in my opinion, that today it is necessary to utilize to the utmost the implementation of measures on the increase of the rates and salaries of workers and employees in order to improve the system of the organization and differentiation of wages. It seems that given the achieved level of the average wage attention should not be directed toward an overall increase of wages, but it is necessary to ensure an increase of the wages for those categories of workers for which this is extremely necessary.

The increase of the level of wages should be linked not only with the solution of social problems, but also with the increase of the efficiency of work and with the growth of the contribution of workers to the overall results. The reduction of the number of people receiving pay of a low level should be ensured first of all by the improvement of their skills and by their transfer to the performance of more complicated and, consequently, higher paid jobs. Technical progress and the processes of the automation and mechanization of simple manual operations, which are connected with it, are creating the conditions for this.

The need to implement centralized measures in the area of the increase of the minimum, as well as the rates and salaries of workers and employees during the 11th and 12th Five-Year Plan is dictated by the fact that in the process of introducing the new wage conditions we have an opportunity to improve the rate setting of labor, to revise obsolete standards, to introduce new, more advanced, technically sound norms. At the same time we have the opportunity to improve the system of various types of incentive payments.

During the period of the improvement of the wage conditions it is necessary to focus the main attention on bringing the differentiation of wages in line with the changes in labor, which occur under the influence of scientific and technical progress, and on the differentiation of rates and salaries according to the complexity of the jobs being performed and the skills of the workers.

It is necessary to increase the proportions in pay according to working conditions, for the problem of stimulating workers who are forced to work under adverse working conditions and to perform unappealing types of jobs is being aggravated. It is also important to ensure an increase of the differences in the levels of the average wage of workers and specialists who are engaged in engineering and economic labor.

I would like to second the suggestions on the need to improve the methods of evaluating the labor of specialists (employees in the broad sense of this word) for the purposes of ensuring the conformity of the level of pay to the complexity and results of labor. We have a mechanism for solving this problem: it is first of all the extensive adoption in practice of supplementary payments to specialists for high skills. Particular attention is devoted to this in the decree of the CPSU Central Committee and the USSR Council of Ministers on the improvement of the economic mechanism. Another direction is the extension of the practice of using the skills categorization of specialists who are employed in the different engineering and economic services of enterprises.

In the coming period it is very important not only to ensure an increase of the wage rates and salaries with allowance made for the increase of skills and the

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complexity of the jobs being performed and to properly take into account in pay the differences in working conditions, but also to organize the mechanism of the introduction of the new wage conditions so that it would make it possible to ensure in the production and nonproduction sectors of the national economy a direct link of the changeover to the new wage conditions with the increase of production efficiency and work quality. In the draft of the Main Directions this is discussed in general outline, but it is necessary to provide for the implementation of more precise measures.

When elaborating the main directions of the improvement of the organization of wages in production sectors it seems necessary to proceed on the basis that the process of gradually increasing the sphere of application of the time rate plus bonus wage, which appeared in recent years, will continue in the future in conjunction with the improvement of the rate setting of the labor of workers whose wages are based on a time rate and of specialists, with the adoption of technically sound standards of the number, service, standardized assignments and so forth.

The improvement of the prevailing systems of incentives and first of all of the payment of bonuses is one of the important directions of the improvement of the organization of wages. An increase of the effectiveness of the bonus system can be achieved on the basis of:

the establishment of indicators which influence the material interest of workers in increasing labor productivity, improving product quality, decreasing the labor-output ratio and others;

the extensive dissemination of collective forms of the payment of bonuses for the end results of production and first of all within the framework of the brigade organization of labor and material stimulation;

the increase of the reference point of the payment of bonuses, that is, the indicator upon the achievement of which the bonus can be paid;

the assurance of the conformity of the established indicators to the tasks set for the given subdivision, the worker (group of workers) or the enterprise as a whole;

the timely change of the indicator (terms) of the payment of bonuses, the adjustment of its level, amounts, as well as the group of people being paid bonuses with the corresponding changes in production conditions.

To sum up, I would like once again to emphasize the main idea: the improvement of the organization of wages in the immediate and more distant future should be aimed at the assurance of the necessary connection of the measure of labor and the measure of pay, at the increase of the stimulating role of all the structural elements of the wage and the assurance of their connection with the achievement of higher results of labor and with the increase on this basis of the efficiency of all social production. This should be formulated distinctly in the draft of the Main Directions both with reference to the implementation of measures in the area of the improvement of the organization of wages within the limits of the rights granted to enterprises and when implementing centralized measures in the area of increasing the rates and salaries of workers and employees.

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Ye. L. Manevich (Institute of Economics of the USSR Academy of Sciences). It is well known that over the past 20 years the birth rate has been declining in our country, which is creating an unfavorable demographic situation. Therefore it seems expedient in Section II of the draft of the Main Directions to make after the paragraph on an effective demographic policy the following entry: "To implement a system of measures on increasing the birth rate and length of life, for which during the next decade (1981-1990) to extend the system of state grants to families having two or more children, with allowance made for the established income, the wage level and the standard of living."

In connection with granting partially paid leave to working women, beginning in 1981, to care for a child until he reaches one year of age I would consider it necessary to insert in Section VIII of the draft plan the addition: "To take into account the time spent on rearing children when calculating the total length of service for obtaining a pension owing to age." I also propose to record in this section after the words: "To provide for the further development of the network and the improvement of the operation of kindergartens and nurseries" the following provision: "To reduce the workload per teacher and per nurse. To expand the training of teachers at pedagogical schools. To establish a procedure in case of which a child at the request of his parents can be assigned to any kindergarten or nursery near the place of residence." Two more amendments, in our opinion, would be appropriate in the same paragraph. First, the words that children's institutions must be built "especially in regions with a high rate of employment of women in social production" should be struck, since it is also necessary to build children's institutions where there is the possibility of involving women in social production (in the republics of Central Asia and Transcaucasia). Second, to build preschool institutions to accommodate not less than 2.5-2.8 million (instead of 2.5 million, which is called for in the draft plan, which is less than was planned during the 10th Five-Year Plan). Third, to supplement this paragraph with the following clause: "To eliminate completely the employment of women in jobs which are difficult and harmful to them."

For the purposes of protecting the health and increasing the length of life of the population it would be desirable to supplement Section VIII of the draft plan with the following entries: to develop extensively the network of dispensaries at enterprises, to introduce a complete dispensary system for men over the age of 40 and for all working men and women employed in difficult and harmful jobs; to meet completely the need of the population for medicines; to improve the supply of all medical institutions with the latest treatment and diagnostic equipment; to conduct on a broad scale a campaign against alcoholism with the enlistment of all the mass media, to reduce gradually the production of liquors.

The consequences of the decline of the birth rate and consequently of the growth of the population, which began in the early 1960's, will appear in 1981-1990. Thus, the growth of the population of able-bodied age will decline from 18 percent in 1971-1980 to 3.8 percent in 1981-1990. Moreover, some negative features, which now exist in the use of manpower, losses of working time, the diversion of workers from the performance of their immediate duties, the keeping of extra workers and employees at enterprises and others may have an adverse effect during the coming period. In this connection the efficient use of the available manpower resources, first of all by the introduction of new equipment and technology and the improvement

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of the organization of production and labor, is acquiring truly enormous importance. All these questions, it seems to us, must be reflected in Section II of the draft plan of the CPSU Central Committee.

In Paragraph 3 of Section II of the draft plan it is proposed to make the following insertion: "In 1981-1990 the gradual release of manpower as a result of an increase of the machine-worker ratio, the radical improvement of the location and specialization of production, the increase of its smoothness, the maximum reduction of losses of working time and the increase of the material interest of both collectives of workers and each worker is the main means of providing the national economy with personnel. For the purpose of decreasing the interest of enterprises in keeping extra workers to create favorable conditions for the extensive dissemination in all sectors of the national economy of the Shchekino method and the brigade contract. It is necessary to pursue a policy of the gradual renunciation of the practice of sending workers and employees to agricultural jobs, which increases and aggravates the strain in the provision of enterprises with manpower and forces them to keep extra workers." The entry in Paragraph 3 of Section II of the draft plan on the creation of the conditions for providing enterprises being newly placed into operation with personnel, especially in Siberia and the Far East, should be supplemented with the following clauses: "To establish regional wage coefficients and the amounts of public consumption funds at a level that would completely offset the higher expenditures on food, the purchase of clothing and footwear and heating."

"For the scientific substantiation of the level and zone of regional coefficients, as well as the level of public consumption funds it is necessary to construct territorial cost of living indices."

"The complete mechanization and automation of production are to be carried out first of all in regions with extreme living conditions. To plan the level of mechanization in strict conformity with the level of provision of the given region with manpower."

In Paragraph 4 of Section II in the second paragraph after the words "to improve working conditions and to increase labor productivity" it is proposed to make an addition with the following content: "and on this basis to release a certain portion of the workers for their use in other sections of production and in other sectors of the national economy."

The economical and efficient use of manpower resources in the interests of raising labor productivity and increasing social production presumes the improvement of the economic mechanism and first of all the repudiation of the established system of "planning from the achieved level." Therefore in Section XII after the seventh paragraph I propose to note: "When drafting the five-year and annual plans of ministries, production associations, enterprises and organizations not to proceed from the achieved results of economic activity, but to be guided by economic considerations and estimates (the availability and utilization of production capacities, the replacement of obsolete equipment, the level of specialization of production, the availability of skilled manpower, the shift coefficient and others)."

V. I. Markov (Moscow City Planning Commission). In recent times with an increase of the proportion of technically sound norms a decrease of the growth rate of labor

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productivity has been occurring, while the labor-output ratio in a number of instances has been increasing, that is, no relationship is traced between the adopted methods of evaluating the level of the rate setting of labor and its productivity. Therefore it would be advisable to stipulate in the draft of the Main Directions the need for the improvement of the indicators of the efficiency of the rate setting of labor and instead of the ones used (or along with them) at present (the proportion of the technically sound norms and the proportion of workers who are covered by rate setting) to introduce indicators which would reflect the change of the actual level of the labor-output ratio and the expenditures of wages on the production of the output; the reduction of the losses and unproductive expenditures of working time, the use of overtime; the tightening up of production discipline; the increase of the smoothness of production. The improvement of the rate setting of labor should serve the real increase of its productivity.

Along with the more precise statement of the tasks in the area of the rate setting of labor it would be advisable to specify the economic penalties for the excessive enlistment of manpower, especially in regions with an acute shortage of manpower. We would consider it proper to establish in such regions higher social insurance rates than on the average for the country, to introduce for enterprises a fee for the actual increase of manpower as compared with the preceding period, as well as adequately sufficient contributions to the budget of the appropriate local soviet of people's deputies for the development of the social infrastructure for that portion of the manpower which the enterprises and organizations attract from other economic regions of the country. It would also be desirable to set in the draft of the Main Directions the general task of broadening the rights of the local soviets of people's deputies in the use of economic penalties against enterprises of union and republic ministries and departments in those instances when they misuse the limited manpower resources of a city or region.

Taking into account that in recent years a tendency to use unsatisfactorily the public fund of working time has been observed, it would make sense to formulate in the draft plan a paragraph of approximately the following content: "To wage a resolute campaign for the elimination of all types of inefficient labor, which are connected with the unsatisfactory organization of labor and production."

A. A. Prigarin (Center of the Scientific Organization of Labor of the Radio Engineering Industry). The material stimulation of managers and specialists has a number of shortcomings: either we do not stimulate them enough or we do not stimulate what must be stimulated. As far back as five years ago we made a mass survey in our sector and found that more than a fourth of the enterprises were paying to all the plantwide subdivisions bonuses in identical amounts. Although the remaining enterprises differentiate these bonuses among the subdivisions, it is not by more than 5-10 percent. In the overwhelming majority of instances the bonuses are also not differentiated within the departments. But when the workers of the functional subdivisions (and there are thousands of them at large enterprises) receive the same proportion of the bonuses, one cannot speak of any stimulation.

It is generally recognized that the amount of the bonus should depend on the personal contribution of the worker to production, on the results of the activity of the subdivision in which he works and on the work of the production collective as a whole.

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It must be said that in recent years in our sector the situation has improved in this respect. We were able to develop and adopt at many enterprises a system of the comprehensive evaluation of the activity of the subdivisions and their workers. It is based on the fact that the subdivisions and specialists are paid bonuses precisely according to the indicators for the achievement of which they bear responsibility in conformity with their functional duties. Where this system has been adopted, the amounts of the bonuses range among the individual structural subdivisions from 17-20 to 50 percent. However, we now see that this difference in the bonuses is also inadequate.

At present the maximum percentage of the bonus is paid for the fulfillment of the main fund-forming indicators, and there is no room left for incentives for other important indicators. Such a situation does not make it possible to create a genuine interest in increasing production efficiency. Apparently, it is expedient to change the ratio of the fixed and variable parts of the wage of engineering and technical personnel, for today the variable part of the wage is clearly inadequate. At the same time the question of lending greater flexibility to the fixed part of the wage (salary) with allowance made for the personal contribution of each specific specialist to the overall results of the work could also be examined. In this connection I propose to include in Section XII of the draft of the Main Directions the following clause: "To ensure the increase of the responsibility and material interest of managers and specialists in increasing production efficiency."

The personnel situation should also be discussed. It is impossible to increase the output-capital ratio when there is a shortage of personnel. And in this respect there is a very good entry in the draft of the Main Directions. It is indicated there that it is necessary to take steps to ensure the balance of the available workplaces and manpower resources. These words accurately indicate the essence of the difficulties which have arisen for us and the means of overcoming them. At present no one knows how many workplaces there are in the country. Hence, it is first of all necessary to learn to count them. But this is not at all a simple task, since in some types of production the workplaces are determined according to the units of equipment, while in others they are determined according to the area, in still others according to the standards of the labor-output ratio and so on. After solving these methodological problems it will be possible to include the indicator of the number of workplaces in statistical reporting.

Further, standards of the correlations between the number of workplaces and the number of workers which is necessary to attend them should be elaborated. These correlations, which are different for different works, should take into account the optimum shift coefficients, as well as the main types of workplaces (the workplaces of operators of several machines, collective workplaces and so on). All this will make it possible to include the indicators of the number of workplaces in the system of planning at all levels of the national economy and thereby to determine objectively the need for personnel.

I propose in Section II of the draft of the Main Directions following the words "to take steps to achieve a balance of the available and newly created workplaces with manpower resources" to add the words "to introduce the indicator of the number of workplaces in state statistical reporting and in the system of plan indicators."



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And, finally, a remark on the question of management. It is a very good thing that an entire section on the improvement of management is included in the draft of the Main Directions. But still there are a number of unsolved questions. Who is responsible for the improvement of the management of the national economy as a whole. What organs? Who is responsible for this problem on the staff of the ministry? At the level of the enterprise? Today a mechanism of the constant improvement of management is virtually absent. But it must be created.

V. N. Zarubin (All-Union Scientific Research and Planning Institute of Labor in Construction). The need to persistently increase the efficiency of social production in all sectors of the national economy on the basis of its all-round intensification is emphasized in the draft of the Main Directions.

The most important indicator of the efficiency of the construction industry--the growth of labor productivity--depends both on the increase of the technical level of construction and on the better utilization of the available means of production. In recent years the growth of labor productivity in construction has been accompanied by a sharp increase of the capital-output ratio of production. Thus, during 1975-1979 the capital-labor ratio in construction increased 1.5-fold, while labor productivity increased by only 9.6 percent. Today the release of one worker requires 2.0- to 2.5-fold more fixed production capital for construction purposes than 10 years ago. The unit saving of labor expenditures from capital investments in the development of the production base of the construction industry has also decreased substantially. This means that each percent increase of labor productivity is now achieved by much more capital-consuming decisions than at the early stage of the industrialization of construction. In the opinion of a number of economists, such a situation is an objectively governed process which occurs in the majority of economically developed countries of the world.

However, such changes are taken too little into account when evaluating the results of the work of construction organizations. For the failure to fulfill the assignments on the increase of labor productivity the economic manager of any level has to bear some administrative and economic responsibility, but he bears practically no responsibility for the cost at which this increase is achieved. Moreover, he can be punished for the incomplete assimilation of the allocated capital investments, without which he could have been quite able to get by. At the same time the use of more capital-consuming design decisions ensures a structural increase of labor productivity with the same labor expenditures. Consequently, the formed tendency for the capital-output and materials-output ratios of construction to increase to a certain extent is also dictated by subjective factors.

In the July (1979) decree of the CPSU Central Committee and the USSR Council of Ministers on the improvement of the economic mechanism it is indicated that the choice of the most effective means of achieving high end national economic results should be the main direction of all planning work. In light of this decree the increase of labor productivity must be regarded not as an end in itself, but as the most important means of increasing production efficiency. The acceleration of this increase should be combined with the economy of all production resources and the reduction of the specific capital investments per unit of the final construction product, that is, it should be ensured by primarily intensive methods.

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Taking into account the exceptional importance and interdependence of the problems of the further intensification of construction and the acceleration of the growth of labor productivity, I would consider it expedient to make in Section VII of the draft of the Main Directions the following change: to supplement the final phrase of the section "To increase labor productivity in construction by 15-17 percent" with the words "with the minimum expenditures of public resources."

In my opinion, this will promote the mobilization of the collectives of planning and surveying, construction and installation enterprises and organizations of the construction industry to seek the most economical means of increasing labor productivity and will create an additional incentive to increase the efficiency of construction.

S. G. Semin (State Committee for Labor and Social Problems). The balance of manpower resources during the coming five-year plan is turning out to be extremely tight, therefore in the draft of the Main Directions much space is devoted to questions of the extension of the combination of occupations and positions and to the performance of the set amount of work with a smaller number of personnel.

As many years of practice have shown, the further dissemination of the experience of the Shchekino Azot Chemical Combine and its followers in improving the organization of labor, material stimulation and planning is one of the reserves of the increase of labor productivity and the provision of new enterprises and works with skilled personnel. According to the data of the reports of enterprises which were generalized by the USSR Central Statistical Administration, in four years of the 10th Five-Year Plan more than 8,300 production associations and enterprises of industry used the Shchekino method. As a result during those years 772,000, or about 5 percent, of the industrial personnel of enterprises who are engaged directly in production were released from operating works. Of them approximately one-half were sent to the shops and sections of these enterprises which had been newly put into operation. Not less than 4,000-5,000 new shops and sections of industrial enterprises were manned with skilled personnel owing to releasing on the basis of the use of the Shchekino method.

The release of manpower from operating works at enterprises of industry made it possible to achieve a significant saving of the wage fund, which was allocated for the stimulation of workers for the further increase of labor productivity and the increase of the volume of output with the simultaneous decrease of the number of those employed. During the indicated years supplements to the rates and salaries of more than 688,000 workers, engineering and technical personnel and employees, who combined occupations (positions) or performed the set amount of work with a smaller number of personnel, were established and paid. More than 700,000 people received a one-time lump award for the elaboration and implementation of measures which ensure a reduction of the number of personnel and an increase of labor productivity as against the plan. The amounts of these awards were established subject to the achieved level of the growth of labor productivity and the actually obtained saving of the wage fund from the adoption of these measures.

Great possibilities for the further extensive use of the Shchekino method were revealed owing to the adoption by the CPSU Central Committee and the USSR Council of Ministers of the decree "On Improving Planning and Strengthening the Influence of

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the Economic Mechanism on Increasing Production Efficiency and Work Quality." This decree extended considerably the rights of enterprises in the use of the saving of the wage fund and the material stimulation of workers for the increase of labor productivity.

In the draft of the Main Directions it is noted: "To implement measures on the further extension and the increase of the effectiveness of the brigade form of the organization of labor and wages." Under the conditions of the brigade form of the organization of labor and wages the motto of the Shchekino method "More Output, Fewer Personnel" is realized to the greatest extent. The combining of occupations and the use of the functions of interchangeability are used extensively in the brigades. The amount of the wage of the workers, who are paid according to the end result, depends on their number--the smaller the number of those employed who fulfill the set assignment, the greater the wage each of them will receive. Thus, the development of the brigade form of the organization of labor and wages is conducive to the dissemination of the Shchekino method, which is one of the directions of the work on the increase of labor productivity and the efficient use of manpower resources.

During the coming five-year plan it is necessary to use the new forms of material stimulation more effectively and to direct them first of all toward the solution of the main task specified by the draft of the Main Directions. In this work much depends on how it is viewed in the ministries--the headquarters of the sectors of the national economy.

The issue of PRAVDA of 17 November 1980 in the editorial "Developing the Shchekino Method" indicated specific measures which it is necessary to implement in the sectors and at enterprises for the dissemination of the Shchekino method. It is suggested to the ministries that they draft long-range plans of work in this direction and determine the enterprises at which the assimilation of the Shchekino method can yield the greatest impact. It is especially emphasized that the campaign to achieve high results with fewer forces during the 11th Five-Year Plan will also remain one of the main directions of party policy in the area of the building of the economy.

M. R. Yermakova (Scientific Research Institute of Labor). The efficient use of natural, material and manpower resources is one of the main directions of the economic and social development of the country for the coming decade. Its achievement will require the elaboration of a system of measures. It seems that the consistent implementation of the principle of making payment for the resources which are drawn by economic units should be of substantial importance in this system.

Resources, as is known, within certain limits are interchangeable in the economic sense. This makes it possible to select the optimum version of expenditures from several versions which are characterized by a different ratio of the resources used. At present the fee for capital, the fee per stump, rent and interest on credit are used. A fee for water was introduced by the decree of the CPSU Central Committee and the USSR Council of Ministers, "On Improving Planning and Strengthening the Influence of the Economic Mechanism on Increasing Production Efficiency and Work Quality." The absence in this system of payments for manpower resources deprives it of integrity, reduces the effectiveness of action and entails the inefficient use of personnel.

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A means of stimulating the efficient use of manpower resources--the increase of the prevailing rates of the contributions for state social insurance--is outlined in the indicated decree. New rates of contributions, which have been increased very negligibly and therefore cannot ensure the solution of the outlined problems, have already been approved as well. The contributions for social insurance, in essence, are a form of payments for manpower resources, but a very undeveloped one. They reflect only a negligible portion of the expenditures of the state through public consumption funds. This significantly confuses enterprises with respect to the real expenditures of society on the reproduction of manpower resources, which along with the wage and the contributions for social insurance include the expenses for education, health and a number of others. As a whole only 75.2 percent of all the expenditures of the state on the reproduction of manpower are taken into account in the production cost. Such inadequate consideration hinders the implementation of measures on the mechanization of labor and the introduction of new technology. The indicated expenditures may be effective from the point of view of society, but disadvantageous for the enterprise, since it uses manpower resources on too easy terms. Moreover, the level of contributions for social insurance in the structure of production costs in our country is quite low.

Full consideration in the production costs of the expenditures on the reproduction of manpower will serve as an economic stimulus of the efficient use of personnel. The greater the amount of these contributions is, the greater the production costs are, and hence the smaller the profit is. And, vice versa, the saving on the amount of the contributions for manpower resources can to a certain extent be paid into the material incentive fund. Thus, by using the mechanism of cost accounting, enterprises will treat more economically the labor of each worker, will use him for the proper purpose, will not divert him to perform operations uncharacteristic of his skills, will release extra specialists, will shift them if necessary to another front of operations when expanding production without attracting additional manpower. All these circumstances are responsible for the importance of solving the question of introducing payments for manpower resources.

Studies on this problem, in which practical versions of introducing a fee for manpower resources in the cost accounting mechanism are proposed, at present have already been made. One of them was elaborated by the Scientific Research Institute of Labor of the USSR State Committee for Labor and Social Problems. The fee for manpower resources can be levied either as a percentage of the wage fund in much the same way as the contributions for social insurance or in absolute amounts per employed person, which are differentiated subject to education, sex, age and so on. Absolute and differentiated norms are more preferable. The consideration of the factors which characterize the qualitative composition of the manpower resources when calculating the payments for manpower resources can directly or indirectly influence the level of the utilization of personnel and prompt enterprises (institutions) to attract personnel only with the education and skills which are required for performing one job or another.

The essence of the method of calculating the rate of the contributions for manpower resources, which was elaborated by the Scientific Research Institute of Labor, consists in the following. The amount of the payments and benefits from public consumption funds (excluding payments for regular leave), which one worker on the average accounts for, is calculated first. Then this amount is multiplied by

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differentiated coefficients, which take into account various factors that influence the level of the labor contribution of each worker (sex, age, education). The grand total for all the personnel of the enterprise gives in aggregate the necessary amount of the contributions for manpower resources for the given enterprise.

The fee for manpower resources should, in my opinion, be introduced as a mandatory payment by its inclusion in the production costs. The net surplus of the profit and the turnover tax are the main sources of assets for it. The net surplus is an unstandardized and the largest payment from the profit to the state in many sectors. It does not promote the development of cost accounting. The turnover tax also does not have any stimulating function. All this makes necessary and possible the reduction of these payments for the purpose of introducing by this means contributions for manpower resources. The change in the ratio of the profit and the turnover tax will entail a change of the structure of the wholesale prices of industry with their invariable level in profitable sectors. In sectors with a low profitability an increase of the wholesale prices of industry is possible, which will require the temporary introduction of subsidies.

The performance of an experiment is being prepared in accordance with the materials of this study. On the basis of this I believe that in the draft of the Main Directions of USSR economic and social development for the coming decade the paragraph on the saving of resources should be supplemented in the following manner: "To gradually improve the cost accounting mechanism of the payments for the resources drawn by economic units. To introduce a fee for manpower resources" (Section XII).

A. P. Bulkin (NIIEinformenergomach). Under the present conditions of the intensification of social production the further increase of its volume, the improvement of product quality and the acceleration of scientific and technical progress are leading to an increase of the role of engineering and technical labor in the increase of the effectiveness of public expenditures. In our opinion, the problem of the utilization of engineering and technical personnel and the increase of the efficiency of their labor needs further elaboration. Along with cost accounting methods of stimulation according to the end results the improvement of the forms of payment for engineering and technical labor within the framework of the wage plays an important role. The point is that today the quantity and quality of the engineering labor, which is expended on the development of new technology, in most instances are not directly balanced with the level of the wage.

The standards of the increase of the wage, which are set in the plan and are connected with the additional output of the standard net production, take into account only the average levels of the wage and their trends. The problem consists in making the level of the wage of the engineering and technical worker in each specific case directly dependent on the level of his skill in conformity with his certification. Today the maximum level of the wage and its minimum amount with the existing salary spread are set not on the basis of the certification of the worker, but subject to the length of service, the shortage of the given specialty and a number of other factors which have no direct bearing on the "output" of one staff member or another.

The need to increase the results of the labor of engineering and technical personnel, using for this the potentials incorporated in the system of wages, and not

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just the system of stimulating funds, should be reflected in the draft of the Main Directions.

In a number of machine building subsectors the plans of deliveries of new equipment and its installation on operating production areas are not properly coordinated with the proportion of the retirement of obsolete equipment. A situation is forming in which the actual number of machine tools exceeds the number of people employed in physical production (with allowance made for the equipment workload ratios and the shift coefficients). The number of machine tool operators does not correspond to the amount of installed equipment. There are frequent instances when new equipment, which has arrived in accordance with the orders of machine building enterprises, cannot be installed due to a shortage of production areas. At the same time obsolete equipment, which has been removed from the sphere of physical production, is again committed to the production turnover, output which should be produced on the new equipment is being produced on it. As a result in a number of instances conditions are created beforehand for the output of products which do not fully conform to the social need for them.

The more careful analysis of the actual economic efficiency of the use of mass production equipment merits attention. This equipment has a substantial influence on production efficiency as a result of the considerable volumes of its output, the vastness of the sphere of use and the length of operation in the national economy. But not all models of mass production equipment realize the potential economic efficiency. There are machines which do not achieve the rated indicators in the process of operation, which often leads to the nonfulfillment by enterprises of the planned production volumes. In this connection it is necessary to use fully the economic mechanism of pricing for establishing the discounts on inadequately efficient types of machines, to place the enterprises producing them under disadvantageous cost accounting conditions and to remove this equipment more promptly from production.

There is no planning unity when developing intersectorial sets of machines and equipment, especially for the production infrastructure. The production of large unique equipment is not always coordinated with related sectors of machine building: materials handling, metallurgical and others. Thus, the production of large atomic power equipment is not balanced with the potentials of the transportation equipment, the lifting devices and the structural components to which these lifting devices should be secured. In the draft of the Main Directions it is expedient to emphasize that the planning of intersectorial works should be balanced on the basis of a comprehensive technical, economic and social analysis with allowance made for the systems approach, which connects systems of machines over the entire technological cycle. The production and introduction of such equipment should be accomplished on the basis of a directive planning processing method, which efficiently takes into account the national economic resources in the sphere of its production and operation. Advanced standards of the consumption of fuel, raw materials, material resources and labor should become the basis of this processing method.

In the plans of scientific and technical progress more attention should be given to the role and place of the standardization and typification both of basic equipment and the primary output and of the consumer goods being produced by machine building enterprises. In a number of instances a broad list of auxiliary assemblies and

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units having identical or similar parameters is totally unjustified. Thus, modern domestic motor vehicles like the ZAZ, Moskvich, Zhiguli and Volga have different types of batteries, control instruments and so forth. Vehicles of the same class have different types of wheels. This can also be attributed to large trucks, which are being designed and are used in the national economy. Wheels of different size and so on are mounted on vehicles of the identical load capacity. This complicates the repair of equipment and its operation and decreases the level of specialization at plants of mass and series production. As to consumer goods, their production should be carried out with allowance made for the specific nature of the enterprises. This especially pertains to durable goods. Durable goods of greater complexity must be produced at enterprises having unique equipment. With respect to both products for industrial purposes and consumer goods we must be guided by the best world and domestic models, which should be reflected in the corresponding standards. This should be emphasized in the draft of the Main Directions.

Corresponding Member of the USSR Academy of Sciences L. M. Gatovskiy (Institute of Economics of the USSR Academy of Sciences). A special place in the draft of the Main Directions is assigned to the acceleration of scientific and technical progress and the increase of its efficiency. One of the most important conditions of the fulfillment of this basic task is the overcoming of a widespread shortcoming: the assimilation and introduction of new equipment, in spite of the national economic impact incorporated in it for the entire service life, are unprofitable for associations and enterprises due to the temporary worsening of the economic indicators. Much has been planned and done to overcome these difficulties, but the problem has still been far from completely solved. For this there are needed:

- a) the full compensation of the enterprises and associations, which are assimilating and introducing new efficient equipment, for the necessary temporary exceeding of the production expenditures; b) the establishment for this period of assignments on the volumes of output, labor productivity, the profit, the labor-output ratio, the materials-output ratio and the capital-output ratio in conformity with both the requirements of good work and the real possibilities which are connected with the process of assimilating and introducing new equipment; c) full reimbursement of the losses in the economic stimulation funds, which arise during this period not through the fault of the enterprises and associations. All this creates the need for the establishment for each technical item (technological process) of annual standards of expenditures and terms of assimilation.

The solution of the problems of the neutralization of the adverse influence of the processes of assimilation on the economic indicators and of the differentiated approach to the assessments of the operation of enterprises (associations) and the plan assignments received by them is quite practicable. The enterprises and associations which assimilate and introduce new equipment, when its impact and the economic indicators are still inadequately high, should receive through the unified fund for the development of science and technology (YeFRNT) assets by means of deductions from the profits of previously assimilated equipment. All the new equipment being assimilated, having then become previously assimilated equipment, as if "returns" the assets, which were contributed to the YeFRNT and were received for reimbursement of the expenditures of assimilation. Such an economic mechanism is essentially of a credit nature and requires the corresponding improvement of the procedure of forming and using the assets of the YeFRNT. It is expedient here to use bank credit more extensively.

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Since the assimilation and introduction of new equipment are usually accompanied by additional difficulties, it is necessary not only to eliminate the unprofitability of the assimilation of new equipment, but also to create advantages for the enterprises and associations which are assimilating it. This should be achieved by the considerable enhancement of the role of the markup for quality on the wholesale price for equipment and additional material incentives for the collectives and workers who assimilate and introduce new equipment (by means of the obtained impact and the redistribution of the assets of the material incentive funds).

The neutralization of the adverse influence of the period of assimilation on the economic indicators will substantially increase the interest of enterprises, associations and ministries in the output and use of high quality new equipment. Owing to this the number and amounts of the markups on the price for new equipment will increase greatly (at present the markups not for new, but for previously assimilated equipment hold a considerably predominant place with respect to the number and amounts). At the same time the increase of the interest in the output of high quality new equipment should be combined with the task of making more rigid the demands on the efficiency of new equipment, which is advanced in the draft of the Main Directions (Section XII).

In our opinion, on the basis of the measures set forth above a gradual shift should be made to a procedure, in case of which all the equipment being newly produced will, as a rule, be considered new equipment if it meets the requirements of the highest quality category (that is, with respect to its technical and economic indicators it is superior to or corresponds to the best analogs), while in the future it would basically always be fundamentally new or, at any rate, would be superior to the best analogs. The requirement of the transition of technical developments to the designing, as a rule, of equipment of the highest quality category should accordingly be combined so that efficient inventions would gradually become the basis of the research of sectorial institutes. In connection with what has been said I propose to formulate in Section XII of the draft of the Main Directions a clause on the full compensation of associations and enterprises for the necessary greater expenditures on the assimilation of new equipment and on the creation of certain advantages for them.

M. A. Vilenskiy (Institute of Economics of the USSR Academy of Sciences). The implementation of the Main Directions is intended for 10 years, up to 1990. Therefore in the area of scientific and technical progress broader tasks must be set than are recorded in the draft plan, namely a transition must be made from extensive to intensive technical progress. Until now extensive technical progress has predominated in our country, that is, it has taken place in breadth, embracing new works and types of labor. This is a natural process, and it will continue further. With the completion of overall mechanization the extensive means of technical progress will be completed. And it should shift to a higher level, that is, work should be actively performed on the replacement of available machines by fundamentally new machines. Only such replacement will ensure the further growth of labor productivity at a fast rate. This is the intensive means of the development of technical progress. Whereas at the stage of extensive development the replacement of manual labor by machines took place, at the intensive stage the replacement of machines by machines takes place. For this it is necessary to record in the draft plan: "To concentrate the efforts of basic and applied scientific research

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institutes on the development of fundamentally new equipment which is based on those technological principles which make it possible to change radically the technological processes of processing in the direction of the decrease of operations (inefficient technology); the decrease of the parts making up the finished items; the reduction of manual labor; the decrease of the materials-output ratio and the power-output ratio."

In the draft of the Main Directions much attention is devoted to the better use of material resources. Probably, this direction is now moving into first place among the measures on increasing the economic potential of our country. However, it is impossible to limit ourselves to the overcoming of the impractical attitude toward the use of resources, but it does unquestionably exist. For the main cause of the low utilization ratio of raw materials, materials and fuel is the lag of the technology of their processing. This is most evident from the example of power engineering. In 1979 we burned in the national economy 1.6 billion tons of conventional fuel, about 700 million tons of them were used efficiently, that is, were converted into power. This is not only wastefulness, but also a result of the fact that the present technology of fuel combustion does not make it possible to use efficiently more than 40 percent of the energy of fuel. At present we consume approximately 310-320 g of conventional fuel for the generation of 1 kWh, while the energy value of 1 kWh is only 123 g of conventional fuel, that is, we are wasting nearly 200 g. Consequently, it is necessary to set for the basic sciences the task of accelerating the development of fundamentally new technological processes of the use of material resources and first of all fuel and power.

The need to improve the system of evaluation of the technical level of items and products is recorded in the draft plan. Such an entry directs the attention of the developers and producers of new equipment toward the improvement of the technical parameters. However, the achievement of high technical parameters often comes into conflict with the economic and social parameters. If the economic parameters are adequately specified, the social parameters might not always be distinctly expressed. Meanwhile the influence of the use of equipment on man through the changes which this equipment makes in the production and natural environment should be assigned to the social parameters. And such influence increases with the acceleration of scientific and technical progress and is manifested in not only favorable, but also adverse results. Therefore the evaluation of new equipment and a new product should be not only a technical, but also a socio-economic evaluation. And therefore in the draft of the Main Directions it should be recorded: to develop a system of the evaluation of the socio-economic and technical level of new products; to make decisions on the beginning of the series production of new products only from the standpoint of such an integral evaluation. This clause should correspond to the clause recorded in Paragraph 4 of Section II of the draft plan of the CPSU Central Committee, which says that it is necessary to pursue a policy of the development and output of machines and equipment which make it possible to improve working conditions, increase labor productivity and save material resources.

In the draft of the Main Directions much attention is devoted to social problems which it is planned to solve during the 11th Five-Year Plan, and for the first time it is shown that social factors influence the growth of the economy (Section VIII). Here it is noted that "the effective use of social factors of the growth of the economy" should be envisaged during the 11th Five-Year Plan. This is an extremely

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important clause. It shows that a very close interrelationship exists between economic growth and the achievement of social results. However, the point is that it is possible to solve the question of the effective use of social factors of the growth of the economy by having the appropriate methods of calculation, but so far such methods do not exist. Therefore I propose to add to the indicated clause the words: "To elaborate indicators of the evaluation of the influence of social factors on the growth of the economy and methods of their use."

D. M. Palterovich (Institute of Economics of the USSR Academy of Sciences). I propose three additions to the draft of the Main Directions, which is being discussed today. The first concerns the development of functional specialization and the overcoming of the elements of the "natural economy" in many sectors. It is well known what great losses the national economy bears as a result of the fact that each sector produces spare parts for itself, performs the repair of equipment (often by the semihandicraft method), creates its own small logging strips and saw frames, carries out a significant portion of motor shipments by departmental transport, produces packaging, implements and so on. The trend of the "natural economy" is also being carried over to the sphere of scientific and technical progress. Due to the lack of a developed system of collective-use computer centers more and more associations and enterprises are organizing their own computer centers, often miniature ones, with a very low level of utilization of the computers. Each department and association designs and sets up its own automated control systems, often devising in so doing one that was devised long ago. The dispersal of procurement and ancillary works for hundreds and thousands of enterprises, the output of which costs two- to threefold more as compared with their centralized production, is continuing due to the lack of a specialized sector for the output of products of general machine building use. Substantial shortcomings also exist in the development of item specialization--similar equipment is being produced in small batches at different plants.

Technical and structural policy which is aimed at overcoming these shortcomings, requires, in my opinion, the implementation of the following measures:

the development of a specialized sector of intersectorial works with the corresponding organs in large economic regions and the gradual (over one to two five-year plans) concentration in it of the majority of independent enterprises which produce products of general machine building use;

the allocation in the future of all capital investments in the construction of new and the expansion of operating capacities for the output of products of general machine building use of the sector of intersectorial works;

the creation of new capacities for the output of machine building products, including special machines and equipment, only in the chief ministries; the organization of a unified sector of materials handling machine building;

the prohibition, as a rule, of the designing and construction of new machine building enterprises with their own shops for the production of blanks, standard tools and so forth;

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the further concentration of the output of each type of machine building product at a smaller number of enterprises;

the increase of the capacities of adjustment organizations, collective-use computer centers, organizations for the designing of automated control systems, centers for the preparation of programs for equipment with numerical control, organizations for the introduction of new equipment and so forth to such a level that the functions characteristic of them would be performed on the basis of strict functional specialization.

The listed measures should, in my opinion, be reflected in the draft of the Main Directions, in which it should be recorded: "To carry out the development of the sectors of the national economy on the basis of strict functional specialization, to concentrate assets on the creation of new production capacities exclusively in specialized sectors."

The second suggestion is connected with the creation of large-scale machine systems. The need for the development of machine systems and the acceleration of the retooling of operating enterprises is indicated in the draft of the Main Directions. The effectiveness of these directions of scientific and technical progress can be ensured only on the basis of their close interconnection and by the use of the program-goal method of planning and the management of the process of retooling. Machine systems, in my opinion, must be the basis of the planning of the process of retooling sectors, for which it is necessary first of all to change fundamentally the approach to this very concept. In the literature a machine system is often understood as a set made up of several units of equipment, a line, a unit or even an individual complex machine which is designed for the mechanization of a certain technological process or set of operations. The concept of a machine system is interpreted in this way in Section IV of the draft of the Main Directions, in which it is planned "to increase substantially the production of systems of machines and equipment, especially automatic manipulators with program control." Meanwhile the development of a machine system merely begins with the transition from the individual machine to a set. The complete machine system should embrace all the main and auxiliary processes of one entire sector or another or at least of an independent subsector. The sectorial machine system or system of sets of machines should become the basis of the planning both of research and development for the creation of new equipment for the given sector and of the production of the machines belonging to the system, the formation of sets and their delivery to customers. At the same time the machine system should become the basis of the program of the retooling of the sector for which it is intended. It is necessary, in my opinion, to approve the list of machine systems liable to development within the USSR State Committee for Science and Technology.

In this connection in Section II of the draft of the Main Directions it is expedient, in my opinion, to note: "To develop for each sector of production and for the sectors of the nonproduction sphere a uniform sectorial system of sets of machines and to transform this system into the basis of the planning of the development, production and making of sets of equipment and the compiling of programs of the retooling of sectors."

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The third suggestion. An entire set of measures on the acceleration and the increase of the efficiency of scientific and technical progress is outlined in the draft plan being discussed today. It is expedient, in my opinion, to supplement it with the following clause: "To develop creative competition in the process of developing new machines, technological processes, materials and methods of the organization of production; to make the selection of versions of new equipment, as a rule, on the basis of open competitions with extradepartmental appraisal." It should not be feared, in my opinion, that the selection of the designs of new equipment on the basis of open competitions will cause additional expenditures on designing. Such a procedure of selection will help to enlist in the solution of each serious technical problem various organizations and collectives of enthusiasts (regardless of their departmental affiliation) and to eliminate the "monopoly" of the head scientific research institutions, which often reject "outside" designs for the sake of protecting "the honor of the uniform." As to some additional expenditures on the development of alternative designs, they will be repaid with interest due to the overall increase of the level of the designs of new equipment and the selection of the best of them for practical adoption.

L. I. Zusman. For the successful solution of the most important problems of the further progress of the national economy and the acceleration of the transition of the economy to the path of intensive development a very important role belongs to economic science. A number of achievements exist in this area. Among them, for example, is the further improvement of the method of determining the economic effectiveness of capital investments, which was promulgated on the basis of the decree of the CPSU Central Committee and the USSR Council of Ministers of 12 July 1979. For the first time a method of evaluating the effectiveness of capital investments in the nonproduction sphere, in environmental protection and in the sphere of circulation has been elaborated. Let us take, for example, the study of national wealth. This global problem, in which the ultimate economic efficiency of material and spiritual public activity is reflected, so far has not held a worthy place in economic research. However, as the economic potential of the country increases, the interest in studying national wealth increases significantly. In recent years the USSR Central Statistical Administration has published in statistical yearbooks an estimate of the amount of national wealth without including the valuation of land, forests and other natural resources. At the beginning of 1980, according to the estimate of the USSR Central Statistical Administration, the amount of national wealth in the USSR came to more than 2.5 trillion rubles.

The national wealth of the USSR holds under present conditions and will especially hold in the coming period a very important place among the global indicators of the economic and social development of the country. The rate and directions of the growth of the national wealth will determine the conditions of the fulfillment of the main economic and social tasks for 1981-1990. For a scientifically sound appraisal of the natural resources, which are liable to inclusion in the amount of the calculated national wealth of the country, it is necessary to elaborate methods of appraising land, farming lands and other used natural resources and the wealth of the nonproduction infrastructure. This question is also closely connected with the determination of the economic effectiveness of capital investments, since the land areas taken up by industrial construction should be taken into account in the capital investments according to a specific appraisal. The same thing also

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pertains to other natural resources being used, which are not reproducible and are partially reproducible. Therefore I propose in Section III of the draft of the Main Directions, in which the concentration of efforts in the area of the social sciences is indicated, to supplement the phrase, in which the expansion of the studies on theoretical questions of "the increase of the efficiency of social production" is discussed, with the words "and national wealth," while in Section IX, where it is a matter of the development and improvement of the system of cadasters of natural resources, to indicate "and their national economic appraisal with a breakdown by regions and for the USSR as a whole."

I cannot agree with the suggestion of V. Mayyer on the pursuance of an "active policy" of retail prices, from which follows the need to increase the prices for scarce foodstuffs and types of clothing. At the same time I fully support the tasks on increasing the real income and on the stability of retail prices, which are formulated in the draft of the Main Directions.

I believe that the main emphasis in the allocation of capital investments for the agro-industrial complex should be placed on the reduction of losses. I propose to indicate in Section V of the draft plan of the CPSU Central Committee the priority of the construction of warehouses, storehouses, elevators and other facilities, the improvement of roads and the fitting out of means of transportation for ensuring the keeping capacity of transported and stored products. In Section VIII of the draft plan, in which the strengthening of the material and technical base of trade is discussed, I consider it necessary to insert a clause on the expansion of the construction of warehouse facilities and storehouses, which ensure the safekeeping of agricultural products.

S. S. Shnitser (All-Union Scientific Research Institute of the Meat Industry). The organizing and mobilizing significance of the draft plan of the CPSU Central Committee for the 26th party congress, "The Main Directions of USSR Economic and Social Development for 1981-1985 and the Period to 1990," consists in the fact that the most important directions of the economic and social development of the national economy of our country are set forth in it. The inclusion in this document of many details, in my opinion, would decrease its value. The remarks on the draft plan should concern only basic, fundamental questions.

And still I consider it necessary to insert two suggestions in the draft plan. An important sphere of the activity of many organizations is information, the sharing of ideas and advanced know-how, the study of foreign science and practice. Economic and sectorial journals, institutes of information, bureaus of technical information and other organizations are dealing with these questions. The need for the improvement of the work of information organs, the increase of their efficiency, the organization of the extensive discussion of individual problems, debates and so on should be indicated in the appropriate section of the draft of the Main Directions.

The other remark concerns questions of the food complex. Along with the problems of increasing the production of foodstuffs it is necessary to stress the questions of their efficient use, the elimination of losses and the more thorough and complete use of raw materials. Data on the substantial gaps between the volumes of the production and consumption of foodstuffs have been repeatedly cited in our journals. And, of course, it is significantly less expensive to store and deliver to the

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consumer ready to use foodstuffs than to produce additional products. I want to direct the attention of the editorial boards of the economics journals to the need to redouble the attention toward questions of the solution of the food problem, the development of the food industry and the entire agro-industrial complex. The coverage of urgent, negative aspects in the work should not be evaded. But means and steps to eliminate them must be suggested.

A. A. Beschinskiy (Commission for the Forecasting of Power Resources). It is necessary to transform energy conservation into an object of statewide policy. It is well known that the correlation between the development of power engineering and of the national economy as a whole is one of the most important economic proportions. This is governed first of all by the decisive importance of power engineering for the growth of the productivity of national labor. Moreover, in present technologies the circulation of matter is being replaced more and more by the circulation of energy. Therefore the increase of power consumption and the improvement of the structure of power carriers are of very great importance for the technological improvement of production.

At the same time power engineering is one of the most "expensive" sectors of the economy: its capital-output ratio is five- to sixfold greater than the average ratio for industry. About one-third of the industrial capital investments and approximately 15 percent of all the capital investments in the national economy are being allocated for the development of the fuel and power complex. The cost of a unit of power is increasing, and in the immediate future this process will continue.

The difficulties which we have been faced with in the long-range planning of the development of the fuel and power complex are well known. They are the problem of petroleum, the shift of the energy center of gravity to the east, the problem of developing the eastern regions, the development of the corresponding transportation systems and so on. Under these conditions we have to solve truly far-reaching problems. Suffice it to say that over a period of 20-25 years about 60 billion tons of conventional fuel must be extracted from the ground. And it is necessary to clearly understand that we should solve a two in one problem: on the one hand, to increase the energy resources and, on the other, to pursue an energy conservation policy, a policy of the utmost saving of energy. It must be admitted that in this respect wastefulness is still being allowed in our country. For example, 60 percent of the boiler houses in the municipal and personal services of the RSFSR do not keep an account at all of the heat being released, 20-25 percent of the enterprises of a number of power-consuming sectors do not have instruments for the plant-wide recording of the consumption of thermal energy; there are several hundred thousand small boiler houses with a specific consumption of fuel, which is three- to fourfold greater than its consumption at large boiler houses or heat and electric power stations. At the same time 2 million people are employed at small boiler houses. Many obsolete plants at electric power stations, which cause a great over-consumption of fuel, are still in operation in our country, and they must be replaced.

All these shortcomings attest that we need the systems planning of the entire complex of energy resources and a unified system of its management. Today we proceed from an approximate value of the coefficient of elasticity of the power-output ratio on the order of 0.9-0.8 (a 1-percent increase of the national income accounts

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for a 0.9-percent increase of the consumption of energy). Meanwhile this figure is unacceptable. If we, for example, reduce it to 0.7 percent, in the coming 20-25 years we will be able to save about 9 billion tons of conventional fuel. But it is very difficult to reduce it. In order to solve this problem, a system of the control of energy consumption, and precisely a system, must be created. It is necessary to analyze the final consumption of energy, that is, the consumption which is characteristic of that structure of technology which we design and use, and to study this structure in order to know how much it costs us from the standpoint of energy.

Abroad they have officially adopted a decrease of the coefficient of elasticity from 1.0 to 0.7-0.6 for all countries, but I believe that it will not be achieved. Incidentally, nowhere has it been revealed what the mechanism will be, by means of which it would be possible to decrease the elasticity to such a range. But the very direction of the search merits attention. This problem is difficult. If we speak about the final energy consumed in industry, here its specific consumption is decreasing, while in agriculture, transportation in connection with the development of aviation, motoring and so on it is increasing. Therefore structural shifts, of course, complicate the solution of the problem of reducing the coefficient of elasticity, and they must be taken into account. But we need to exert every effort in order to achieve this reduction. However, it must be realized that this will not occur of its own accord. Therefore I would like to formulate my own suggestions for inclusion in the draft of the Main Directions in the following manner:

"To consider it necessary to organize the planned management of power consumption, meaning the achievement of its rational pattern, the adoption of power-saving technology and the reduction of the power-output ratio of the national income, the development of an efficient structure of the ultimate power carriers while meeting all the requirements of technical progress and the increase of labor productivity. To introduce in the practice of planning and statistical reporting the indicator of the setting of standards of the consumption of the final energy."

N. M. Nikolayevskiy (VNIIneft'). In accordance with the draft of the Main Directions the production of petroleum along with gas condensate in the amount of 620-645 million tons is called for in 1985. According to the draft plan, it is necessary to achieve an increase of the rate of petroleum production in the regions of Western Siberia and Kazakhstan by the faster placement of new petroleum deposits into operation and the use of methods of affecting petroleum beds for the purpose of increasing their petroleum yield. This orients technical policy in the area of petroleum production and the organization of the petroleum business toward the elaboration of decisions which should be characterized by the greatest national economic efficiency.

First, there should be retained as the basis of further technical progress in petroleum production the technology of the two-stage working of petroleum deposits, which was proposed by Academician A. Krylov and has justified itself in the regions of the Urals-Volga area and Western Siberia. This technology is being implemented there in accordance with the designs of the VNIIneft' and Giprotymenneftegaz in the systems of the working of the main objects with sparse initial networks of wells with a density of 36-64 hectares/well with the contour injection of water and with the drilling of standby wells at subsequent stages of the working of the deposits

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(in the zones missed by affecting). Such a system creates the most favorable conditions for assuring the stable productivity of old wells with an increase of the petroleum yield and promotes the release of a significant portion of the drilling capacities and facilities for broadening the front of geological prospecting and developing new deposits.

Second, it is necessary to increase the quality of the designing and planning of the additional working of old petroleum deposits, at which wells might be drilled without adequate hydrodynamic grounds, which causes the overcapitalization of work not backed by an increase of production.

Third, in the area of the economic substantiation of the choice of versions of the construction of new capacities in petroleum and gas production, of new equipment and technology of the working of petroleum and gas formations, as well as when evaluating the conditions of the reserves of petroleum (gas) it is necessary to distinguish the conditions and limits of the application of the indicator of the inclusive expenditures, without allowing their replacement by a criterional indicator—the minimum expenditures. In the sectorial methods the fundamental distinction of these indicators in economic evaluations should be specified, which is especially important when planning the development of the extraction of minerals in general and, thus, in the distribution of capital investments. The point is that, by citing the indicator of the "inclusive expenditures," old petroleum regions can increase the planning orders for "the number of meters of production drilling" based on the misunderstood meaning of inclusive (that is, the maximum permissible) expenditures as an economic "limiter" of the number of producing wells at deposits and, consequently, of the amounts of capital investments at old objects. Such an approach can adversely affect the development of exploration and the placement of new deposits into operation.

A no less important task set by the draft plan is the elaboration and development of methods of increasing the petroleum yield. This problem has already been solved theoretically and methodologically. Everything depends on associated works which produce equipment, apparatus, chemical reactants and instruments. This equally concerns thermal methods of utilizing carbon dioxide, production waste, sewage and so on.

The economic efficiency of these methods in connection with the great volumes of the injection of reactants and the peculiarities of affecting the bed, as practical experience has shown, appears not immediately, but several years after the start of introduction.

The question of the reliability of the means of mechanized petroleum production, especially deep-well pumps, is becoming especially pressing. In general the lengthening of the free-flow period of the operation of wells, which is characteristic of the sparse distribution in the initial network of wells with their negligible interference, postpones the time of the changeover of the wells to mechanized working. However, it is well known that the majority of old wells operate on sucker rod pumps and deep-well electric pumps, with a considerably shorter period between overhauls than, for example, in the United States, where alloy steels are used extensively for this purpose.



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The cluster development of petroleum deposits should be carried out only out of necessity (the sea, swamps and so on), since the finished slant holes drilled from a cluster are often not used for years, which leads to the "freezing" of capital investments, while during their operation the conditions of the mechanized production of petroleum worsen and the frequency of overhauls increases. The enthusiasm for "clusters" under usual conditions of dry land, as well as the oversaturation of a single-stage cluster with 20-30 and more points for drilling should be halted.

Of the measures of great importance for the economics of the production and transportation of petroleum in the main region of petroleum production--Western Siberia--during the period to 1990 it is necessary to distinguish the need for:

- a) the development of the system of transportation lines, first of all roads, along the routes of all-union petroleum and gas pipelines on the territory of the oblast with the entire set of services of motor transport;
- b) the extensive development of the production of compressors of various type sizes, equipment for the gas lift production of petroleum, local power plants, chemical reactants in volumes adequate for the implementation of the outlined measures on the increase of the petroleum yield of the beds;
- c) the consolidation of petroleum worker personnel by development of the non-production infrastructure in the regions of the location of new petroleum (gas) deposits.

The questions and measures which have been touched upon are presently being discussed and, of course, not all the assumptions stated here are shared. There are also other points of view, therefore their discussion is all the more important.

I. G. Pashko (USSR Gosplan). Ferrous metallurgy of the Soviet Union for a number of years now has held first place in the world in the production volume of pig iron, steel, rolled products, pipe and hardware. A high level of scientific developments is noted in this sector. Licenses for the continuous teeming of steel, electroslag smelting, the evaporative cooling of metallurgical units, the dry quenching of coke and others have been sold to many foreign countries. The largest units in the world, including a blast furnace with a useful volume of 5,000 m<sup>3</sup>, oxygen converters with a capacity of up to 400 tons, highly productive sheet rolling mills with a capacity of 6 million tons, pipe and other machines, are being used successfully at ferrous metallurgy enterprises.

In spite of the achieved high level of production and the enlargement of the assortment of metal products, the needs of the national economy for them are still not being completely met both with respect to the quantity and with respect to the quality of some types of metal. In his speech at the November (1979) CPSU Central Committee Plenum L. I. Brezhnev said: "Metallurgy and machine building remain a topic of our particular concern. In spite of the enormous scale of the production of metal, as before there is not enough of it." This is caused by the following factors. The first is that fundamental qualitative changes in metallurgy itself are being carried out slowly. The second is that the adoption of new technological processes in the main sectors which consume metal is lagging.

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Metal will be the main construction material in the future period as well. Therefore an important state task is the further development of ferrous metallurgy and the leading development of machine building and metalworking. In the draft of the Main Directions it is recorded: "In ferrous metallurgy the radical improvement of quality and the increase of the output of efficient types of metal products should become the main direction of further development." At the same time it is planned to carry out the extensive retooling of enterprises with the replacement of obsolete equipment. The predominance at present of the repair of equipment over its replacement is adversely affecting the growth rate of labor productivity and product quality and is leading to the excessive consumption of rolled ferrous metal products.

Three questions should be examined with reference to this sector. The first is the amounts of the continuous teeming of steel. The continuous teeming of steel provides a 10-15 percent saving of metal as compared with the teeming of steel in ingots. In the Main Directions it is stated: "To increase the teeming of steel in continuous billet casting machines to 35-37 million tons," that is, to increase it more than twofold. However, there are grounds to assert that the continuous teeming of steel can be increased to 42-45 million tons.

For the first time in world practice our scientists and designers have developed machines for the continuous casting of billets of the curved and radial type, which make it possible to save great amounts of metal. The method of the continuous teeming of steel, which is used in the USSR, has been patented in 28 countries, and licenses have been sold in many countries. In spite of this, in the USSR only 16 million tons of steel, or about 11 percent of all the steel smelted, was teemed in continuous billet casting machines in 1979. The reason for this situation lies in the fact that the units for the continuous teeming of steel are being used only in a portion of the steel smelting shops being newly put into operation, while they are virtually not being installed in operating shops. Moreover, the machine builders are unable to create the necessary capacities for the production of continuous billet casting machines.

The second question is the structure of the production and consumption of rolled products. It is characterized by a relatively low proportion of rolled sheet products in its total output (41 percent). We are still not fully utilizing the great advantages of rolled sheet products and therefore cannot substantially reduce the weight of machines. Ferrous metallurgy has increased the capacities for rolled sheet products, but our machine building has not prepared itself for the use of plate.

The third question is the need for the maximum increase of the strength properties of carbon steel from 24-30 kg/mm<sup>2</sup> to 40-45 kg/mm<sup>2</sup>. For this measures must be elaborated along the entire technological chain from the pig iron to items of the fourth conversion. A strength of not less than 60 kg/mm<sup>2</sup> should be taken as the base for structural and construction steel. With the increase of the strength and density of metal it will be possible to build lighter components and machines. Plastic deformation must be combined with the heat treatment of metal--then the saving of metal will increase two- to threefold.

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The overcoming of the delay of the adoption of new technological processes in the sectors which consume metal, and particularly in machine building, is very important. The metal content of the majority of machines and equipment being produced remains high, the amount of metal scrap in the manufacture of machines is high, the utilization ratio of metals is low (it has stabilized at one level--0.72, and is not increasing).

In the past 10 years ferrous metallurgy has increased considerably (three- to five-fold) the output of low alloy steel, thermal hardened rolled products and many other economical types of rolled products. But the achievements of ferrous metallurgy are not always reflected in machine building. The weight of machines per unit of technical parameter is decreasing slowly. The technology of billet production in machine building is still far from perfect. Much cast steel and cast iron is being consumed, rolled sheet products are being used inadequately, the methods of cutting predominate instead of the development of more advanced processes of stamping, pressure forging, extrusion, rolling and welding. In machine building too few metal straining machines are being used in the pool of metalworking equipment. All this attests that machine building was inadequately prepared for the adoption of new technological processes.

The solution of the problem of working metal by advanced methods with an increase of the use of rolled sheet products requires a comprehensive approach. In machine building the construction of stamping and welding shops must be carried out more rapidly and they must be fitted out with advanced forge and press equipment. In ferrous metallurgy the capacities for rolled sheet products must continue to be increased. Beginning in 1981 USSR Gosplan will set assignments on the average reduction of the total specific consumption of metal and the increase of its utilization ratio, as well as on the decrease of the consumption of cast steel and cast iron and forged pieces made from ingots.

In connection with what has been said the measures on the improvement of the structure of billet production in machine building, the decrease of the working of metal by cutting, the reduction of the consumption of cast iron and cast steel, the increase of the use of rolled sheet products, as well as ferrous metal substitutes and the maximum utilization of the strength properties of steel should be reflected in the draft of the Main Directions. The implementation of these measures will make it possible to utilize the far-reaching reserves of our metallurgical and machine building complex.

Ye. A. Afanas'yevskiy (Council for the Study of Productive Forces). In the draft of the Main Directions it is stated: "To raise to a higher level the organization of national labor and all production; to concentrate forces and resources on the solution of the main national economic problems" (Section II). Among the main national economic problems the program on the increase of the production of consumer goods is named as one of the urgent problems.

Light industry produces half of all the nonfood consumer items of the country. An important direction of the improvement of the forms of its social organization is the achievement of their more complete conformity to the new socio-economic, demographic and urban development conditions. At present one form of production concentration--large combines--predominates in the sector. In this connection the

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level of the utilization of fixed capital under the conditions of the inadequate supply of manpower resources is decreasing. Thus, at the largest cotton combines (up to 3,000 and more looms), at which 44.7 percent of the looms of the sector are concentrated, only 39.8 percent of the fabrics are produced. These combines operate 12-15 percent less time as compared with smaller enterprises; at them, as a rule, the level of the turnover of personnel is considerably higher, while the downtimes of equipment are two- to threefold greater than the standard.

At one time modern types and sizes of enterprises and the principles of their location which conformed to the new material and social conditions of production were elaborated. They are production associations--newly erected projects and the agglomerate form of territorial concentration. Such a form is based not on the de-concentration of production, but on its specialization. It is called upon to solve the same problem of the intensification of production, but under changed socio-economic conditions, which ascertain the inefficiency of the location of large-scale production on a single territory. However, an underestimation of the importance of this form of organization is occurring in the practice of sectorial planning. Meanwhile the reserves for increasing consumer goods by means of its adoption are very great. Therefore it is expedient to define concretely the provision of the draft of the Main Directions on the increase of the level of organization of national labor and production. It should be indicated that the level and forms of concentration and specialization in industry should be brought more completely into line with the formed sociodemographic situation and should conform to both the intraproduction and extraproduction conditions.

The construction of branches of operating enterprises and associations will unquestionably ensure an increase of the economic effectiveness of social production and capital investments and will make it possible in a short time to increase the output of consumer goods. Here, however, it is necessary for the construction of branches to be subordinate to the uniform scientific principles of distribution, which are specified for the new forms of the organization of production in the General Plan of the Development and Distribution of the Productive Forces of the USSR for the Period to 1990. The branches should not be transformed into a likeness of the enterprises of local industry, the territorial organization of which is not subordinate to a uniform system.

The changeover to the construction of small specialized enterprises and branches within production associations of light industry, in our opinion, will be conducive to the successful solution of the problem raised in the draft of the Main Directions: "To develop at a leading rate the production of /consumer goods/ in bold-face" (Section IV).

Academician of the All-Union Academy of Agricultural Sciences imeni V. I. Lenin V. A. Tikhonov (Institute of Economics of the USSR Academy of Sciences). Two main problems are arising in the development of agro-industrial production: first, the improvement of its sectorial structure and the assurance of the optimum balance with respect to production resources, the rate and volumes of production; second, the management of this complex multisectorial system.

Industry which serves agriculture and the processing sectors, has accumulated an enormous production potential. There is no country in the world which could supply

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agriculture with more than 370,000 tractors a year. Agriculture now has colossal power capacities--about 580 million hp. The power-output ratio of our agriculture has already exceeded the American level. But labor productivity in agriculture is increasing extremely slowly. The technological labor-output ratio is practically not decreasing, while the majority of the increase of labor productivity is a result of the increase of the fertility of the soil. The growth rate of labor productivity nearly coincides with the growth rate of the gross production of agriculture. This attests that farming for the present retains features of production of primarily the extensive type.

A strange situation has formed: a very high number of employees is being maintained and, in spite of the growth of the material and technical base of production, the number of workers has almost not decreased, while their shortage is increasing with each year. The main reason for this phenomenon is the unsatisfactory structure of the material and technical base in general, and the equipment being used and supplied, in particular. In essence, industry up to now has been supplying farming not with systems of machines, but with individual machines. Therefore the complete mechanization of technological processes has not been carried out in full. Tractors are being delivered without a complete set of power tools. As a result the power potential embodied in them is being inadequately utilized.

The material base of the "postagriculture" production stages--primary processing, storage, transportation and processing of the produced output--is especially backward. Hence the recurring losses of the produced output, which are increasing along with the growth of its production.

The time has come to resolutely set for our industry the task of changing over from deliveries of individual machines to deliveries of integrated technical and technological systems which encompass both the production of agricultural produce and its processing on the basis of waste-free technology. This will obviously require the appropriate changes in the structure of industrial production and the improvement of the cooperative ties between its sectors. I believe that these requirements should be reflected in the draft of the Main Directions.

The improvement of the structure of agriculture itself is also necessary. Let us take the following example: the production of potatoes in the country has exceeded 90 million tons. We are the largest potato producers in the world, we surpass the United States in the production of this product by 6.5-fold. But can it be said that in the consumption of potatoes we are at the same level? I believe that it cannot, since the weight of commercial potatoes in our country is not more than half of the produced potatoes, while the retail sales volume is less than the American level. The consumption of potatoes for seed and for feeding livestock (which is totally uneconomical) and especially the losses at all the stages of the postharvest cycle from transportation to the dining table are excessively great. The question arises: is it necessary to increase the production volumes of potatoes, to take up for this extremely labor-consuming crop more than 7 million hectares of plowland and enormous masses of people in order then to waste the output, at best to feed it to livestock, obtaining from this a meager return? I believe that it is necessary to make a decisive turn toward the formation of specialized zones of the production of commercial potatoes so as to ensure an increase of the harvests, while having reduced the scale of their plantings. An adequately

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powerful processing industry must be developed in regions of the high concentration of potato production and the waste-free technology of the production and conversion of tubers into a final product suitable for consumption without its processing under household conditions must be set up. Such a technology exists. It makes it possible with a small gross production to ensure a higher yield of the commodity and final product. This direction should be envisaged in the new five-year plan. This pertains not only to potatoes, but also to wheat, cotton, milk and others.

We need to undertake more actively the formation of specialized zones for the production of commercial products on the basis of the task of bringing the production of each of them closer to the regions having the most favorable conditions for this type of production. A universal structure of agricultural production in every region of the country is an anachronism, a residual offshoot of the natural economy. V. I. Lenin considered as one of the attributes of the changeover of farming to production of the industrial type the specialization of regions, the creation of systems of farms and the organization of the intersectorial and interregional exchange of products. If we wish to fully utilize the biological potential of regions, we should develop their specialization more actively in conjunction with the creation of a developed production and social infrastructure of these regions and the expansion of the interregional exchange in products of the main specialization. Apparently, only on this basis will we be able to achieve an increase of the production of energy-packed and high protein fodder cereal and pulse crops (owing, in particular, to a slight reduction of the production of wheat in the regions which specialize in the production of corn, leguminous and pulse crops) and to solve the problem of the acute shortage of fodders.

The second urgent problem is the management of integrated multisectorial agro-industrial production. Such integrated production is being formed and really exists. The strengthening and expanding production economics contacts among its sectors serve as confirmation of this conclusion. However, so far a unified agro-industrial complex as an integral and complete production economics system has not yet been formed. Only the material and social conditions for its development have been formed. Now these conditions have to be transformed into reality. The changeover from primarily sectorial to primarily program-goal planning and the management of agro-industrial production as a unified whole is called upon to play a most important role in this process.

The food program now being elaborated is obviously the first step in the direction of the solution of the indicated problem. But it should be clearly realized that the program will perform its functions only if a effective system of the management of its implementation from a unified center is developed. L. I. Brezhnev directed attention to this aspect of the matter in his speech at the October (1980) CPSU Central Committee Plenum. This task was not reflected in the draft of the Main Directions, I believe that this should be done and the assignment to develop and adopt during the 11th Five-Year Plan a well-balanced system of the management of agro-industrial production at all levels should be formulated.

It is a question, to be sure, not only of the system of organs of management, but also of the mechanism of the management of economic interests and economic activity in the system of multisectorial agro-industrial production. The main principle of this mechanism was proclaimed back at the 25th party congress: it is necessary to

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afford the consumers of a product extensive opportunities to influence its producers. For agro-industrial production this principle of the economic mechanism can be considered the basic one. The point is that in the process of reproducing the final product all the sectors of the agro-industrial complex are connected in succession. Each one is the consumer of the product created at the preceding stage of production and the starting point for the next stage. The link between them is fundamental, and the end result is determined by the degree of rationality of the bond at each preceding "junction." It is possible to orient each stage toward the maximization of the end result only in one way: by the effective economic control of the consumer of the product at each stage of reproduction over the producer of the product being consumed with respect to its quality, structure, assortment, delivery dates and so forth. Within the unified state plan of production it is necessary to grant economic organizations and departments the right to use more extensively direct intersectorial, interregional and interindustry contracts on reciprocal deliveries of products with mandatory mutual responsibility for the observance of the contract terms. Here the responsibility should be material. It should concern not only enterprises, but also specific people--the managers through whose fault the terms of the contracts are not met.

In short, the role of the consumer as the client and the responsibility of the producer as the filler of orders should be increased to the utmost and in all areas of activity--be it deliveries of means of production or reclamation construction, the repair of equipment or the delivery of agricultural raw materials to the processing industry. Changes should probably also be made in the policy of distributing capital investments. They should be allocated to the agro-industrial complex as a whole, having granted its management organs the right to distribute and allocate them to the most important spheres of activity.

So far it has been a question of the mechanism of intersectorial cooperation. But the system of the stimulating motivational mechanism in agriculture requires further improvement. There has unquestionably been some progress in this matter. During the new five-year plan not the plan indicators, but the real level of production is to be the criterion of economic stimulation. The purchase prices for products produced in excess of the level achieved during the preceding five-year plan will be increased significantly. Such a system should be augmented with the effective material stimulation of the workers. The job contract plus bonus rate with the periodic advancing of funds has given a good account of itself at the level of primary labor collectives. Its advantage is that neither the volume of performed operations nor the time worked, but the volume of output really produced functions as the criteria of the personal income of the workers.

Such a system of pay for the labor materialized in the product should acquire a dominant position in agricultural production. This should be reflected in the draft of the Main Directions. Such a principle of pay should be extended to all the levels of production of sovkhozes, kolkhozes, interfarm enterprises and associations. For the managers of all levels and specialists it is expedient to use a system of supplementary payments for the end results instead of the ineffective system now used of bonuses, the amounts of which are very inadequately connected with the production volumes and their dynamics. It seems to me that the incentive system, first, should be constantly oriented toward the increase of the end results and, second, should operate automatically, as an inevitable consequence of

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the achieved production results. It would not at all be a bad thing if the material incentive fund of economic managers and specialists were formed according to a fixed standard of deductions from the new product produced during the year and were distributed among the workers of production management. The assignment on the development and experimental checking of the most advanced and effectively operating systems of economic stimulation should be formulated in the draft of the Main Directions.

L. V. Nikiforov (Institute of Economics of the USSR Academy of Sciences). In the draft of the Main Directions much attention is devoted to the solution of the socio-economic problems of the village, the convergence of the working and living conditions of the urban and rural population and the overcoming of the socio-economic differences between the city and the countryside. The solution of these problems will make it possible to create the necessary social conditions for the dynamic development of agriculture, for the meeting of the needs of the country for food-stuffs and agricultural raw materials and for the further strengthening of the social homogeneity of Soviet society.

At the same time, taking into account the national economic importance of socio-economic changes in the village and the overcoming of the differences between the city and the countryside, it would be advisable, in my opinion, to show in more detail in the draft of the Main Directions the role, directions and possibilities of the development of the village. It seems that this can be done if all the aims, which concern the solution of the socio-economic problems of rural areas and are now contained in various sections of the draft plan, are concentrated in a special subsection of the section on social development. In such a subsection it would be possible to enlarge the group of problems and directions of the socio-economic development of the village. In particular, attention should be directed to the need for the more complete utilization of the production potential of the village for the purposes of meeting the needs of the population for consumer goods by means of the expansion there of the processing of agricultural produce, the sectors of local industry, the production of construction materials from local resources, without limiting oneself to their development at kolkhozes and sovkhoses.

An indicator of the need for the development of the social contacts between rural settlements and between the city and the countryside for the purposes of the more efficient development of the social infrastructure and the assurance of the accessibility for the rural population of all types of public services would play a great role.

Taking into account the important regional peculiarities of the socio-economic problems of the village, it would be advisable to indicate the need for the elaboration of territorial programs of the comprehensive socio-economic development of the city and the countryside within administrative territorial units, the extension of their economic and administrative rights and responsibility in the implementation of these programs and in the uniting of the means and efforts of the enterprises and departments located in the given territory for expediting the solution of social problems.

The need to concentrate efforts on the improvement in rural areas of the system of education, including school education and vocational and technical education, the



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strengthening of the material and technical base of rural schools, rural vocational and technical schools and school construction was not reflected in the draft of the Main Directions. Meanwhile the deficiencies in the quality of instruction and the overall state of the system of education in the village are one of the important causes of the inefficient migration of the rural population in a number of regions; they also give rise to a number of other social problems. Therefore a clause on the need for the urgent implementation of measures on improving the entire system of education in rural areas should, in my opinion, be included in the draft of the Main Directions.

It also seems expedient to make more precise the clauses of the draft plan, which concern the means of providing amenities to rural population centers on the basis of centralized systems of heat and water supply and sewage. It is well known that the dissemination of such systems in rural areas considerably increases the cost of housing construction, prolongs the period of civic improvement, leads to the excessive concentration of the rural housing system, the reduction of private plots and so on. Centralized systems of amenities in practice are hard to use for the existing available housing of towns and villages. Local, uncentralized systems of amenities are more economical and practicable for equipping the available housing of small rural settlements. Therefore it is expedient to write the provision on the civic improvement of rural settlements in the following wording: "To increase considerably the provision of rural population centers and available rural housing with both centralized and uncentralized local systems of heat and water supply and sewage. For the purposes of the development of uncentralized systems of amenities to expand the production and sale to the population of the appropriate equipment."

V. V. Kossov (USSR Gosplan). I would like to dwell on the food program. The production of foodstuffs is one of the world problems. Its importance is dictated by the fact that, according to the available estimate, by 2000 the number of people with an inadequate level of nutrition will exceed 1 billion. In our country the food situation is significantly different than in other countries. There can be no question of any malnutrition here. This does not mean that we do not have any problems. Our problems are the problems of a country which has a comparatively high income and at the same time an inadequate supply of a number of goods. The rectification of this is the main task of the food program. Of course, it should be solved by increasing food production. From the point of view of meeting the needs of the population for foodstuffs I would divide them into two groups. The first group is the products produced by agriculture in an adequate amount, but an inadequate amount of finished products which are delivered to the table of the consumer is obtained from them. Potatoes have already been discussed here. The same thing can also be said about vegetables. Their consumption amounts to 85 percent of their per capita production. A minimum of 15 percent of the vegetables do not reach the consumer. A similar situation is also observed with a number of other foodstuffs. Therefore the first question we should answer is: Why are products not reaching the table of the consumer?

The analysis shows that in our country the food industry, as well as the system of insulated transport are inadequately developed. Everyone knows what a problem it is, for example, to haul tomatoes from Astrakhan' to Moscow. This also explains why a considerable amount of food is not reaching the consumer. Consequently, with respect to this type of goods the task is to step up the development of the procurement system and the food industry.

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What is hindering the solution of this problem? In spite of the fact that there are sufficiently accurate estimates of the need for capital investments in the indicated sphere and everyone is well aware of their need, the sectorial system of planning, which has existed until now, particularly of the distribution of capital investments, has checked the making of them. In this connection I want to make the suggestion that the need for the "attachment" of capital investments to the entire agro-industrial complex, and not only to one sector of it, be it even the central sector, be recorded very clearly in the draft of the Main Directions.

The second group of foodstuffs is those, the supply of which for the present is also inadequate, but, even having mobilized all reserves, we will not be able to quickly eliminate the gap between supply and demand. Meat is among such goods. The question of meat is a difficult and complicated question. Its solution rests on the fodder problem, which is usually connected with the production of grain. In the actual per capita consumption of grain (excluding legumes) in the mid 1970's the Soviet Union took first place in the world, having surpassed the United States. And all the same we do not have an adequate level of output of the products of animal husbandry, first of all meat. Hence arises the serious question of the means of developing our agriculture for the purpose of solving the fodder problem. If we direct our attention to grain, we will be faced with the need for the accelerated development of the mineral fertilizer industry, including phosphate fertilizers, in which with respect to geological conditions and the reserves of raw materials we do not have the best possibilities in the world. Nitrogen is a different matter. Thus, if we aim at the maximum increase of the production of grain as the main type of fodder (this is the American type of feeding of livestock), we will be faced with serious difficulties and will not be taking the most successful route for our country. With respect to its climatic conditions our country is a northern country, and it is easier for us to grow grass than grain. This means should be studied for solving the problem of fodder production. This is also expedient because the growing of grass to a great extent involves the use of nitrogen fertilizers, for the production of which we have sufficient opportunities.

In this connection I would like to formulate a suggestion, the idea of which is that in the scientific elaboration of the food program a shift should be made from uncoordinated studies, which are conducted within individual sectors, to comprehensive studies, which cover related problems and are aimed at the end results, for example, the solution of the fodder problem.

There is the question of management. Much has already been said and much more could be said about this. I would like to formulate three suggestions on which, in my opinion, immediate decisions must be made. The first. Today only in individual instances do we pay for the output of agriculture with allowance made for its qualitative characteristics. Until such a payment becomes the prevailing principle, it will be impossible, in my opinion, to increase the quality of agricultural products.

The second. It is well known that when the profitability of some kolkhozes and sovkhoses decreases, while a number of them even become unprofitable, the organizations serving kolkhozes and sovkhoses, such as, for example, the organizations of the State Committee for the Supply of Production Equipment for Agriculture and others, lead a far from "comfortable" life. Until the revenues of these organizations are formed in accordance with their estimates regardless of what impact has

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been obtained by the kolkhozes and sovkhozes which they serve, the proper order will not exist. It is necessary to make the wage of all workers who are engaged in serving agricultural enterprises directly dependent on the real revenues which agriculture receives.

And the third. At present agro-industrial associations "live" simultaneously on the manning table and the schedule of salaries of different departments--the food industry and agriculture. Under such conditions the wage of the workers is not directly linked with the results of their activity, since it is possible to choose between different salaries, which, of course, is intolerable.

In spite of the fact that the agro-industrial association is a unified enterprise, the food output is planned for it along the lines of the Ministry of the Food Industry, while the agricultural output is planned along the lines of the Ministry of Agriculture. It is impossible to expect a great impact from such a system of planning. A changeover, in my opinion, must be made as quickly as possible to the unified management of agro-industrial associations through the council of ministers of the union republics.

Corresponding Member of the All-Union Academy of Agricultural Sciences imeni V. I. Lenin V. P. Mozhin (director of the Central Scientific Research Institute of Economics attached to RSFSR Gosplan). It is correct that the draft of the Main Directions contains a section on the agro-industrial complex. But, in our opinion, the processing of agricultural raw materials, which are used for the production not only of foodstuffs, but also of consumer goods, should be included in the agro-industrial complex. Hence, along with the food industry the agro-industrial complex should also include light industry.

The task of drafting the food program is set in the decisions of the October (1980) CPSU Central Committee Plenum and in the draft of the Main Direction. The essence of the program approach consists in the singling out of priority problems and the concentration of resources and assets on their solution. However, the number of major programs in the five-year plan should not be large. It is necessary to be more careful in the use of the word "program."

As to the food program, in the draft of the Main Directions, in our opinion, it should be added: its elaboration should be accompanied by the taking of steps of a socio-economic nature. In particular, organizational and economic measures on the strengthening of agricultural production are needed. I believe that in the food program the organizational and the economic questions should be placed in the forefront. Local organs should be made responsible for the supply of the population and they should be given the appropriate rights and means for stimulating agricultural production. And it is necessary to start directly with the sovkhoz, the rayon, the oblast. I am certain that if party and other organizations of the rayons and oblasts will deal in earnest with the questions of the development of agriculture, success will be ensured.

In particular, the better utilization of agricultural raw materials must be achieved. This should be emphasized in the draft of the Main Directions.

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N. P. Shchablykin (USSR Gosplan). The further increase of grain production in our country and its increase during the 11th Five-Year Plan to 238-243 millions tons on the average per year are called for in the draft plan of the CPSU Central Committee. We have sufficient grain for food purposes. The task is to process the grain better, to increase the quality of the flour being produced and on this basis to ensure a substantial increase of the quality of bakery, confectionary and other goods. In the draft of the Main Directions it is planned to increase the output of flour of the highest quality by 24-27 percent with an overall increase of 8-9 percent. This solves the problem of considerably increasing the quality of bakery goods. Much work on retooling on the basis of the complete sets of highly productive milling equipment, which has been assimilated by the machine builders, is being done in the milling industry.

The task of increasing the production of grain is mainly connected with the intensification of animal husbandry. In our country approximately 120 million tons of grain are being consumed for the fattening of livestock. By means of this, in our opinion, it would be possible to obtain considerably more products of animal husbandry than we are now obtaining if this grain were used in a balanced form, that is, if it were enriched with the necessary amount of protein additives, amino acids, antibiotics, vitamins, trace elements and other biologically active ingredients. The work practice of our livestock farms has demonstrated that with the use of grain in a balanced form which has been converted into mixed fodders the outlays to obtain 1 quintal of pork decrease from 8.5 to 4.5 quintals of fodders, the fattening time is shortened by 25 percent. A similar situation forms when obtaining beef and poultry meat.

The further accelerated development of the mixed fodder industry and the sectors producing protein additives, amino acids, vitamins and other biologically active ingredients is called for in the draft of the Main Directions. However, when fulfilling the outlined assignments in 1985 in practice only half of the grain for feeding livestock and poultry will be used through mixed fodders. The remaining feed grain will be fed without enrichment and, hence, not efficiently enough. In this connection it seems expedient to us to expedite the development of the sectors of the mixed fodder, microbiological, chemical and medical industries, which are involved in the production of biologically active ingredients. A faster rate of development of the sectors producing protein additives, premixes, amino acids, vitamins, enzymes, compounds, antibiotics, trace elements and other biologically active ingredients should be envisaged in the draft plan of the CPSU Central Committee so as to ensure in the next few years the use of all the grain being allocated for the feeding of livestock in a form which has been converted into mixed fodders and is balanced.

I. F. Suslov (Moscow Institute of the National Economy imeni G. V. Plekhanov). In connection with the solution of the food problem I would like to direct attention to the state of affairs at kolkhozes and sovkhozes.

The increase of the scarcity of foodstuffs in the system of the retail commodity turnover in recent years is explained mainly by two factors: the increased effective demand of the population, especially the rural population, and the slowing of the growth rate of agricultural production. The latter stems primarily from the weakening of the cost accounting principles of economic management at kolkhozes and sovkhozes. The point is that the increase of the gross income of kolkhozes has not

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covered the increase of the wage fund of kolkhoz farmers, which has led to the worsening of the financial and economic situation of farms, especially in the RSFSR. This has a substantial effect on the effectiveness of the cost accounting mechanism. Many farms have lost to a considerable extent, in the words of V. I. Lenin, "the impetus of self-motivation and vitality."

The adverse weather conditions of recent years have aggravated even more the shortcomings in the mechanism of cost accounting interrelations. This inevitably led to the reinforcement of administrative methods of the management of farms. That is why the clause of the draft plan of the CPSU Central Committee on the need to implement a system of "measures on the strengthening of cost accounting, the decrease of expenditures, the increase of the profitability of agricultural production and the improvement of the financial and economic situation of farms" is acquiring great importance. It is important to stress that it is a matter of strengthening the cost accounting at kolkhozes and sovkhoses as the main cost accounting units of the agrarian sector. The efficient operation of agrarian associations and their components can be ensured only on the basis of the utmost strengthening and development of the cost accounting mechanism at kolkhozes and sovkhoses. At the same time, as the practical experience of economically developed farms shows, it should also include brigade cost accounting. It seems that it would be advisable to supplement the above-cited clause from the draft plan of the CPSU Central Committee with the words "to adopt brigade cost accounting more extensively and to increase its effectiveness." Without this element it is difficult to create a cost accounting mechanism at large modern farms.

The strengthening of cost accounting at farms not only does not hinder the centralization of resources and their shifting within the association, but, on the contrary, expedites these processes, stimulates them. Cost accounting objectively necessitates detailed estimates of the expenditures and effective impacts and the choice of the most effective means of solving the problem. In this connection it is appropriate to recall the words of K. Marx that society, just as the individual farm, should each time calculate most carefully what amount of resources and labor it can allocate without any harm to objects under construction, which for a long time do not yield any useful results, but, on the contrary, divert labor, means of production and vital assets (see K. Marx and F. Engels, "Soch." Works, Vol. 24, p 354).

Cost accounting objectively necessitates careful economic estimates if it is, of course, not formal, but really influences the economic interests of labor collectives. In our opinion, it is important to emphasize that the fundamental traits of cost accounting as an economic phenomenon are the same at all levels: material interest and responsibility for the end results, the self-repayment of expenditures with economic isolations of the circulation and turnover of capital, economic independence within the plan parameters. However, the principles of realizing these features and the completeness of their use differ substantially. The attempt to carry over the cost accounting principles characteristic of farms to the level of the association and the principles of brigade cost accounting to the level of farms did not and cannot produce useful results. For each level the most effective principles of cost accounting with allowance made for the specific nature of the levels and the peculiarities of the forms of property should be elaborated and approved by practice.

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This is ensured to the greatest extent by the actually existing cost accounting at each farm, in each subdivision of it as the most important, in my opinion, condition of the successful implementation of the food program. And for that reason the provision of the draft plan of the CPSU Central Committee on the need to implement a system of measures on the strengthening of cost accounting, the reduction of expenditures and the increase of the profitability of agricultural production is very important. We agrarian economists have to elaborate in the process of implementing this document a more effective cost accounting mechanism.

S. N. Bobylev (Moscow State University imeni M. V. Lomonosov). Much attention in the draft of the Main Directions is devoted to the balanced development of the national economic agro-industrial complex. At the same time particular importance is attached to the efficient cooperation of the sectors which ensure the increase of the output of agricultural products and the improvement of its storage capacity, transportation, processing and delivery to the consumer. Thus, the task of the proportionate development of agricultural production and the production and marketing sphere of the agro-industrial complex, which serves the entire set of relations between agriculture and the consumer, is being raised.

At present the infrastructural sectors and the processing industry, which belong to the production and marketing sphere, lag substantially behind the needs of agricultural production and the population. As a result, considerable losses of products are being observed. The increase of the capacities of the material and technical base of the production and marketing sphere by means of the broadening of the scale of the construction of roads in rural areas, the network of storehouses, enterprises of the food industry and so on is necessary during the next decade.

The possibility of a rapid and much less expensive increase of the food stocks of the country as compared with agricultural production proper is an important argument in favor of the increase of capital investments in the production and marketing sphere. The increase of the production volumes of the village requires the attraction of considerable capital investments in the sectors which produce means of production and in the construction of new machine building, chemical plants and so on, which involves a long period of time. But the storage of already obtained agricultural products and their delivery to the consumer require much less capital. This has been repeatedly emphasized at CPSU Central Committee plenary.

At times the opinion is expressed that investments in the production and marketing sphere of the agro-industrial complex have a low effectiveness and the term of recovery of the capital investments is considerable. This is not in keeping with reality. As calculations show, the period of recovery of the capital allocated to the infrastructural sectors (transportation, storage) is on the average 3-4 years, which is half as great as the standard for the national economy. By means of the development of the infrastructure and the processing industry alone the ultimate output of agricultural products can be increased by at least 15 percent. This indicator exceeds the planned average annual increase of agricultural production. Therefore in Section V of the draft plan of the CPSU Central Committee it is expedient to record: "To seek an increase of consumption first of all by means of the improvement of the use of the produced agricultural output, the increase of the level of its keeping capacity. To increase the amount of capital investments in the sectors which ensure the transportation, keeping, processing and delivery of

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agricultural products to the consumer, to provide in the plans for the leading rate of their development."

The redistribution of investments within the agro-industrial complex may become a substantial source of the increase of capital investments in the production and marketing sphere. Some capital can be attracted from agriculture and the sectors which produce means of production for it. At present a significant portion of the capital investments embodied in the assets of these sectors are in practice "frozen," since the impact from their use is being lost due to the imperfection of the process of delivering agricultural products to the consumer.

The tasks of the balanced development of the agro-industrial complex and the acceleration of the growth of the production and marketing sphere are closely connected with the problem of eliminating losses of agricultural products. The need for the tightening up of the policy of economy in the national economy and the elaboration and implementation of measures on the elimination of losses is repeatedly indicated in the draft of the Main Directions. In this connection the question arises of the advisable sequence in the implementation of measures on controlling the losses of agricultural products. These losses can be divided into two groups: the losses from underproduction, which are caused by the shortage of means of production, and direct losses, which arise in the process of delivering agricultural products to the consumer due to the lag of the sectors of the infrastructure and the processing industry. The amount of losses from underproduction exceed the extent of the direct, postharvest losses, on the basis of which the conclusion is drawn that the immediate elimination of the losses of the first type is necessary. However, it is possible to establish the main cause of losses only from the standpoint of the achievement of the end result. For the agro-industrial complex it is the maximization of the consumption fund.

The confusion of the causes of losses can occur without the recognition at the present stage of the priority of the measures on the elimination of losses in the process of delivering products to the consumer. In such a case the increase of the agricultural output, which is obtained as a result of the increase of the means of production in agriculture, will not yield the corresponding increase of the consumption fund, since it will be lost in the processes of transportation, storage and processing or in agriculture itself due to the lag of the production and marketing sphere. Therefore, measures on the immediate elimination of the losses of agricultural products which occur due to the lag of the sectors which carry out the transportation, storage, processing and delivery of products to the consumer, should be envisaged.

I. N. Buzdalov (Institute of Economics of the World Socialist System of the USSR Academy of Sciences). The strengthening of the influence of the economic mechanism on production efficiency and work quality, which is specified in the Main Directions, is responsible for the particular urgency of the problem of enhancing the economic role of economic contracts in the interrelations between enterprises and other structural units of the national economy. The affirmation of the functional principles which are inherent in contractual relations and in case of which the partners act as equal, self-sufficient economic units, creates realistic conditions for the efficient combination of centralized planning with economic initiative and for the achievement of a closer connection of stimuli with efficiency.

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At present contractual relations are still being poorly utilized as an effective economic planning lever in the economic mechanism. This especially pertains to the agro-industrial sphere. The economic contract in the national economic agro-industrial complex in essence formally duplicates the immediate plan assignment, and therefore is of no active economic importance in the achievement of the coordinated activity of the partners, which adversely affects the end results, the efficiency and the amounts of the losses of products and resources.

The contract of the farm with the producers of equipment and its designers, with the system of supply of production equipment, with the processing industry and with many units of the infrastructure also does not play an active economic role. The entire system of interrelations of agricultural enterprises, for example, with the State Committee for the Supply of Production Equipment for Agriculture, reduces to the "orders" of farms for the delivery of equipment, which are in no way binding.

Scientific developments and the gained experience of the CEMA member countries (Hungary and others) shows that the cost accounting contract performs its role on influencing the end results of the development of the national economic agro-industrial complex, if it acts as a relatively "independent" lever of the implementation of economic planning decisions. A change of the very procedure of delivering the plan assignments on the sale of products is first of all necessary for this. They should be delivered to the departments, and subsequently to the regional associations, procurement and other organizations and be implemented on the basis of contracts. Accordingly the entire system of stimuli and penalties should be organized subject to the fulfillment of the latter. For this purpose it would be desirable to insert in the draft of the Main Directions a special indication of the need to enhance the role of the economic contract in the system of the national economic agro-industrial complex.

G. I. Shmelev (Institute of Economics of the World Socialist System of the USSR Academy of Sciences). The need to solve the food problem has now become especially urgent. This is explained by the fact that it is impossible to focus attention on the solution of the problems of meeting needs of a higher order and of forming the socialist way of life without having solved the food problem. The food problem has been aggravated because, in spite of the increase of agricultural production and consumption, the effective demand of the population for high value foodstuffs has increased considerably. Therefore the utilization of all the potentials of the increase of agricultural production, including the private subsidiary sector, is of great importance. The question of developing the private subsidiary sector was reflected in the draft of the Main Directions. The need to provide the private plots with fodders, the production of industrial means of production and the development of kolkhoz trade are discussed here. This is fine. But it is also necessary to discuss the new organizational forms of the private subsidiary sector and kolkhoz trade, the modernization of production on private plots, the development of integrational ties between them and the public sector on the basis of contracts, the conversion of private plots to a modern technical base, the development of such an advanced form of purchases of the products of the private subsidiary sector as the organization of procurement and trade associations which are provided with transport and so on, and the more extensive dissemination on the markets of bureaus of trade services. I would like all these questions to be reflected in the draft of the Main Directions. Organs which would be responsible for the development of the

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private subsidiary sector should be set up directly at kolkhozes and sovkhozes and at a higher level. For example, in Hungary the private subsidiary sector has been developed in quite interesting organizational forms. Thus, commissions of private plots, which assume concern about the organization of material and technical supply, the procurement of products and the conversion of the private subsidiary sector to a modern industrial basis, exist there. The positions of deputy managers of agricultural enterprises for the private plot and of specialists who consult with the owners of the private plots on production technology, economic and other questions, have been introduced.

The problem of developing the material and technical base necessary for the modernization of the private subsidiary sector so far remains unsolved. Decisions, it is true, are being made, the times when small-scale mechanization will reach the private plots are being discussed, but so far it has not gone any farther than this. In our country tens of ministries are engaged in the production of garden tools, and nevertheless the minimum needs for many elementary implements of labor for the private plots are not being met, for these products are for the ministries secondary as compared with basic production.

In the draft of the Main Directions the entry on the production of means of small-scale mechanization is grouped with the production of household equipment, but it is necessary to insert it where agricultural machine building is discussed, since it is a matter of the output of means of production for a very important sphere of the agrarian sector of the national economy. Large specialized enterprises for the output of the equipment necessary for this should be created.

There is the question of prices. The conception of inexpensive foodstuffs has not only positive, but also negative economic and social consequences. The entire set of prices for foodstuffs and industrial goods should be retained as a whole at the same level. But this does not rule out the possibility of making some shift in the prices for individual foodstuffs, for which the need for their revision has arisen. Incidentally, this also has a bearing on the private subsidiary sector. In our country mixed fodders were previously released to the population at 9 kopecks per kilogram, now it is 18 kopecks. In this case a different producer might purchase not mixed fodders, but bakery goods for the fattening of livestock, since this is more profitable to him. Whereas several years ago approximately 3.5 million tons of bread were fed to livestock, since the increase of the prices for mixed fodders this amount has obviously increased. Or let us take meat. The population rarely sells fattened livestock to purchasing organizations without leaving anything for personal consumption, and here it is purchasing sausage and other meat items in large quantities in the stores. These negative features are connected with the inadequate flexibility of prices.

L. I. Abalkin (Academy of Social Sciences attached to the CPSU Central Committee). In discussing the draft of "The Main Directions of USSR Economic and Social Development for 1981-1985 and the Period to 1990" we turn to experience already gained. The main thing today is to ensure the practicability of the plan assignments. The factors on which this depends can be reduced to two groups. The first group is the quality of the plan itself. The second group is the set of organizational and economic elements which are aimed at the implementation of the plan, or the economic mechanism in the narrow sense. In this connection I would like to make several

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suggestions--what it is necessary to amplify in the draft of the Main Directions, for the plan will be drafted on the basis of this document.

In my opinion, it is necessary to record more clearly the requirement of the complete balance of the five-year plan. This entry should be made quite categorically. If the plan is submitted in an unbalanced form, it simply should not be accepted for examination. The hopes that in the future some reserves will be found are not what the plan should be based on. The economic laws of socialism dictate the need for the complete balance of the plan according to all the parameters. The complete balance of the plan presumes the creation of reserves. Without this there can be no scientific and technical progress.

In my opinion, in the draft of the Main Directions it would be necessary to set down that beginning with the 11th Five-Year Plan we will change over to the evaluation of the fulfillment of the plan by a progressive total on the basis of the assignments stipulated in the five-year plan. It is necessary for the executives of ministries and departments, oblast, kray and republic organs to know this. In implementing the state five-year plan as the main form of planning some decisions which alter the proportions and ratios stipulated by the plan should not be made. And this should also be noted in the draft of the Main Directions.

As to organizational and economic measures, there are many different questions here. It seems to me that within the five-year plan itself it is necessary to distinguish a special section which includes a set of organizational and economic measures which ensure the implementation of the plan. This section should contain indications of where, when and in what sectors the improvement of organizational forms, the introduction of new indicators and so on will be carried out.

And there is another suggestion. It is necessary to orient the organization of competition first of all toward the unconditional fulfillment of the plan. It is necessary for all enterprises in all sectors to fulfill the plan, including the assignments on deliveries of products. Such an approach fully complies with the requirements of the present stage of our development and the fundamental decisions which have been adopted (the new procedure of adopting counterplans, the change of indicators, the approval of limits and long-term standards).

The making of these refinements will make it possible, in my opinion, to pursue more consistently the policy of intensifying the economy.

V. M. Ivanchenko (USSR Gosplan). The more comprehensive and more purposeful utilization of the achievements of science and practice in solving the problems of increasing production efficiency and work quality, the further enhancement of the role of centralized planning and the management of the socialist economy with the simultaneous development of the initiative of works in management and of cost accounting relations and the enhancement of the role of economic levers and stimuli are called for in the draft of the Main Directions.

Section XII "The Improvement of Administration and the Increase of the Level of Management in All the Links of the Economy" occupies a special place. The tasks of the comprehensive implementation of the measures, which have been prepared by science and practice and are stipulated by the decree of the CPSU Central Committee

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and the USSR Council of Ministers of 12 July 1979, are formulated very clearly in this section. This set has been supplemented and developed in the principles which L. I. Brezhnev formulated at the October (1980) CPSU Central Committee Plenum. Their essence reduces to including in the system of measures on the improvement of the organizational structure of management the style and methods of work, the tightening up of discipline, the practical implementation of the policy of economy and the more complete and active participation of workers in the management of the economy.

It seems necessary to state some views on the intensification of the comprehensive approach to the improvement of the economic mechanism and to its practical introduction in the management of the economy. The first is the question of improving the organizational structures of administration. Much attention is devoted to it in the draft plan of the CPSU Central Committee, but this task must be recorded so as to ensure a real improvement of the organizational structures during the first years of the five-year plan. It is necessary to solve organizationally the question of the planned improvement of organizational structures.

The second important thing is the policy of economy. The requirement to regard the policy of economy as a determinant trait of the style and methods of management, which is objectively inherent in the socialist system of management, should be recorded in the draft of the Main Directions.

The third is the problem of scientific and technical progress. The management of scientific and technical progress is accomplished by means of a system of goal and other comprehensive programs and a system of indicators and assignments. In this connection a large set of measures has been implemented, but we have not covered by planned management the main task of scientific and technical progress, which, it seems, consists in managing practically the increase and the change of the technical level of production and first of all the technology. We have been limiting the comprehensive goal programs to the stage of the development, assimilation and introduction of the first models of new equipment. In this case the stage of reproduction and the saturation of the sectors with advanced equipment and new technology disappears from the programs. It is a matter of the planned increase of the technical level of production, which ensures the necessary growth of labor productivity. It is expedient to record this requirement in the draft of the Main Directions and to ensure the accomplishment of this task.

Finally, apparently, it is time to raise the question of shifting from the development of the mechanism of the improvement of the management of individual sectors to the development of a system of the management of the entire national economy. An improved management mechanism is now being implemented in industry, construction and agriculture, but transportation, communications and several other sectors so far have not yet been included in the administrative complex. Meanwhile in the system of management of the economy of mature socialism the economic mechanism should be improved in all the sectors of the national economy comprehensively, in interconnection.

Ye. G. Panchenko (Higher Party School attached to the Central Committee of the Communist Party of the Ukraine). The problem of improving territorial administration is of great importance. On the one hand, great reserves for increasing production

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efficiency are incorporated in territorial administration, while, on the other, the well-being of people depends more and more on the level of territorial administration. As to the first aspect, these reserves arise first of all as a result of the introduction in production of more and more powerful and technically improved tools of labor, which any one enterprise is hardly capable of using effectively. For the proper output to be obtained from the equipment, many types of it can be used not only by the given enterprise, but also by other enterprises located in the region, on the given territory. Our economic relations provide every opportunity to solve this problem, in the socio-economic sense there are no obstacles here, but there are departmental barriers.

What positive results the improvement of territorial administration gives for the increase of labor productivity can be judged from the efficiency of the L'vov System of product quality control or the system of the mechanization of labor, which was developed at enterprises of Zaporozhskaya Oblast. These systems are of a regional nature, the yield from them is very high.

Another aspect of the question is connected with the fact that territorial administration plays a very substantial role in the improvement of the socialist way of life. Indeed, each person lives, goes to theaters and stores and meets his other needs on a specific territory. If a person does not like a job, he transfers from one enterprise to another, as a rule, within the given city or rayon; consequently, the problems of labor are also of a territorial nature. In other words, territorial administration is an important component of the mechanism of the entire system of administration. And since this is the case, we have the right to believe that in material socialism a system of relations has formed which is the object of territorial administration and an adequate economic mechanism should correspond to it. We distinguish four elements in the mechanism of territorial administration: planning, the methods of management, organizational structures and the forms of the participation of workers in administration. But if there is a territorial complex, everything should be balanced by a unified plan. It is a matter of territorial comprehensive planning, which basically covers all the objects of the given territory--following the experience of Moscow, Leningrad and a number of other cities.

Let us take such an element as the methods of management. As is known, the local budget receives additional contributions in case of the overfulfillment by enterprises of the plan on the production of consumer goods and others. This relationship must be broadened and extended. But for this it is necessary to measure production efficiency with a breakdown not only by sectors, but also by regions. The organizational structure of territorial administration in our country was formed long ago, and at present it no longer conforms to the tasks of ensuring the comprehensive development of territories.

If we summarize what has been said, I propose to insert in the draft of the Main Directions, in its last part, the following addition which pertains to the improvement of the mechanism of administration: "To improve the mechanism of territorial administration in the interests of the use of the available potentials for increasing production efficiency and creating on this basis the most favorable conditions for the labor, daily life and relaxation of the population."

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Yu. V. Borozdin (USSR State Committee for Prices). In the draft of the Main Directions substantial attention is devoted to questions of improving the system of prices and pricing. They are touched upon in three sections and are of key importance for the solution of many problems of the economic development of the country and the further increase of the national well-being during the 11th Five-Year Plan and to 1990. The task is to implement these aims of the party in practice and to increase the role and importance of plan prices as an effective tool of the economic policy of the socialist state.

The introduction of new wholesale prices for industrial output on 1 January 1982, the elaboration and approval of which in practice are already being completed, is the most important measure of the 11th Five-Year Plan in the area of pricing. A number of interconnected problems should be solved by means of the new wholesale prices. They are the more complete reflection in prices of the real conditions of the production and sale of products, the stimulation of the efficient and economical use of production resources, the stimulation of the quickest assimilation of new highly efficient technology and the replacement of obsolete technology and of the increase of the quality of items. Along with the change of the level of prices, especially for products of the group of fuel and raw material sectors of industry, a number of procedural problems, which are connected with the more complete realization first of all of such functions of plan prices as the accounting and stimulating functions, are also solved in the process of the revision. The expenditures on geological prospecting and reforestation operations and the greater contributions for social insurance are being taken into account to a greater extent in the expenditures, while the standards of the profit are being formed primarily as a percentage of the production cost less the material expenditures. Standards of the net production are being elaborated and approved for the output of many sectors at the same time as the wholesale prices.

In our opinion, the transformation of prices into an effective planning standard of expenditures so that prices would not simply follow the actually changing production costs, but would be a kind of planning criterion of the socially necessary level of these expenditures, remains one of the most urgent problems. Only in this case is it possible to ensure the active use of the mechanism of prices in the reduction of the production cost, which is now a very serious problem for the entire national economy. Of course, it is not easy in practice to solve these problems, but the need to solve them should not be lost sight of for one moment by the workers of science and practice in the area of planned pricing. In connection with what has been said the paragraph on pricing in Section XII of the Main Directions could be stated in the following wording:

"To improve pricing in the sectors of the national economy as an important tool of economic management. To transform prices into an effective planning standard of the socially necessary production outlays. To increase the stimulating influence of wholesale prices on the improvement of the quality of items, the acceleration of the assimilation of new, highly efficient equipment and the replacement of obsolete equipment, the more efficient and economical use of production resources and the reduction of the production cost. To tighten up state price discipline."

Important tasks in the development of science and the acceleration of technical progress, including the increase within the optimum limits of the unit

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capacities of machines and equipment with the simultaneous reduction of their size, metal content and power consumption and the decrease of the cost per unit of ultimate actual effect, are set in Section III of the draft of the Main Directions. This is, in essence, the problem of the relative reduction of the cost of equipment, when the increase of the expenditures on its production lag behind the increase of the actual effect. It must be said that the task of the relative reduction of the cost of new equipment was set during the five-year plan which has concluded, but it was not possible to solve it completely. It is all the more important today to identify the reasons for this and to outline consistent steps on their elimination. Another aspect of this problem is the achievement of the optimum parameters of the quality of the new equipment being created and their most complete realization in the sphere of utilization. It is also necessary to take into account that under present conditions the actual effect of production is a concept that is connected with the existence of not only certain physical characteristics or others of items (capacity, productivity, weight, dimensions and others), but also social characteristics (the improvement and facilitation of working conditions, environmental protection and others). Therefore it is becoming extremely important to learn to properly define quantitatively the change of the actual effect of production and to solve this question uniformly on the procedural level. Here, it seems to us, economic science has not yet had its final word.

And, of course, there is the question of the role of prices in the solution of the problem of further increasing the national well-being. In Section VIII of the draft of the Main Directions there is clearly formulated the aim of the party "to pursue consistently a policy of ensuring /the stability of state retail prices/ in boldface for basic foodstuffs and nonfood consumer items. To tighten up state and public control over and to increase the responsibility of the executives of associations, enterprises, organizations and institutions for the observance of price discipline." Hence it follows that the increase of the wage and other monetary income is the main means of raising the level of the real income of the population and increasing the national well-being of the workers.

The continuation of the strategic policy of the CPSU of retail price stability once again confirms the untenability of the views of those economists who believe that in our economy the price mechanism must be used actively for equalizing the supply and demand for a number of consumer goods. The increase of the prices for those products of mass consumption, the demand for which has still not been fully met, cannot be considered, in our opinion, a cardinal solution of the problem of balancing and is fraught, moreover, with negative social consequences. The solution of the problem lies in the utmost increase of the production of consumer goods and especially those which today are in short supply. Not without reason does the draft of the Main Directions provide for a somewhat higher growth rate of the sectors of group B of industry, while the food program is named among the priority programs of the 11th Five-Year Plan.

Everything that has been said does not mean that the mechanism of retail prices will be completely retained. Scientific and technical progress directly influences the rate of updating, the structure of production and the assortment of the consumer goods being produced. The quality is steadily increasing, the esthetic and ergonomic properties of many items are improving. But it is important to stress that just as when determining the wholesale prices for a new product for production engineering purposes, when establishing the prices for new industrial consumer

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goods it is necessary to strive for the relative reduction of their cost for consumers. This means that the price of a new commodity should be formed, as a rule, according to the pattern: the price of a new item should not exceed the price of the analog plus the markup for those improvements of the qualitative characteristics which were achieved as compared with the base item.

In conclusion I would like to say that precise and clear tasks in the area of the improvement of the system of prices and pricing in the country are outlined in the draft of the Main Directions. It is necessary to exert every effort to fully realize them in practice.

A. A. Deryabin (Institute of Economics of the USSR Academy of Sciences). The need to pursue consistently a policy of ensuring the stability of state retail prices for basic foodstuffs and nonfood consumer items is emphasized in the draft of the Main Directions. This policy was established by the 24th party congress and approved by the 25th party congress. The experience of past years has shown in all obviousness that the chosen policy is the only correct one. The keeping of the overall level of prices stable made it possible during those years to solve successfully an entire group of most difficult problems on the improvement of wages, material stimulation, retirement security and other forms of consumption from public consumption funds. The fact that owing to price stability it was possible to bring very substantially closer the real per capita income of different social groups of the population is also of considerable importance.

However, the economic and social development of society is objectively connected with the appearance of new problems. The problem of a certain imbalance between the supply and demand of some consumer goods and services requiring a payment can also be grouped with them. The peculiar and complicated thing here is that this shortcoming appeared when there was a sharply higher standard of living of the population. The solution of this problem basically consists in the expansion of the production of some goods, the improvement of the assortment being produced, the increase of the quality, the optimization of the distribution of the reserves of goods over the territory of the country and so on. The implementation of all these and other measures is called for during the coming period. But not everything is connected just with the production of and trade in consumer goods.

The increase of the production of a large number of goods, mainly foodstuffs and children's items, involves an increase of subsidies from the state budget, since their production is unprofitable. It is possible to cover these losses only by the revenue which is received with the production and sale of some other profitable goods. Therefore, if the production of meat and meat products, for which the losses at times come to a considerable amount, is increased, at the same time sources to cover these losses are also sought. For some goods the possibilities of increasing the production are minimal owing to the effect of the natural factor. It is a matter of many fish products, natural furs, some types of fabrics, knitted items and so forth.

It is also necessary to take into account the natural consequences of the substantial increase of the material and cultural standard of living of the people, which was reflected in the radical change of consumer appraisals of various benefits and the so-called consumer scales of preferences. The urgency of meeting many demands

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has increased sharply, the urgency of meeting others has decreased just as sharply. Such is the situation, for example, with the products of publishing and art printing, the demands for which increased and are increasing exceptionally rapidly. Even with the maximum possible rate of increase of the output of these products all the demands for them can hardly be completely met in the shortest possible time.

From these, as well as other similar situations it follows that the mechanism of retail prices can and should be used for the purposes of achieving a greater balance in the sphere of commodity circulation. But how is this mechanism to be used? At first glance even the raising of such a question seems strange. It seems that there is nothing simpler than the use of prices for establishing equilibrium between supply and demand: one only has to change the prices, and conformity between them will be established. Some economists propose to act precisely that way. However, such a simplistic, mildly speaking, approach to the system of retail prices, in which numerous economic and social problems are woven into one tight knot, will not result in success. With such an approach the solution of one problem causes the appearance of more complicated problems. The rejection of the principle of stability of the retail prices for basic consumer goods would adversely affect the material well-being of tens of millions of people who receive a fixed income, and this is intolerable.

Thus, the active use of the system of retail prices in creating a greater balance should be based on a clear idea and understanding of the entire set of problems in this area. Obviously, the achievement of greater conformity between supply and demand in the sphere of commodity circulation by means of the system of retail prices should be realized while observing a number of conditions, a number of restrictions. First, the stability of the retail prices for basic consumer goods should be ensured. Second, a firmer foundation in the form of additional financial resources for offsetting the losses for some goods should be created for ensuring the stability of these prices. Third, no decrease of the real income of the population as a whole and each social group individually should be allowed. Fourth, any changes in retail prices not only should not result in an increase of the differences between different groups of the population, but, on the contrary, they should ensure the convergence of the standard of living of those groups of the population, which have different average per capita incomes. Finally, fifth, by means of the mechanism of retail prices it is necessary to actively influence the formation of an efficient structure of demands, to limit irrational demands and to develop reasonable ones.

It would seem that the fulfillment of each of the enumerated requirements individually rules out the fulfillment of other requirements. And all the same this problem has a solution. But in order to find it, it is necessary to approach more flexibly the solution of the problems of pricing. Thus, the customary classification by commodity groups: meat and meat products, fish and fish products, confectionary goods, fabrics, clothing, knitted goods, footwear, cultural and personal goods and so on, is totally inadequate. Goods which meet demands that are fundamentally different in importance, are included in each of these groups. Table sausage, moist cured Braunschweiger sausage, liverwurst and goose liver pate are included in meat products. Roasted Caspian sprat and cured fillet of sturgeon belong to fish delicatessen. It is possible to view all commodity groups from such an angle and on this basis to classify goods in detail no longer according to

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merchandising attributes, but according to the degree of importance of the demands they meet. Of course, the importance, significance and urgency of demands are determined from the standpoint of the public.

Goods which satisfy irrational demands are at one of the poles of such a classification. And there is not the slightest doubt that it is necessary by means of prices to limit the consumption, for example, of alcoholic beverages and tobacco items. But the situation with such goods as, for example, items made from crystal, rugs and so forth is much more complicated. In this connection it seems that it is necessary to establish differently the prices for goods which are purchased for utilitarian purposes and for goods which meet the demands of prestige. It is necessary to set the prices for especially fashionable goods, delicatessen items and so forth with allowance made for supply and demand. Incidentally, they are precisely among the goods for which the demand appreciably exceeds the supply. Therefore it seems expedient to include in the text of the draft of the Main Directions a special clause: to actively use the system of retail prices in the formation of reasonable demands and the limitation of irrational demands and demands of prestige.

Estimates show that additional assets, which can be allocated for the maintenance of a stable level of retail prices for basic consumer goods, can be obtained with such pricing. Such an approach to the determination of prices will not affect the real monetary income of all social groups, since it will concern only the savings which formed as a result of unsatisfied demand.

V. I. Rybin (Institute of Economics of the USSR Academy of Sciences). The need to enhance the role of financial and credit levers in the intensification of production, the strengthening of cost accounting and the intensification of the policy of economy is indicated in the draft of the Main Directions. Such an orientation of the use of financial and credit levers seems decisive, for they have their own direct influence on the development of cost accounting and, through it, on the economical consumption of material, manpower and financial resources. By making resources available in the interests of the intensification of production, financial and banking organs can actively promote the increase of the economic efficiency of social production. The realization of the need indicated in the draft plan of the CPSU Central Committee involves the enhancement of the role of banks in the effective economic management of the national economy of the country by means of:

the enhancement of the role of the entire network of financial and banking organs in the drafting by the served enterprises, associations and sectors of stepped-up plans on the basis of the determination of their actual needs (during financial and credit planning) for financial resources for the five-year plan (with a breakdown by years) with allowance made for the implementation by the economic units of measures on the intensification of production;

the strengthening of the stimulating influence of financial and especially credit levers on the interests of enterprises, associations and sectors for the focusing of their efforts on the fulfillment of the state plans;

the improvement of the system of the control by the ruble over the course of the management of each enterprise, association and sector;

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the further improvement of the differentiated schedule of the granting of credit to enterprises, associations and sectors, which is accomplished by the issuing of short-term, medium-term and long-term loans, and its gradual coupling with the differentiated economic influence of consumers when making estimates according to the results of the meeting of contractual obligations.

The enterprises, associations and sectors which successfully fulfill the state plans should have significant advantages in the extension of credit. In particular, it is expedient to grant banks the right to decrease under such conditions the interest rates for credit and to assign the difference directly to the increase of the material incentive fund of the engineering and technical personnel and management of the enterprises, associations and sectors. On the other hand, production collectives which work poorly and unzealously and do not take steps to improve the economic and financial activity should inevitably be subject to strict credit penalties (including the assignment of the higher interest to the reduction of their material incentive funds).

It is expedient to distinguish another group of spheres on which the credit and financial mechanism should have a greater influence. Among them is such a very important area of economic relations as the balance of the physical and value proportions in the national economy and its units, the monetary and commodity flows in the country, the material, manpower and financial resources of enterprises, associations and sectors. These proportions are decisive for ensuring the more complete conformity of supply and demand, the efficient operation of the entire economic mechanism at all organizational levels and the successful solution of the socio-economic tasks set by the party.

Among the financial levers bank credit plays a substantial role in ensuring the balance of the proportions and resources. This is connected with the fact that credit is the final, resultant source of the formation of financial resources, that is, it is issued in excess of the internal assets of enterprises, associations and sectors for covering their temporary expenditures. The issuing of credit within the limits which exceed their actual temporary needs implies its use to one extent or another to cover the excess above-plan stocks of physical assets and uninstalled equipment. Enterprises, associations and sectors should not have financial sources for covering excessive irrational expenditures regardless of whether planned or unplanned sources of the formation of working capital are used for this. Moreover, the presence of excessive credit resources in economic circulation or the systematic involvement of credit in covering the fixed, minimum necessary expenditures of enterprises, associations and sectors adversely affects the money turnover of the country.

Taking into account that credit is an economic regulator of the movement of money in the cash and noncash turnover of the country, the process of its use should be governed first of all by the needs of the created money turnover of the country. This, in turn, is a condition of the solution of the problems of a balance, the more precise expression in value form of the assignments of the national economic plan and the course of their fulfillment, the effective use of the system of economic stimuli and levers.

It must be emphasized that at present only the cash turnover of the country is included in the area of direct, immediate planning (a cash plan, as well as a balance

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of the income and expenditures of the population are drawn up), while the noncash turnover, which predominates in the money turnover of the country, is realized through credit plans and the plans of credit resources. Finally, it is necessary to bear in mind the influence on the money turnover of the country of consumer credit, which, apparently, will undergo extensive development as the programs of providing the population with foodstuffs and consumer goods are implemented.

With allowance made for what has been stated it is expedient to include in the draft of the Main Directions the following paragraph: "To ensure the further strengthening of the Soviet ruble. To organize the planning of a uniform money turnover of the country (cash and noncash). To increase the role of credit in the economic regulation of the money turnover of the country, in the balance of the physical and value proportions, the flow of money and goods in the national economy, the material, manpower and financial resources of enterprises, associations, sectors. To improve the structure of credit resources and to develop consumer credit."

N. P. Morozov (USSR State Committee for Standards). The study of the draft of the Main Directions is making it possible to outline measures on the further increase of the effectiveness of standardization in the system of management of the economy.

First of all we have to ensure the elaboration and adoption of standards and specifications in conformity with the comprehensive goal programs on the solution of the most important scientific and technical problems, such as the development of new types of equipment for the generation of electric power and thermal energy; the automation of the control of machines, equipment, technological processes and works; the assimilation of new low-waste technological processes; the development of the production of biologically valuable products on the basis of the complete utilization of raw materials and the reduction of their losses; the assimilation of the production of new high quality consumer goods.

The State Committee for Standards jointly with ministries and departments has to carry out the revision of the prevailing standards and specifications and the elaboration of new ones, having provided for the inclusion of indicators which correspond to the best domestic and foreign achievements. Here it should be taken into account that the increase of the extent of standardization requires the rationalization of the structure of standard technical specifications and its decentralization, that is, the distribution of the standards among All-Union State Standards, sectorial standards and technical specifications, which conform to the tasks of ensuring a high and stable quality in combination with the flexibility of the decisions which are connected with the constant and ever faster updating of production.

In the draft of the Main Directions attention is focused on the achievement of the best end national economic results. This means that the standards and specifications for the finished products, components, materials and raw materials should meet the requirements of the consumers. For all the apparent simplicity this requirement will cause considerable changes in the methods of work, will make it incumbent to seek not compromise, but technically and economically sound solutions on the basis of national economic goals and interests.

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Much work on the improvement of the system of appraisals of the technical level and the technical and economic level and quality of the products of machine building and instrument making lies ahead. Along with expert methods a system of state tests of products should be introduced in practice, as is stipulated by the decree on the improvement of the economic mechanism. In this connection the State Committee for Standards has outlined for implementation measures on the methodological and metrological support of the performance of the indicated tests.

Under the conditions of the intensive development of the economy, the more efficient use of the production potential of the country, the utmost saving of all types of resources and the improvement of product quality, in our opinion, the standard part of the All-Union State Standards should be strengthened, the indicators of "reliability" and "durability" should be defined concretely, the concepts "the technical and economic level of production" and "the guarantee of quality" should be made more accurate, and a uniform approach to the substantiation and adoption of various technical and economic norms and standards should be developed.

P. S. Osipenkov (Scientific Research Institute of the Academy of Social Sciences attached to the CPSU Central Committee). In Section II of the draft of the Main Directions the task is set to ensure the accelerated growth of the sectors of the production and the social and everyday infrastructures. This goal is defined concretely later in Section X, in which the program of the distribution of productive forces and the economic and social development of the union republics is set forth. The problems of the development of the infrastructure in essence are being advanced in such a wording for the first time in an instructional document of the party. In this connection economic science is being faced with the task of revealing the political and economic content of the infrastructure, the laws of its development and the mechanism of its influence on production efficiency.

From a methodological standpoint the production infrastructure, apparently, can be defined as the material base of the sphere of circulation. Hence the intersectorial nature of the production infrastructure and its relative independence. A lag in its development can slow the process of the circulation of physical assets, can lead to the spoilage of products during their movement from one participant in production to another, as well as to the consumer, can impede the process of the intensification of the division of national labor and intersectorial cooperation and in the end can decrease the overall production efficiency.

The lag of the infrastructure is one of the essential causes of the slowing of the growth rate of the volumes of agricultural and industrial production and of the slow increase of the efficiency of social production. Therefore the saving of capital investments on the infrastructure, which is sometimes used in practice, often results in large real losses in the national economy. In particular, the decrease of the proportion of capital investments in the development of rail transport from 7.7 percent during the Fourth Five-Year Plan to 2.7 percent during the 10th Five-Year Plan seems unjustified.

It is possible to overcome many difficulties in the development of the infrastructure by enhancing the role of territorial administrative organs. If the material and financial resources for the development of the infrastructure, which is of territorial, intersectorial nature, are turned over to the direct control of these

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organs, the necessary opportunities to expedite the process of its socialization and the relative decrease of its cost would arise for them. At the same time such a procedure of financing the territorial infrastructure would make possible the improvement of the cooperation of sectorial and territorial administrative organs. In this case the better utilization of the objects of the production infrastructure would be actively stimulated by means of the more and more extensive use of cost accounting methods in territorial administration. As a result a closer unity of the sectorial and territorial management of the economy would be achieved, which unquestionably would have a positive influence on the growth rate of the efficiency of social production. In connection with what has been said it seem expedient to us to supplement the draft of the Main Directions with an entry concerning the fact that the management of the development of the infrastructure for the purposes of expediting its socialization should gradually be turned over to territorial organs.

I would also like to touch upon the problem of the development of the social infrastructure, which is the sphere of consumption and therefore in its essence differs radically from the production infrastructure. The sectors of housing and municipal services, the system of public education, secondary and higher specialized education, health, personal services, communications (in the area of personal service), passenger transport, culture and art, physical culture and sports, preschool training, social security--in short, everything intended for meeting the diverse needs of the members of society and for the most complete development of their abilities in conformity with the highest goal of socialist production--forms the social infrastructure. The physical components of the social infrastructure in essence are the objects of consumption, which are in long-term collective use.

In connection with what has been said it seem expedient to raise the question of enhancing the stimulating role of the distribution of the good things of life, which are supplied by the social infrastructure. The task of increasing the effectiveness of the use of the assets being allocated to public consumption funds, that is, precisely the assets which are mediated by it, is advanced in the draft of the Main Directions. Consumption from public funds is inseparably connected with the development of the physical base of the social infrastructure and in essence is predetermined by the distribution of capital investments for social and cultural construction. But the distribution and consumption of the good things of life should be subordinate first of all to the interests of production and should be used as a stimulus for the increase of the efficiency of management. Hence, in our opinion, it is possible to conclude that the distribution of the aggregate fund of nonproductive consumption among administrative economic regions should be made dependent to a certain extent on the results of the economic activity in oblasts, cities and rayons.

However, the existing procedure of distributing capital investments for nonproductive construction is hindering the establishment of the necessary dependence between the results of management on a specific territory and the amount of benefits of the social infrastructure, which are given to it for consumption. The material and financial resources for the development of the social infrastructure, which is essentially of a territorial nature, at present, as is known, are distributed mainly through sectorial channels. As a result, the departmental isolation of social investment occurs, and cities are developed by numerous clients. Thus, according to the data available in the literature, Novokuznetsk is being developed by

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32 departments, Krasnodar--140, Kiev--70. The share of sectorial ministries in the total amount of investments in housing construction is 60 percent, the construction of preschool institutions--70 percent, polyclinics--45 percent and so on.

In our opinion, it seems possible and necessary to enhance substantially the role of territorial administrative organs and at the same time to increase the stimulating influence of the social infrastructure on the increase of production efficiency. For this purpose, in particular, in the next few years the departmental isolation in the capital investments being allocated for the development of the social infrastructure should be overcome, they should be placed at the direct disposal of local organs and thereby the material and financial base of territorial administration should be strengthened. It is necessary, in our opinion, at the expense of a part of the fund of nonproductive accumulation to form territorial (republic, kray and oblast) funds of social development, bearing in mind that they will be at the practical disposal of local organs and will be used for the financing of the construction of objects of the social infrastructure and for the solution of socio-economic problems which are of an intersectorial nature.

It is difficult to carry out the implementation of an extensive set of measures which are necessary for the substantial improvement of the complicated system of territorial administration and party management of the economy without the preliminary approval and checking of them in the course of an experiment. Therefore it seems expedient to begin specific practical work on preparing for the conducting of the comprehensive experiment "The System of Territorial Administration and Party Management of the Economy of Oblasts," which could be carried out over a period of 4-5 years on the basis of one or two oblast regions. In our opinion, an entire set of closely interconnected economic planning, organizational and ideological measures, which are aimed at the substantial improvement of the entire system of territorial administration and party management of the socio-economic development of the oblasts, should be implemented in the course of the experiment.

With allowance made for what has been stated it seems expedient to supplement the draft of the Main Directions with the following entry: "To implement a set of measures on the improvement of the mechanism of the territorial management of the development of the social infrastructure, on the increase of its influence on the efficiency of social production."

V. V. Shabalin (Center of the Scientific Organization of Labor of Sel'khoz mash). Considerable work on the designing and introduction of automated control systems in the national economy was done during the 10th Five-Year Plan. The use of the method of goal programming and of standard methods of management in conformity with the tasks, which were advanced by the decree of the CPSU Central Committee and the USSR Council of Ministers, "On Improving Planning and Strengthening the Influence of the Economic Mechanism on Increasing Production Efficiency and Work Quality," is impossible without the extensive use of electronic computer hardware in the management of the economic and social development of the country. The available work experience in this direction and the practical tasks set for management organs are making more and more urgent the problem of developing a statewide automated control system.

At present, especially in the area of the management of social development, it is necessary to concentrate efforts on the development of a statewide system of the

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management of social development and corresponding systems in union republics, ministries and departments. The performance of this work makes it possible to save considerable capital and, what is the main thing, to gain time. Therefore it is expedient to supplement Section II of the draft of the Main Directions with the words: "To take steps on the further centralization of management and planning on the basis of the use of automated control systems," and in Section XII to note: "To develop uniform data banks at the main information and computer centers of ministries and departments."

The effectiveness of the management of social development depends not only on the use of equipment and modern methods of planning, but also on the proper utilization of the available reserves. At present many industrial enterprises of various ministries and departments have subsidiary farms which are experiencing difficulties not only in the acquisition of young livestock, fodders, seed and fertilizers, but also in the acquisition of machinery, equipment, construction materials, fuel and refrigeration capacities. The status of subsidiary farms at present is not defined clearly enough and needs adjustment. The subsidiary farms are making a significant contribution in supplying workers with foodstuffs. For their further development it is necessary to provide for the allocation of capital for machinery, equipment, construction materials and so on. Therefore, in the draft plan of the CPSU Central Committee it is proposed to note: "To provide the subsidiary farms of enterprises with the necessary assets."

Academician T. S. Khachaturov. As a result of the discussion we should note first of all that all who spoke approved of the draft plan of the CPSU Central Committee, "The Main Directions of USSR Economic and Social Development for 1981-1985 and the Period to 1990," and noted the great importance of implementing the measures called for in it.

A large number of suggestions on the specification and development of the provisions contained in the draft plan were made in the statements. The statements were on economic, social and organizational problems. Although a large number of conference participants (45 people, including those who sent their statements in written form) spoke, not all the questions were covered with the same completeness. There were not enough statements on questions of the improvement of capital construction, little was said about the development of transportation and communications and about the problem of cities. Some statements were of a debatable nature, but this was conducive to the comprehensive discussion of the raised problems.

We will publish the results of the discussion on the pages of our journals. In addition, we will publish articles on the urgent problems of the socialist economy in light of the ideas of the draft of the Main Directions.

According to the general opinion our discussion was fruitful. And on behalf of the three editorial boards I thank all the participants in our conference and those who spoke and heard the statements.

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REGIONAL DEVELOPMENT

INTERINDUSTRY MACHINEBUILDING COMPLEXES URGED FOR EAST SIBERIA

Moscow VOPROSY EKONOMIKI in Russian No 1, Jan 81 pp 157-158

[Article by P. Konevskikh and A. Grebenyuk (Krasnoyarsk): "The Development of Interindustry Production in East Siberia"]

[Text] In June 1980 a practical-science conference on "The Effectiveness of Concentration and Specialization of Interindustry Production in East Siberia," which was organized by the Krasnoyarskiy Kray CPSU Committee, TsENII [Central Scientific-Research Institute for Economics] under RSFSR Gosplan, the Krasnoyarsk Polytechnical Institute and the Krasnoyarskiy Kray NTO [Scientific and Technical Society] Council was held in Krasnoyarsk.

The conference was dedicated to questions of improving the economic region's machinebuilding complex by concentrating and specializing interindustry production. Participating in its work were staff workers of RSFSR Gosplan, the SOPS [Council for the Study of Productive Forces] under USSR Gosplan, the IE [Institute of Economics] of the AN Lit SSR [Lithuanian SSR Academy of Sciences], the IE of the Urals Scientific Center, the Institute of Economic Research of the Far East Scientific Center of the AN SSSR [USSR Academy of Sciences], the Leningrad, Chelyabinsk and Kuzbass [Kuznets Coal Basin] polytechnical institutes, the Moscow, Tashkent, Rostov-na-Donu and Irkutsk institutes of the national economy, and the Voroshilovgrad and Kurgan machinebuilding institutes, supervisors of production and industrial associations and enterprises, and scientific, economic and party workers of Krasnoyarskiy Kray and Irkutskaya and Chitinskaya Oblasts. The conference opened with a speech by Deputy Manager of the Industrial Section of the Krasnoyarskiy Kray CPSU Committee Yu. Makarov.

Sections on the following topics worked at the conference: theoretical and procedural questions on the organization, planning and management of interindustry production; concentration and specialization of repair operations; improvement of the organization of tool production; and concentration and specialization in the manufacture of articles of general machinebuilding application.

Machinebuilding development in the country's eastern regions is affected by peculiarities in the regional organization of production, nature and climate, and the labor resources provided. The most important prerequisites to increasing effectiveness of this area's machinebuilding are the integrated development of machinebuilding centers that already exist or are being formed, the creation therein of the required interindustry production facilities, specialization and cooperation, and the concentration of auxiliary activities.



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There are great reserves at East Siberia's existing machinebuilding enterprises for raising labor productivity and, based thereon, for reducing manning levels. These include reequipment of the main production facilities, integrated mechanization of auxiliary processes, and improvement of production organization (including the development of all forms of specialization, primarily of specialization by part and by technology). It is desirable to create interindustry centralized enterprises for the production of parts and components for general machinebuilding use in order to satisfy the requirements of the facilities that exist and those that are under construction and to eliminate small, unprofitable departments and sections.

Great benefits for the national economy can be achieved by improving interindustry ties. An address by d.e.n. [Doctor of Economic Sciences] V. Andrianov (TsENII under USSR Gosplan) advanced the idea of creating a specific program among industries for reducing metals intensiveness of output. These industries, by cooperating, can provide the national economy with inexpensive machines and assemblies and equipment that are reliable in operation and highly productive, that is, with an active part of fixed capital that constantly increases.

K.e.n. [Candidate of Economic Sciences] R. Manilovskiy (Institute for the Development of Moscow's Economy) told about the development of the Master Scheme for Developing Moscow's Industry. The purpose of the master scheme is to create, on the basis of the city's industry, a regional production complex and to transform all enterprises into model ones with respect to level of equipment, technology, production organization, management, output of high-quality products, and working conditions.

The speeches of many scientific and economic workers of Krasnoyarskiy Kray and of Irkutskaya and Chitinskaya Oblasts noted that the problem of establishing specialized production facilities for products of general machinebuilding application is especially urgent for the country's eastern regions, where the process of forming a machinebuilding complex has not been completed. Interindustry production that helps to intensify the division of labor in machinebuilding can be a factor that determines the rational branch-of-industry structure of a complex. The siting of interindustry production facilities in small and medium-size towns and cities will help to solve the problem of the rational use of labor resources.

Staff workers of the Department of Economics and the Organization of Machinebuilding Complexes of the Krasnoyarskiy Polytechnical Institute have undertaken the development of an integrated program for the specialization and concentration of interindustry production in the East Siberian Economic Region. RSFSR Gosplan, the SOPS under USSR Gosplan, and TsENII under RSFSR Gosplan are supervising procedures. Procedural instructions and the basic rules for developing the program that will determine the mission of the work and the procedures for doing it have been prepared. Specialized capacity that will enable production of the appropriate type of articles and services at the level achieved in world practice is to be created.

D.e.n. V. Baranauskas (IE AN Lit SSR), d.e.n. A. Stadnik (Rostov-na-Donu Institute of the National Economy) and k.e.n. V. Vlasov (Leningrad Polytechnical Institute) told about experience in developing an integrated program for the country's economic regions.

The conference adopted recommendations, the realization of which will help to build up machinebuilding and metalworking effectiveness and to develop the Far East's productive forces.

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