

N.A. Tikhonov



Guidelines for the Economic and Social Development of the USSR

HC

336.25

.T5513

1-1985

Period Ending in 1990

NUNC COGNOSCO EX PARTE



TRENT UNIVERSITY
LIBRARY

PRESENTED BY

Russian Consulate

**Guidelines for the Economic
and
Social Development
of the USSR
for 1981-1985
and for the Period Ending in 1990**

**Report by Comrade N. A. TIKHONOV,
Chairman of the Council of Ministers
of the USSR, to the 26th Congress
of the Communist Party
of the Soviet Union**

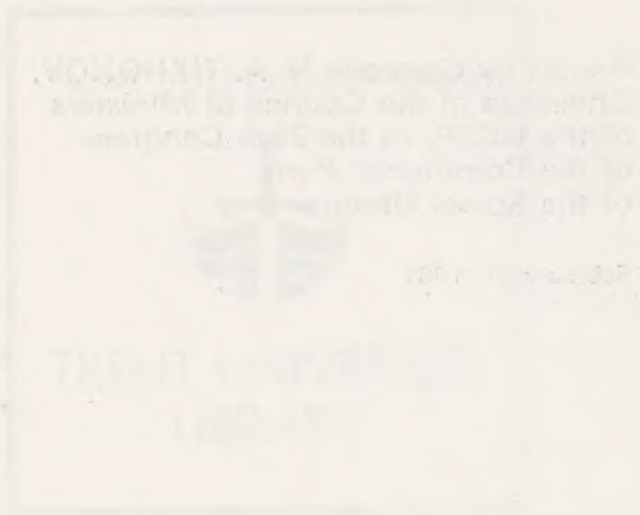
February 27, 1981

Novosti Press Agency
Publishing House
Moscow, 1981

Trent University Library
PETERBOROUGH, ONT.

HC 336.25 . T5513

Guidelines for the Economic
and
Social Development
of the USSR
for 1981-1985
and for the Period Ending in 1990



10200

0902010000

© Novosti Press Agency Publishing House, 1981

CONTENTS

I.	ECONOMIC GROWTH AND THE GROWTH OF THE PEOPLE'S WELL-BEING IN THE PERIOD OF THE TENTH FIVE-YEAR PLAN	8
II.	MAIN TARGETS OF THE COUNTRY'S ECONOMIC AND SOCIAL DEVELOPMENT IN THE ELEVENTH FIVE-YEAR PERIOD	12
	Programme for Raising the People's Living and Cultural Standards	13
	Utmost Enhancement of Efficiency in Production—One of the Cardinal Economic and Political Tasks	18
	Key Aspects in Developing Branches of Material Production	23
III.	DEVELOPMENT OF FOREIGN ECONOMIC RELATIONS	37
IV.	STEADILY IMPROVE THE STANDARD OF CONTROL AND MANAGEMENT	40



Digitized by the Internet Archive
in 2019 with funding from
Kahle/Austin Foundation

Comrades Delegates,

The atmosphere at the 26th Congress of the Communist Party of the Soviet Union is one of creativity, efficiency and unity. The delegates to the Congress, our Party, and the entire Soviet people see the Central Committee Report delivered by Comrade Leonid Ilyich Brezhnev, General Secretary of the CPSU Central Committee, as a document of immense historic significance.

Comrade Brezhnev profoundly examined the many-sided activity of the Central Committee and the titanic work being done by the Party and the people to strengthen our country's economic might and security, improve the life of Soviet people, and safeguard and consolidate peace.

The Report is an outstanding creative contribution to the development and enrichment of the Marxist-Leninist teaching and to the scientific substantiation of the general line being pursued by the Party in the period of developed socialism. It vividly shows the lofty aims and noble ideals to which the Communist Party, founded by Lenin, has pledged itself.

The Report embodies our Party's wisdom and high sense of responsibility for the country's destiny, and the united will of the more than 17 million Communists and all Soviet people. Unanimously approved by the Congress as a guide to action, it mobilises the Party and the people for the fulfilment of new tasks and shows the inspiring prospects of communist construction.

Our Party's time-tested home and foreign policy has

been confirmed by life. We have every reason, comrades, to say that this is the only true, Leninist policy.

An outstanding part in elaborating and implementing this policy is played by Leonid Ilyich Brezhnev. The Party and the people see in Comrade Brezhnev a wise and tried leader confidently heading our mighty country's advance towards communism.

With every five-year plan our tasks grow bigger and more complex. Evidence of this is the draft of the Guidelines for the Economic and Social Development of the USSR for 1981-1985 and for the Period Ending in 1990, submitted to the 26th Congress by the Party's Central Committee.

This draft was drawn up on the basis of the decisions of the 24th and 25th Congresses and of plenary meetings of the CPSU Central Committee.

The Guidelines generalise the practice of building communism in the USSR, take into account the experience of other socialist countries, sum up the results of the Tenth Five-Year Plan, set the targets for economic and social development in the next five years and in the period up to 1990, and work out a set of measures for their attainment.

The draft is permeated with concern for the well-being of Soviet people, for the further prospering and strengthening of our socialist homeland. This purpose is served by the development of material production, the growth of its efficiency, progress in science and technology, the expansion of foreign economic relations, and the improvement of management of the national economy.

The keen and businesslike discussion of the draft in the media, in work collectives, at Party meetings and conferences, and at congresses of the communist parties of the Union republics strikingly demonstrated the vitality of socialist democracy and the unbreakable unity between the Party and the people.

Valuable suggestions, additions and amendments enriching this important document were made in the course of the nationwide discussion.

There has been a considerable response to the draft of the Guidelines abroad. Our friends see it as further convincing proof of the triumph of the ideals and practice

of real socialism. They share our joy in our labour achievements and cordially wish Soviet people new successes.

It is indicative that many realistically-minded politicians and businessmen in the West note the peaceful tenor of our plans, the constant striving of the Party and the Soviet people for lasting peace in the world.

As regards the attacks on the socialist economic system, the slanderous inventions of those hostile to us that the Soviet economy is in a state of "crisis", they are refuted by life.

In contrast to capitalist society with its acute social contradictions, unemployment and inflation, crises and recessions, and the escalating arms race, socialism presents society's socio-political and ideological unity, concern for working people, the advantages of the socialist system of economy, economic planning, and a policy of curbing the arms race.

In this confrontation of two worlds—the socialist and the capitalist—socialism has the advantage of a stable economic growth, steadily rising living and cultural standards, the correctness of Marxist-Leninist ideas, social justice, lofty humanism, genuine democracy, and our socialist way of life whose motto is: All for the sake of man, all for the good of man. The future belongs to socialism.

I. ECONOMIC GROWTH AND THE GROWTH OF THE PEOPLE'S WELL-BEING IN THE PERIOD OF THE TENTH FIVE-YEAR PLAN

Comrades, the direction of the country's economic and social development during the Tenth Five-Year Plan was entirely in accord with the line charted by the 24th and 25th Congresses of the CPSU. As a result all areas and aspects of Soviet society's life developed dynamically.

The people's well-being rose and there was a growth of the country's production, scientific and technological potential. The socio-political and ideological unity of the people was further consolidated, the alliance of the working class, the peasants, and the intelligentsia and the inviolable friendship among all the nations and ethnic groups grew stronger, and socialist democracy was deepened.

The great achievements of the society of developed socialism are inscribed in the new Constitution of the USSR.

The USSR's cooperation with fraternal socialist countries has expanded and acquired a richer content.

The international prestige of the Soviet state is exceptionally high and it is exerting great influence on world developments.

We can say with a sense of deep gratification that the Tenth Five-Year Plan period was one of great achievements by our Party and people. A further stride was taken along the road of communist construction. We can be proud of this, comrades.

Turning to specific indicators characterising the country's development, it should be noted, above all, that during the past five years there has been a dramatic growth in the scale of our economy and large absolute increments in production. Compared with the period of the Ninth Five-Year Plan the national income grew by 400,000 million roubles and industrial output by 717,000 million roubles.

The chemical, petrochemical, electronics, production of automation facilities and control systems, instrument making and automobile industries developed at priority rates. The output of up-to-date equipment was increased.

Fixed assets totalling 588,000 million roubles were put in operation. Over 1,200 large industrial enterprises were built.

The fuel and energy complex continued to expand. Having a good raw-material basis and a modern engineering industry, we made considerable advances in nuclear-power production. Work continued on building the Integrated Power Grid of the USSR, which now covers a territory with a population of over 220 million. There is now a nationwide Integrated Gas Supply System; the length of its trunk pipelines has grown by 64,000 kilometres, or doubled, in the past two five-year plan periods.

From the rostrum of the 25th Congress Comrade Brezhnev spoke with great warmth of the splendid people who accomplished a great feat of labour in the harsh conditions of Western Siberia—they built and developed the nation's largest fuel and energy base. Inspired by the Party's high assessment of their work the Siberians more than doubled the output of oil (including gas condensate) and increased the output of gas by 330 per cent in the period between the 25th and 26th Congresses. This is yet another heroic feat for the good of the country and a worthy gift to the 26th Congress.

Large-scale measures were implemented in the Tenth Five-Year Plan period to secure a further growth of agriculture. Over 170,000 million roubles was allocated for the development of this branch. Our industry has begun to satisfy agriculture's need for machines and chemical fertilizers to a fuller extent. Industries specialising in rural construction, land reclamation and water engineering, in manufacturing machinery for livestock breeding and feed production, and agricultural microbiology continued to develop.

The consolidation of agriculture's material basis and the implementation of important socio-economic measures create a good foundation for the further growth of farm output.

Despite the unfavourable weather during three of the five years farm output went up by an average 9 per cent

annually. The mean annual grain output over the five years reached 205 million tons for the first time, increasing by over 23 million tons compared with the average in the Ninth Five-Year Plan. The mean annual cotton output rose by more than a million tons. In 1980 the cotton crop amounted to nearly 10 million tons. The output of other agricultural produce likewise increased.

The Party consistently pursued a policy of achieving higher living and cultural standards. Per capita real incomes rose. Towards the close of the past five-year period nearly half of the population had a monthly income of over 100 roubles per member of the family: in 1970 such an income was earned by only 18 per cent of the population.

Average wages and salaries rose by almost 16 per cent and the incomes of the collective farmers from collective farming grew by 26 per cent. There were pay rises for certain categories of workers in such key industries as ferrous and non-ferrous metallurgy, coal, textiles, construction, agriculture, and the railways. Wage and salary rates were increased for all workers in non-production industries.

Housing construction proceeded on a large scale. During the tenth five-year period over 50 million people received better housing.

More money was spent from the social consumption funds for education, health, material security for labour veterans, and other social needs. Pensions for collective farmers, workers of a number of industries and for disabled persons were increased. A number of additional benefits were introduced for veterans of the Great Patriotic War. All this shows that in our country working people and war heroes are honoured, universally respected and are constantly cared for by the Communist Party and the Soviet state.

All our achievements are the result of the immense work by the people, of the selfless efforts of the working people of all the fraternal republics, who in their day-to-day life are accomplishing truly historic deeds and raising the country to new levels of progress.

We Communists are very proud of our heroic working class, of our glorious collective farmers, of our talented people's intelligentsia.

We are proud that the cause of the Party of Lenin, the cause of communism, has become the cause of our entire people. This is the source of our strength and invincibility. Led by the Leninist Party the Soviet people are confidently advancing along the road of communist construction.

While assessing at its true worth what has been achieved in the period of the Tenth Five-Year Plan, the Party sees difficulties and shortcomings. I am referring first of all to the fact that we did not succeed in solving, as required, the tasks of boosting labour productivity, accelerated development of certain branches of the national economy, and of putting an end to the scattering of capital investments. Resources were not always used efficiently. This was very forcefully stated in the CPSU Central Committee Report and in the speeches of delegates.

The main reason for the difficulties and shortcomings, for the bottlenecks in the economy is, as was noted in the Central Committee Report, that we have not entirely done away with the force of inertia, the traditions and habits left over from the period when the emphasis was not so much on quality as on quantity.

What the Party demands today is basically that maximum use should be made of the advantages of the socialist economic system, of the enormous economic potentials and resources, that there should be a transition to intensification, higher efficiency and better quality of production. On the basis of what has been achieved in economic construction, this will allow the overcoming of difficulties and the ensuring of a further growth of the economy in the next five and subsequent years, and the successful achievement of the targets that will be set by the Congress.

II. MAIN TARGETS OF THE COUNTRY'S ECONOMIC AND SOCIAL DEVELOPMENT IN THE ELEVENTH FIVE-YEAR PERIOD

Comrades, as it enters the 1980s, the Party puts forward a scientifically-based programme for the country's further economic and social development. It has been comprehensively substantiated theoretically and politically in the Central Committee Report to the 26th Party Congress and is given specific embodiment in the draft Guidelines for the Economic and Social Development of the USSR for 1981-1985 and for the Period Ending in 1990.

The targets for the new five-year period are defined in the context of the prospects for a ten-year period. This makes it possible to ensure continuity in the implementation of the economic policy, correctly to chart the immediate and longer-term targets, and to define the ways and means of resolving the economy's key problems. This is an important step in the further improvement of our planning.

The cardinal aim that the Party is setting for the eleventh five-year period is to ensure a further rise of the Soviet people's living standards through steady, continuing economic development, accelerated scientific and technological progress, the economy's transition to intensive development, a more rational utilisation of the country's production potential, the maximum saving of all kinds of resources, and an improvement of the quality of work.

The following figures characterise the development of the key sectors of the national economy in the eleventh five-year period:

	Growth in 1976-1980 (per cent)	Growth for 1981-1985 planned in draft Guidelines (per cent)
Industrial output of which:	24	26-28
Group A	26	26-28
Group B	21	27-29
Agricultural produce (average annual)*	9	12-14
Freight carried by rail	6	14-15
Capital investments*	29	12-15
State and cooperative retail trade	24	22-25

* Increment over preceding five-year period.

In assessing these figures it may be noted with gratification that stable economic growth rates have been planned for the next five years. This will allow increasing the national income increment used for consumption and accumulation by 18-20 per cent.

PROGRAMME FOR RAISING THE PEOPLE'S LIVING AND CULTURAL STANDARDS

Concern for the well-being of the people has always been and will remain the supreme goal of the Communist Party's policy and all its practical activities.

In the eleventh five-year period the Party plans to put into effect a broad range of measures aimed at consistently boosting the people's well-being, creating ever more favourable conditions for the all-round development of the individual, for highly productive work, for building up the health of Soviet people and providing them with better facilities for rest and leisure, and promoting education, science and culture, in fact, everything that comprises our socialist way of life.

The proportion of the consumption fund in the national income is to be increased. Real per capita incomes will rise by 16-18 per cent.

In raising the people's living standards, one of the key measures will be to ensure fuller satisfaction of the population's effective demand for various goods and services. The turnover of state and cooperative trade will increase by 22-25 per cent.

A food programme and a programme for the development of consumer goods production are being drawn up and will be implemented. This will help to increase the supply of meat, milk, fruit and other products to the population. Larger quantities of various kinds of cotton, woollen, silk and flax fabrics and articles made of them, knitted underwear and garments, goods for children, recreational and household goods, and other articles of everyday use will be sold. It is planned to extend and renew the range of consumer goods, improve their quality, and increase the sale of new and fashionable as well as inexpensive good-quality products. Moreover, the policy of ensuring stability of state retail prices on basic food and non-food products is to be pursued consistently. Much is to be done to develop and improve the work of the distributive, catering, and public service industries, in fact, of the entire range of services.

The cash incomes of the population will also continue to grow. Average wages and salaries are to rise by 13-16 per cent. The size of pay must be made more dependent on the end result of the work of collectives and each person. With the creation of the necessary conditions and the accumulation of resources there is to be a gradual rise of the minimum monthly pay to 80 roubles, and of other wages and salaries, mainly in the production branches of the national economy.

Other centralised measures will include regional increments to wages and salaries in the Urals and in some areas of Kazakhstan for categories of factory and office workers for whom such increments have not been established; long-service increments in the southern areas of the Soviet Far East and Eastern Siberia; larger increments for night work in some industries.

In 1985 pay rises are to amount to roughly 10,000 million roubles.

The incomes of collective farmers are to grow by 20-22 per cent. Taking into account the incomes from personal

subsidiary holdings, this will bring their incomes closer to those of factory and office workers.

As you all know, a wide range of measures of great practical significance for each Soviet family are financed by our state through social consumption funds. In 1985 these funds will amount to 138,000 million roubles, or approximately 2,000 roubles per family of four on average.

The Party's Central Committee and the Government have worked out and consider it expedient to put into effect in the next five and subsequent years a new set of measures to improve the life of mothers and the rising generation and to this end to increase state aid to families with children and to newly-weds. These measures provide for raising the incomes of families with children, improving their housing, particularly of young families, further enlarging the network of preschool institutions so that every family can avail itself of their services, increasing the amount of free time mothers have and creating better conditions for the upbringing of children.

At the first stage—in the coming five-year period—more than 9,000 million roubles are to be allocated to implement the measures to provide more state aid for families with children: these measures will be put into effect gradually, by regions. These funds are to be used to introduce, in 1981-1983, a partially paid leave for mothers for the care of a baby until it reaches the age of one. Subsequently this leave is to be extended to one and a half years.

It is planned to introduce state allowances of 50 roubles on the birth of the first child and 100 roubles on the birth of the second and third child, and also to lengthen by three days the annual leave of working women who have two or more children under the age of 12. In 1981 there is to be an increase in the monthly allowance to **unmarried mothers**.

Mother and child care in our country is truly a matter of state importance. The new decision of the CPSU Central Committee and the Council of Ministers of the USSR is further convincing evidence that our Party and state are steadfastly abiding by Lenin's behest that the best should be given to children.

In the next five years there is to be an improvement of the living conditions of labour veterans on retirement, an increase of the minimum retirement and disability pen-

sions for factory and office workers and collective farmers, loss-of-breadwinner pensions, and some pensions granted earlier. New measures are to be implemented to improve the material and living conditions of veterans of the Great Patriotic War.

Within the next five years the state is to allocate an additional sum of nearly 6,000 million roubles to improve the social security of the population.

It is estimated that increased state aid to families with children and larger pensions will raise the incomes of approximately 50 million Soviet citizens.

Concern for people's health is a distinctive feature of our society. The next five years will see the building of new polyclinics and hospitals and better supply of technology, instruments, and equipment for medical institutions. More attention is to be given to prevention of disease and to regular preventive medical check-ups, of children in the first place.

Priority is now given to improving the quality of the medical services. Their standard will improve due to the use of scientific and technological achievements, modern methods of diagnostics and treatment, and of effective medicines in medical practice. To be sure, the standard of the medical services depends largely on the professional skill, knowledge, tact, and kindness of doctors, nurses, and other staff to everybody in need of assistance. The health agencies and the personnel of medical institutions should give unflagging attention to improving qualifications and to instilling high moral qualities, without which the medical profession is inconceivable.

The organisation of rest and leisure, tourism, and excursion services will continue to be developed and improved. Better facilities are being made available for parents to spend their leave together with their children at health and holiday homes.

Physical culture and sport will figure more prominently in the day-to-day life of Soviet people. The best possible use should be made of the existing sports facilities, regardless of what organisation they belong to. This should be attended to by the Soviets of People's Deputies, ministries and departments, economic agencies, trade unions, the YCL, and sports organisations.

As in previous years, housing construction is to

continue on a large scale in the next five years. During that time it is planned to build 530,000,000-540,000,000 sq. m of housing. Here priority must be given to areas under development and to rural localities. We plan to complete the transition to the building of houses according to standard designs with an improved lay-out and finish of flats. In the next five years new state-built housing is to be distributed mainly on the principle of providing families with separate flats.

The draft provides for a system of steps to promote education and enhance the role played by socialist culture and art in enriching the intellectual life of Soviet people.

Considerable significance is attached to improving the training of personnel and to training more specialists in new areas of science and technology. The task of institutions of higher learning, of secondary and vocational schools is constantly to improve the educational process and actively to instil a sense of civic duty and the communist outlook in the rising generation.

The steps to develop television, radio and publishing and improve the work of cultural and educational institutions will also contribute to the fuller and all-round satisfaction of cultural needs.

In speaking of the programme for social development for the coming years it must be emphasised that this programme attaches special significance to improving working conditions, and to doing everything to reduce the amount of manual, unskilled, and arduous work and make it easier. Increasing the degree of mechanisation in freight handling and storage will allow a saving of the labour of from 1,500,000 to 2,000,000 people in 1985.

Work is the main sphere of human activity and it is important to go on enriching its content and making it more creative.

Concrete concern for concrete people, their needs and requirements is, as Comrade Brezhnev noted, the alpha and omega of our economic policy. The great significance of what the Party of Lenin is doing lies in the fact that it has always fought and worked in the name of a better life and the happiness of working people. Soviet people are confident that this line will continue to be followed.

UTMOST ENHANCEMENT OF EFFICIENCY IN PRODUCTION—ONE OF THE CARDINAL ECONOMIC AND POLITICAL TASKS

Comrades, we can put into effect the vast and multi-faceted programme for improving the people's well-being only by expanding material production and making it more effective.

Maximising in every way the efficiency of production is a basic principle of contemporary economic development, a most important economic and political task at the present stage of communist construction.

In terms of historical scale, significance and implications, the regearing of our national economy along the lines of intensive development may rightly be placed alongside such a very profound change as socialist industrialisation which radically altered the face of the country.

As Comrade Brezhnev pointed out, everything—accelerating scientific and technological progress, perfecting the structure of social production, improving planning and management, and raising the standards of economic activity—must be subordinated to the aim of making the economy more intensive and achieving higher production output with smaller input and less resources. Such an approach to the matter by the Party's Central Committee has met with the wholehearted approval of our Congress. It has the support of the entire Party and the entire Soviet people.

In the 1980s we should complete the switchover of the economy to intensification, implement new measures to further improve the efficiency of socialist production, and the Eleventh Five-Year Plan can and must take a big stride forward in this respect.

The draft Guidelines submitted to the Congress for consideration were drawn up in the belief that the tremendous production potential built up by many generations of Soviet men and women has to be utilised more fully.

A distinctive feature of the plan for the next five years is that it provides for the priority growth of ultimate economic results compared with the increase of manpower and material expenditure, including capital invest-

ment. Steps are envisaged to ensure the most rational utilisation of all the available resources.

The principal factor in economic growth is increasing labour productivity. Under the Eleventh Five-Year Plan the productivity of social labour must be increased by 17-20 per cent. This is to account for no less than 85-90 per cent of the growth of the national income. It is necessary to ensure much higher growth rates of labour productivity in industry, agriculture, construction and railway transport than those of the Tenth Five-Year Plan.

LABOUR PRODUCTIVITY INCREMENT (per cent)

	1976-1980	1981-1985 as planned in draft Guidelines
In industry	17	23-25
In agriculture (collective farming; annual average as compared with previous five years)	15	22-24
In construction	11	15-17
On the railways	0.5	10-12

In all branches of the economy it is essential in every way to create proper conditions for highly productive work, to accelerate integrated mechanisation and automation in every way, persistently introduce team-based organisation of work, improve rate-setting and enhance the incentive role of pay. Steps should be taken to increase production at existing enterprises with the same or fewer personnel. Attention should also be given to making more rational use of manpower in the non-productive sphere.

In the coming period, as it was pointed out in the Report of the CPSU Central Committee, it will become particularly important in our economic development to reduce the consumption of materials per unit of output, and to make economical use of raw materials, fuel, energy, metal, cement, chemical fertilizers and other materials. It must be borne in mind that maintaining and even increasing the volume of production of raw materials, fuel and power resources is costing more and more. To meet these requirements we have to move to the less settled and more remote areas of the north and the

east. The saving of every ton of oil, coal and metal is having an ever greater effect, and the damage caused by their irrational use is becoming more tangible. Yet we are not always able, for the present, to handle material values thriftily and we incur big losses.

In the coming five years radical improvements have to be made here. There are to be tight restrictions on the use of all resources. Every ministry, Union republics and enterprises will be assigned targets for the economical use of these resources. The next five years should see a saving of 160-170 million tons of fuel and energy (in equivalent units) in the national economy. In engineering and metal-working per unit consumption of rolled steel is to be reduced by at least 18-20 per cent, of steel pipes by 10-12 per cent, and of rolled non-ferrous metals by 9-11 per cent. Targets are being set for the saving of timber, cement, and other materials.

It is particularly important to expedite the solution of problems linked with improving the utilisation of scrap metal. In this connection it is planned for districts where metal scrap accumulates to have small metallurgical works using metal waste.

The targets for economising fuel, raw materials and other materials, manpower and financial resources should be regarded by ministries and departments, by enterprises and organisations as minimal and mandatory. At all levels of the economy and in all its branches a set of measures should be worked out and implemented for saving resources, including the use of advanced equipment, technology that produces little or no waste, and for broad dissemination of foremost experience. The scale of our production being what it is, this is not only a major source of saving social labour and natural wealth, but an express condition for balancing production, material resources and the demand for them.

One of the key tasks of the Eleventh Five-Year Plan is the fuller and more effective use of fixed production assets. They are growing rapidly, but the proper returns on them in many cases elude us. The plant in use often operates at less than full capacity. In the engineering industry the shift index of metal-working equipment is 1.35. The fixed assets at operating enterprises are being modernised slowly. Moreover, the newly-introduced

equipment, while being more expensive, in some cases differs little in technical and economic parameters from the old equipment.

The fixed assets at many collective and state farms are not being used rationally enough. Because of poor operation, maintenance and storage machinery at times quickly becomes unserviceable and is written off before its rated service life has expired.

The rate of return on investment and other economic indicators are adversely affected by delays in bringing new production plant to full capacity.

We have to make appreciable headway in increasing capital investment productivity. The planned growth of the national income in the five-year period should be ensured with a lower growth of capital investment, in both absolute and relative terms, than in the previous five years. More vigorous action is needed to put into effect the directives of the Party's Central Committee and Comrade Brezhnev's instructions on determined steps against the scattering of capital investment, on concentrating it in the most important sectors of industrial and agricultural production and in start-up projects, and on cutting the duration of new project construction.

Special mention should be made of capital investment in the reconstruction and technical modernisation of existing enterprises. Funds allocated for these purposes are, on average, repaid three times faster than when creating similar production capacities through new construction, and manpower requirements are also reduced. The proportion of funds for reconstruction in the sum-total of capital investment should be increased considerably. The State Planning Committee of the USSR, ministries and departments, and the Councils of Ministers of the Union republics should carefully consider these matters again and again in fixing the targets of the five-year plan.

An efficient economy also means high-quality products, and improved consumer and technical-and-economic standards. Recent years have seen definite advances in this direction, but they cannot satisfy us. The quality of all types of industrial and agricultural products should be improved, and the range of goods has to be

continually expanded and renewed in keeping with the requirements of scientific and technological progress, and also with the mounting demands of the population. An important role should be played by the introduction of integrated systems of controlling the quality of output, and by the improvement of the standards and technical specifications of finished products, components, raw materials and other materials.

The switchover to efficiency and quality is linked organically by the Party with work to improve production on the basis of modern science and technology. The Eleventh Five-Year Plan sets the task of speeding the technological modernisation of production and of striving for the fastest possible development and universal introduction of fundamentally new machinery and materials and for the large-scale use of highly efficient and energy-and-material-saving technology.

The rate of machinery renewal is to be increased by about 50 per cent, and enterprises must not be allowed to manufacture products of obsolescent design, whose use yields no tangible gain in labour productivity. The system of evaluating the technical standards of machinery and plant has to be tightened. To assure the timely phasing out of obsolete plant from production it may, perhaps, be expedient to fix time limits for the manufacture of such equipment and introduce heavier penalties for the production of outdated models.

The role of science in the development of present-day production is continuing to grow. The draft Guidelines formulate the task of making scientific research more effective, substantially reducing the time needed to introduce the achievements of science and technology, and strengthening the links of basic and applied research with production. It is the duty of the Academy of Sciences of the USSR, the State Committee of the USSR for Science and Technology and all ministries and departments to make rational use of the funds allocated for science, to concentrate them in priority directions, and more effectively to coordinate the activities of scientific institutions with a view to the speedier adoption of the results of scientific research. It is necessary to extend the drafting and implementation of comprehensive special-purpose programmes. Such an approach will make it possible to

rally the efforts of scientists, industrial specialists and the staff of planning bodies and ministries to cope with major scientific and technological problems. Research-and-production associations which have proved so effective a form of combining science and production are to be further promoted. Each of these associations should become a major centre for developing and manufacturing new high-grade products, and for improving production technology and organisation.

The tasks facing us in improving efficiency and quality are of great scale and complexity, but we are convinced that persistent and purposeful work by economic agencies, Party organisations, Soviets of People's Deputies, trade unions, the YCL, and work collectives will bring about their successful fulfilment.

KEY ASPECTS IN DEVELOPING BRANCHES OF MATERIAL PRODUCTION

Comrades, the draft Guidelines indicate the ways of developing branches of material production, of improving the structure of the national economy and the location of the productive forces. I shall consider some of them.

A fundamental distinction of the Eleventh Five-Year Plan is a higher growth rate of the "B" group industries compared with that of the "A" group industries.

In the eleventh five-year period it is planned to increase output of consumer goods as follows:

	Unit of measurement	1980	1985	Increase in 1981-1985 (per cent)
Output of food industries	1,000 million roubles	100	123-126	23-26
including:				
meat (with byproducts of 1st quality) made of raw materials from state stocks	million tons	8.3	11.1	34

	Unit of measurement	1980	1985	Increase in 1981-1985 (per cent)
whole milk products made of raw materials from state stocks in terms of milk	million tons	24.87	28.3	14
Output of light industry including:	1,000 million roubles	100	118-120	18-20
fabrics	1,000 million sq.m	10.7	12.7	19
knitted goods	million pieces	1,622	2,060	27
leather footwear	million pairs	744.3	830	11.5
Recreational and household goods	1,000 million roubles at retail prices	43.5	61.0	at least 40

The accelerated growth of the "B" group is a matter of great importance. Party and government agencies, ministries and departments, managers and personnel of enterprises should bend every effort to expanding the production of goods for the population and substantially improving their quality. What is particularly important here is to display initiative and perseverance and to make fuller use of all the available potentialities and reserves both in the light and food industries and in the heavy industry. Local resources should also be put to better use to increase the production of consumer goods. It is a matter of the honour and professional pride of all those who produce goods for the population to manufacture good-quality and attractive products which bring joy and contentment to people's homes.

A decisive role in advancing the national economy and securing good end results is played by the basic industries: the electric-power, metallurgical, chemical, and engineering industries.

The growth of output of the key items in the basic industries provided for in the eleventh five-year period is shown by the following figures:

	Unit of measurement	1980	1985	Increase in 1981-1985 (per cent)
Electric power	1,000 million kwh	1,295	1,550-1,600	20-24
Oil (incl. gas condensate)	million tons	603	620-645	3-7
Gas	1,000 million cu.m	435	600-640	38-47
Coal	million tons	716.4	770-800	7-12
Rolled steel	million tons	103	117-120	14-17
Products of engineering and metal-working	1,000 million roubles	179	250	at least 40
Mineral fertilizer: in equivalent units	million tons	104	150-155	44-49
in terms of 100% nutrients	million tons	24.8	36-37	45-49
Synthetic resins and plastics	million tons	3.64	6-6.25	65-72
Chemical fibre and thread	thousand tons	1,176	1,600	36
Cement (excl. output of inter-sectoral organisations)	million tons	124	140-142	13-15

The growth of the country's economic potential depends to a large extent on its mineral and raw material resources situation. Under the new five-year plan, geological exploration is to be conducted still more persistently and on a wider scale. It is our duty—no matter how great our natural resources may be—to conduct a constant search for the most rational ways of extracting them and utilising them economically.

The Eleventh Five-Year Plan will mark the first stage in implementing the energy programme of the USSR, which is being worked out at Comrade Brezhnev's initiative. Prime significance is attached in it to the rapid development, above all in Western Siberia, of the gas industry, which has assured reserves of raw material. Under the new five-year plan Western Siberia is to account for the entire increase in gas production.

Big and complex tasks will have to be accomplished in the eleventh five-year period by the workers in the oil industry.

Electric power production is to be increased chiefly by using nuclear fuel, hydropower resources, and coal in the eastern parts of the country. It is planned that in 1981-1985 nuclear and hydropower plants will account for more than 70 per cent of the rise in electric power generation, and in the European part of the country they will account for almost the entire production increase. Big thermal power projects are to be based on the cheap coal extracted by open-cast mining in the Kansk-Achinsk and Ekibastuz coalfields.

In the coming years it is proposed to initiate a fundamentally new trend in the centralised heat supply of big cities by building several big nuclear heat plants, each capable of providing an assured heat supply to a city with a population of many thousands without polluting the environment.

As a matter of national economic importance the State Planning Committee of the USSR, the Academy of Sciences of the USSR, the State Committee of the USSR for Science and Technology, the Ministry of the Coal Industry, and other ministries and departments should take a timely and comprehensive decision on all the matters connected with the task formulated by Comrade Brezhnev —organising the production of liquid fuel from Kansk-Achinsk coal. We must conduct a more vigorous search for new and effective energy sources and strive to make rational use of them.

The further growth of fuel and power production and the improvement of the fuel-and-power budget will make possible a substantial advance in the electrification of all branches of the national economy and of everyday life.

In developing metallurgy, along with the rise in the output of metal, still more determined steps will be taken to improve the quality of metal and boost the output of more effective types of metal product. One of the most important tasks is to reduce the consumption of rolled steel per unit of end product in industry and construction. This will be accomplished by improving the quality and extending the range of rolled stock and increasing the output of sections requiring minimal further machining.

There is to be a considerable increase in the production of powder metals, whose use is proving highly effective in the national economy.

These measures, and also the improvement of machine design and metal-working technology, together with the more extensive use of chemical and other structural materials, will make it possible to save eight million tons of rolled steel in the engineering industry and another two million in construction in 1985.

To ensure an improvement in the quality of metal products, it is necessary to continue the substantial technical modernisation of metallurgical enterprises and the introduction of advanced technological processes.

Improving the quality of metal products is part of the more general problem of securing cardinal advances in the field of structural materials where the proportion of aluminium, other non-ferrous metals and precision alloys is to grow. The production of semi-conductor, extra-pure, and other materials with better characteristics is to be expanded. There are to be increases in the manufacture of plastics, bonded wooden structures, hardboard, cardboard, and other products of the chemical, woodworking, and pulp-and-paper industries.

The technical modernisation of the national economy and its intensification place extremely challenging problems before engineering. The draft Guidelines call for at least a 40 per cent increase in the output of that industry in the Eleventh Five-Year Plan period. There are to be increases in the output of power engineering, the heavy industry, transport, chemical, oil, and agricultural engineering industries, tool-making, instrument-making, electrical engineering, and machine-building for the light and food industries.

The engineering industry is itself to be made more efficient by improvements in its technology, greater specialisation, and a better complement of metal-working equipment. More attention should be given to expanding and concentrating the manufacture of general engineering products.

But what is most important, of course, is improving the quality and renewing the engineering industry's output. The need for machines and plant for the mechani-

sation and automation of production in all areas of the national economy must be satisfied more fully.

There is to be a considerable expansion of the production of control mini-computers as components of basic technological equipment, instruments, and various control and monitoring systems and facilities. Unit power of assemblies and installations is to be increased, their working life extended and their reliability and efficiency enhanced. More automatic manipulators (industrial robots) are to be built.

The Eleventh Five-Year Plan calls for a big step forward in the technical modernisation of the oil, gas, light, food and other industries. Work is to be completed, in the main, on developing machine systems for the integrated mechanisation of building and land-improvement work. The range of mechanisms for agricultural machine systems is being enlarged.

It is proposed to speed up the development and manufacture of more efficient machines which make it possible to achieve the maximum saving of raw materials, fuel and energy resources. For reusable energy sources in metal manufacturing, chemical and other industries to be utilised more effectively it is envisaged to enlarge the production of recovery boilers by 60 per cent. There is to be a 90 per cent rise in the production of diesel trucks with a resulting substantial saving of fuel.

While on the subject of engineering, I would like to mention another matter. This industry has a duty not just to produce up-to-date machinery, but also vigorously help to ensure its efficient performance in the hands of the consumer. This requires the broad participation of engineering enterprises in assembling sophisticated equipment during the construction process, and measures for radically improving its maintenance and centralised repair by the manufacturer as well as for more fully meeting the demand of industrial enterprises and collective and state farms for spare parts.

Work is to be continued in the new five-year period to ensure the interrelated and balanced development of the branches of economy that form the integrated agro-industrial complex. Nearly one-third of the total capital investment in the national economy is to be used for its development and improvement, much of this directly to

boost farm production. This is dictated by the immense importance of this sector of the economy in solving the food problem.

In the eleventh five-year period the following growth of produce is planned for in agriculture:

	Unit of measurement	Average annual output in 1976-1980	Average annual output in 1981-1985	Average annual increase in 1981-1985 (per cent)
Grain	million tons	205.0	238-243	16-19
Sugar beet	million tons	88.4	100-103	13-16
Sunflower seed	million tons	5.32	6.8	28
Raw cotton	million tons	8.9	9.2-9.3	3-4
Meat (slaughter weight)	million tons	14.8	17-17.5	15-18
Milk	million tons	92.6	97-99	5-7
Eggs	1,000 million	63.1	72	14
Vegetables	million tons	26.0	29.4	13
Fruit and berries	million tons	9.4	11.5	22
Wool	thousand tons	460	470-480	2-4

The targets for increasing agricultural produce are very high. Achieving them will require considerably improving the utilisation of the allocated resources, and further increasing farm production and making it more efficient.

The most important tasks are those of increasing grain production, radically improving fodder production and expanding livestock farming on this basis, and taking steps to reduce losses of farm produce and to improve its quality.

Per capita increase of agricultural production is to be twice that of the previous five years. To secure this requires better use of land, further promoting the specialisation and concentration of farm production, further strengthening the material and technical basis of agriculture, and continuing its transition to industrial lines and advanced technologies. It is envisaged to raise the level of mechanisation of agricultural work, first and foremost, at livestock farms. The power per worker ratio

on the collective and state farms will go up in the five-year period by 50 per cent, and the assets per worker ratio, by 40 per cent. The supply of new machinery is to increase. Collective and state farms are to receive many more powerful tractors and trucks. In the new five-year period it is necessary to remedy the situation with regard to the quality of farm machinery, which at present gives rise to quite a number of complaints and which must be made to meet the most stringent requirements.

Our industry is steadily increasing the production and supply of collective and state farms with chemical fertilizers and crop-protection chemicals. The eleventh five-year period is to see a nearly 50 per cent rise in the production of chemical fertilizers. The chemical industry workers must see to it that more ballast-free and compound fertilizers are produced. At the same time it is necessary to improve the manner in which chemical fertilizers are used and distributed. The most important thing here is to achieve the maximum effect, to make sure that the farms getting greater supplies of chemical fertilizers increase the production and sale of agricultural produce accordingly. The State Planning Committee of the USSR, the Ministry of Agriculture of the USSR, and the Councils of Ministers of the Union republics must study this problem and find a correct solution to it from the standpoint of the national interest.

A similar approach would also be correct in utilising land improvement funds.

In speaking of fodder supply for livestock farming it is necessary to stress the great importance of utilising the resources of feed grain more effectively. In the eleventh five-year period it is proposed to make cattle feed more balanced in terms of protein and other nutrients. This is to be achieved through a quicker expansion of the cultivation of feed grain, pulses, and other high-protein crops, of the output of microbiological synthesis products, through eliminating nutrient losses in feed and developing the feed industry.

I would like to dwell specifically on the problems of farm produce preservation. Up to now there have been losses of grain, potatoes and other vegetables, meat and milk all along the line from production to consumption. No small amounts of chemical fertilizers and feed are also

lost. To improve the conditions of produce storage and to reduce losses it is proposed to set aside, in the new five-year plan, 15,000 million roubles in capital investment, or 60 per cent more than in the previous one. This money is to be used to build granaries, refrigerators, vegetable and feed storages, and other facilities. But success in cutting losses depends to an enormous extent on the organisation of work and a conscientious, thrifty attitude to its fruits, and this must be uppermost in our minds.

An important role in advancing agriculture is assigned to science. The efforts of scientists must be directed at achieving the maximum rise in soil fertility and crop yields and at improving seed farming. New heavy productive varieties of grain crops, cotton, sugar beet and sunflower should be evolved and introduced into farming more quickly, and there should be advances in breeding work to improve the pedigree and productiveness of animals.

The productive potential of our agriculture has vastly increased. It is now especially important to exercise good husbandry and to secure the maximum return on the funds we are investing in the agro-industrial complex. This can be achieved primarily by good organisation, initiative, and a responsible attitude to this task by all the rural working people and also the workers of the related industries concerned with the storage, transportation and processing of farm produce and its delivery to the consumer. And, of course, a great deal here depends on our engineering workers whose job it is to supply all the sectors of the agro-industrial complex with highly efficient machinery.

Nor must we forget such an additional source of increasing the production of meat, milk, potatoes, and other farm produce as the subsidiary individual holdings of citizens and subsidiary farms run by enterprises and institutions to supply their personnel.

The eleventh five-year period will see further development of the various branches of the industrial infrastructure. It is a matter of utmost importance that the present situation when railway transport lags behind the requirements of the national economy be overcome. The draft Guidelines call for substantially reinforcing the material and technical basis of railway transport. Capital investment for this purpose is being increased by more than 30

per cent. The fleet of electrically-powered and diesel locomotives will expand. Container and packaged carriage of goods in the 1980s is to be trebled.

The State Planning Committee of the USSR, the State Committee for Material and Technical Supply, the Ministry of Railway Transport, and other ministries and departments should substantially improve the management of the transportation process, reducing the average length of haul and eliminating irrational freight traffic.

The Ministry of Railway Transport must take resolute steps to raise the organisational standards of operation, persistently introduce integrated mechanisation of cargo handling and repair operations, increase the speed of traffic on the railways, and ensure the uninterrupted delivery of freight to consumers.

A number of new passenger and freight routes are to be added to all modes of transport. It is proposed to build nearly 12,000 kilometres of pipelines for oil products, or five times the length commissioned under the Tenth Five-Year Plan. All-season navigation is to be introduced in the western part of the Arctic Ocean as far as Vilkitsky Strait.

The importance of road and river transport in cargo and passenger traffic is to increase. Work is to be continued on building a network of hard-surface roads, first and foremost in Siberia and the Soviet Far East, and also in the non-chernozem zone of the Russian Federation. In Siberia and the Soviet Far East it is planned to uprate river port facilities. These areas will get nearly half of all the capital investment for that purpose, so that areas of intensive development will have good transportation links via the Arctic seas, the completed sections of the Baikal-Amur Railway and Siberian rivers.

Air transport will be reinforced with new economical and comfortable air liners. The network of airports on long-distance and local lines will be extended, and they will be better equipped with facilities for the mechanisation and automation of transportation processes and aircraft servicing.

Measures will be taken to improve the coordination of all types of transport and their interaction with other branches of the national economy.

Big targets are being set in extending the communication services and better satisfying the needs of the population in such services. The number of telephones servicing the population is to increase by 40 per cent.

The growth of the country's economic potential depends to a decisive extent on the state of capital construction. The Central Committee of the Party and the Government devote particularly great attention to improving matters in this branch of the economy. Much is expected of the builders and designers in the next five years. Their duty is to ensure quality, efficiency and speed in designing and building, and to see to it that each project is commissioned on schedule, and that it is up-to-date in every respect.

It is essential to show still greater persistence in combatting any sidetracking of material resources and manpower from the key projects, dragging out building schedules, and to continue the policy of limiting the number of projects being built simultaneously.

In 1980 we managed to hold down growth in the number of uncompleted projects, and are determined to reduce their volume to the permissible level by 1983. The State Planning Committee of the USSR, ministries and departments, and the Councils of Ministers of the Union republics must be more firm and keep state interests uppermost when considering every new project. We must resolutely put an end to the practice of allocating funds and material resources to any region just because established building organisations exist there. What is more, the network of these organisations and the bases of the building industry must be geared to the expanding geography of our building projects.

The ministries must concern themselves with increasing the capacities of territorial building and assembly organisations in areas where construction is concentrated, expanding and making better use of mobile building units, and introducing progressive methods of building everywhere. The efforts to raise the level of industrialisation in the building industry must not be slackened.

Party and government agencies and people's control committees must exercise constant control over building

and resolutely stop all parochialism, departmentalism and the scattering of funds, while raising the responsibility of economic managers for on-schedule completion of projects and for their quality.

In the new five-year period and later, we will continue our efforts to improve the location of productive forces in both the developed and the new regions. It is planned to emphasise their integrated development and specialisation and to take steps to rationalise economic links between them. The natural wealth of the country's eastern and northern regions is to be developed according to plan and at a faster rate. As already noted, these regions are gaining ever greater importance as national suppliers of fuel, energy and mineral raw materials.

Territorial-industrial complexes such as the West-Siberian, Sayany, Angara-Yenisei, Timano-Pechora, South-Yakutian, Pavlodar-Ekibastuz, South-Tajikistan, will go on developing. Their development is entering a new stage, marked by the emergence and growth of a whole complex of industries, and ancillary enterprises. The commissioning of the initial capacities at the Tobolsk and Tomsk plants in Western Siberia, for example, is to give a start to the formation of the country's largest petrochemical centre. In this region we are planning the construction of plants making equipment for the oil, gas and chemical industries, and of other projects. Enterprises that will be built here to assure the fuller use of casing-head gas will enable us to reduce gas losses by approximately two and a half times in five years.

Completion of the Baikal-Amur Railway will be a turning point in the economic fortunes of a vast region. Combatting no small hardships, the builders have performed a great and noble deed — they exceeded the targets of the Tenth Five-Year Plan and have built hundreds of kilometres of roads, new towns and settlements, and dozens of production facilities. This provides a good basis for coping with the next task — the opening to traffic of the entire length of the Baikal-Amur trunk line in the new five-year plan period.

Permit me, on behalf of the Central Committee of the Party and the Soviet Government, to express our heartfelt gratitude to the builders, the railwaymen, the personnel of

enterprises, to our Komsomol, and to all those taking part in this gigantic project.

It will certainly take many a year to draw into economic use the natural resources of the zone of the Baikal-Amur Railway. But the State Planning Committee of the USSR, jointly with ministries and departments, and the Council of Ministers of the Russian Federation must already now give more attention to the drawing up of a comprehensive programme for the development of its rich deposits of coking coal, ferrous and non-ferrous ore, rare metals, and other minerals, including the unique Udokan copper deposit and the timber resources in the Trans-Baikal area, South Yakutia and the Soviet Far East. The programme must, among other things, consider, give reasons for and determine the order in which the natural wealth of the Baikal-Amur Railway zone is to be drawn into the national economy, and to provide for the rational management of the development of that large region. In short, we must have a well-considered and clear-cut programme of action that will allow us to obtain in the minimum time the maximum return on the large funds the state has put into the construction of the railway.

The economy and culture of all the fraternal republics will see further growth in the new five-year period. The relevant assignments for each republic are stated in a special section of the draft Guidelines. Without repeating them I will only note that they are based on the principle of combining comprehensive and balanced economic development of the Union republics with the advantages of the division of labour throughout the USSR. Fulfilment of these assignments will speed up the all-round development and the drawing closer together of the economies of the Union republics within the framework of the single national-economic complex. This approach is in complete conformity with the principles of the Party's Leninist nationalities policy.

In the new five-year period, therefore, we will have to do a great deal further to develop all branches of the national economy and the economic regions. The Party Central Committee and the Government are confident that by their creative and selfless work the mining,

metallurgical, oil and gas workers, workers in the engineering industry, the light and food industry, and in agriculture, builders, scientists, engineers and technicians — the working people in all the republics, territories and regions — will successfully accomplish the new constructive tasks.

III. DEVELOPMENT OF FOREIGN ECONOMIC RELATIONS

Comrades,

Expanding economic, scientific and technical ties with other countries, using the opportunities of mutually beneficial international division of labour, is an important aspect of the activities of the Soviet state.

It is only natural that now, as before, cooperation with socialist countries is at centre of our attention. Economic, scientific and technical ties between the fraternal countries rest on the enduring foundation of common interest; they are of a profound and all-embracing nature. Large-scale integrated projects, such as the *Druzhba* oil pipeline, the *Mir* power grid, and the *Bratstvo* and *Soyuz* gas pipelines are in service and doing good work. Their very names — Friendship, Peace, Fraternity and Alliance—reflect the essence of the new type of economic relations which are relations of fraternal cooperation and mutual assistance. We will continue to improve the coordination of our national economic plans with those of other CMEA member countries and to deepen socialist economic integration. We see this as an important means of strengthening socialism's positions in the world economy and of shielding the socialist countries from the harmful tendencies witnessed in the world capitalist economy. The volume of Soviet trade with our CMEA partners is to increase substantially.

Our economic cooperation with them is focused on resolving such crucial problems as the development of the power industry, the supply and rational use of fuel and raw materials, raising the technical level and the quality of products of the engineering industry, extending cooperation in the manufacture of advanced types of machines and equipment, and extending the range and improving the quality of consumer goods. That is the purpose of the jointly elaborated special-purpose long-term cooperation programmes of the CMEA countries for the period up to 1990.

For the coming five-year period agreements have been concluded for specialisation and cooperation in manufacturing equipment for atomic power plants, heavy and special-purpose machine-tools, machining centres and programmed numerical-control machines, tractors, farm machines, and mining and other equipment. Such major projects as the Khmelnitsky atomic power plant, ore-dressing plants, and ferro-alloy works are to go up in the framework of integration on Soviet territory. At the same time the Soviet Union will participate in the construction of a number of important industrial projects in the fraternal countries.

Our cooperation with developing countries is being built on a fair and equitable foundation. It is promoted by trade and by the economic assistance we give them in building industrial and agricultural projects, and in training national personnel, and by the implementation of agreements based on long-term industrial cooperation.

As before, the Soviet Union is for stable, mutually beneficial ties with the capitalist countries, and their expansion based on strict observance of mutual commitments. We give due credit to many of the capitalist countries and their business circles for their constructive approach to questions of international economic cooperation and will develop our trade first of all with these countries. It is not our fault, for example, that trade with the USA is declining or stagnating. That is a result of the US policy to use trade for unseemly political ends foreign to the interests of equitable international cooperation. As far as the Soviet Union is concerned we are prepared to develop economic relations with the United States as well on the basis of equality and mutual benefit.

Our economic relations with other countries must, to a still greater degree, help meet the needs of the national economy for equipment, technologies, and raw materials and other materials, and the population's demand for consumer goods. Planning and economic agencies are called upon to work continuously for more effective foreign economic ties in order to save manpower and material resources, to speed up technical progress, and get a gain in time.

The Soviet Union's line of promoting the extensive development of international economic cooperation re-

mains unchanged, because that is our fundamental course reflecting in foreign economic relations the purposeful orientation of Soviet foreign policy towards safeguarding peace, deepening detente and furthering mutual understanding among nations.

IV. STEADILY IMPROVE THE STANDARD OF CONTROL AND MANAGEMENT

Comrades,

In accordance with the decisions of the 25th Congress, much has been done in recent years to improve the economic mechanism and the forms and methods of management in industry, agriculture and construction. We are going over to double- and three-tiered systems of management based on industrial and other production amalgamations. The powers and functions of ministries have been extended. Some of them have been reorganised. New ministries have been set up to meet the needs of the national economy. The Party sees further improvement of management and the economic mechanism as an essential condition for the growth and increased effectiveness of social production. The Party Central Committee and the Government have drawn up a set of measures to improve the economic mechanism and enhance its impact on efficiency and quality. It is envisaged to improve planning, enhance management accounting and strengthen the effectiveness of material and moral incentives.

Ministries and departments and economic executives must work energetically to make sure that the measures envisaged are fully implemented and the amalgamations and enterprises successfully go over to the new pattern of management. This calls for much work at all levels—by the State Planning Committee of the USSR and the other central economic agencies, by ministries and departments, and by the amalgamations and enterprises themselves. There can be no excuse here for procrastination or passiveness.

Practice shows that not all branches of the economy have exhausted the opportunities for heightening efficiency of production through improvements in the system of management. We must make a close analysis of the principles on which amalgamations are organised and of the mechanism of their functioning and see whether or

not the required concentration and specialisation of production are being carried into effect. Are the powers and duties apportioned rationally enough between the amalgamations and the producer divisions of which they are composed? Clearly, restricting the powers of some and overburdening others with powers does not make for successful operation. Yet, this is sometimes seen in practice. Falling back on available experience, we must make the existing master plans precisely fit the tasks of the eleventh five-year period. Anything that holds up growth, that interferes with our advance, must be put out of the way, while the best experience that has stood the test of time must be given broad scope.

In pursuance of the policy of setting up the most effective organisational structures we must persistently carry out measures to eliminate departmentalism, secure a more flexible combination of sectoral and territorial management and promote furthering the fulfilment of special-purpose programmes. The initial measures instituting management of the West-Siberian oil and gas complex as one whole have been drawn up and are being carried out. That is the path we should, evidently, follow when elaborating and implementing other inter-sectoral and regional programmes. The aim of securing the right combination of the sectoral and territorial principles in resolving questions of effective management and of the further improvement of the working and living conditions of Soviet people is served by the measures heightening the role of the Soviets in economic development. The executive bodies of the Soviets should make the most of the powers that have been vested in them.

National economic planning is the supreme principle of management. It is the dictate of life to raise all planning to a qualitatively new level; this applies above all to the State Planning Committee of the USSR. Now more than ever before it is required to concentrate attention on resolving the key, long-term issues, and on determining the optimum inter-sectoral and territorial proportions. Recently the CPSU Central Committee and the Council of Ministers of the USSR passed a decision on improving the work of the State Planning Committee of the USSR. It is designed to strengthen the integrated approach to planning the related branches of the national economy

and regions of the country, and to resolving large-scale economic and social problems. On this basis it is necessary to enhance the role of the central planning agency in securing rational use of manpower, material and financial resources, in setting priorities in the development of economic sectors and regions, in improving economic proportions and speeding up the implementation of scientific and technical discoveries and projects.

Very soon, the course of the country's social and economic development charted by the Congress will be translated into detailed and concrete assignments of the five-year plan. When doing this work, the State Planning Committee of the USSR, ministries and departments, and the Councils of Ministers of the Union republics must ensure that the targets set in the plan strictly and unconditionally correspond to the assignments in the Guidelines adopted by the Congress. The Government sees its task in undeviatingly putting this requirement into effect. We must see to it that we get a realistic, well-balanced plan and that it becomes a solid foundation for all the subsequent work of implementing the decisions of the 26th Congress of the CPSU.

I would like to make special mention of achieving a better balance. The imbalances and deficits that arise now and then in some sectors of the national economy do considerable economic harm and complicate the struggle for efficiency and quality. To assure a proper balance of the economy we must secure a higher standard in the scientific grounding of plans and make broader use of special-purpose programming and balance methods of planning, of progressive standards for the use of resources.

Achieving a good balance largely depends on strict on-schedule fulfilment of the production plan and delivery of goods by each amalgamation and enterprise and each sector, in keeping with the required range of goods. This should be facilitated by gearing the assessment of the work of enterprises to their fulfilment of contractual commitments. We will be more demanding and make economic executives observe discipline in fulfilling plans and contracts.

There is yet another and not inconsiderable reserve for eliminating or at least alleviating shortages of a number of

resources. The reference here is to correct management of productive stocks. We cannot reconcile ourselves to the fact that many enterprises hoard equipment, raw materials and other materials, especially metal, in excess of quotas, while others experience shortages in them. In the speeches of Congress delegates, and at the congresses of the communist parties of the Union republics, at election conferences and in the press there has been heard justified criticism of shortcomings in material and technical supplies. The activity of the State Committee for Material and Technical Supply of the USSR and its territorial agencies must be improved; they must play a bigger role and bear more responsibility for the manoeuvring and rational use of material resources. We must not treat the warehouses of the State Supply Committee in the economic regions as simple storage depots. They must prepare and sort out materials and supply them promptly to consumers, and this in complete sets and the required assortment.

As we invigorate planned guidance of the economy, it is also essential to continue developing management accounting on the basis of the five-year plan assignments and long-term economic standards, to improve price setting, crediting and financing, and to make broad use of the whole system of economic levers and incentives. We will go over in due course to new wholesale prices and tariffs. This will make them more effective in spurring scientific and technical progress, in updating and improving the quality of products, in promoting economical use of materials, and will make for normal operation of enterprises on a management-accounting basis.

Among the problems that it is high time to resolve is that of lowering the cost of production. We must restore its former importance to this indicator in raising the profitability of production and in assessing the performance of enterprises.

Improvement of the management mechanism calls insistently for deep-going change in the content, methods and style of work, for altering the very attitudes of managerial staff. The economic executive must have a profound grasp of the scientific and technical fundamentals of production, its organisation and economics, and must be conversant with methods of securing high labour

productivity and high quality of products; his professional competence must be combined with political and ideological breadth of vision and with the ability to work with people. Never before have efficiency, far-sightedness, energy, perseverance and socialist enterprise been so important for the executive as they are now. And the many thousands of captains of production brought up by the Party can be held up as models of skilled management. In the words of Vladimir Ilyich Lenin, they are real organisers, people with sober and practical minds. But there are also executives who devote all their energy to getting lower plan targets and higher allocations of resources, to have the plan revised downward by citing so-called objective reasons. That sort of "enterprise" we do not need. There have been legitimate references at the Congress to the need for raising the responsibility of the heads of ministries, departments, amalgamations and enterprises for the work entrusted to them and for its results, to the need for resolutely combatting parochialism and departmentalism and for tightening control over the fulfilment of the directives of superior bodies and of their own decisions.

Fulfilment of the assignments of the Eleventh Five-Year Plan is the criterion that will be used to assess the competence and the political qualities of managers and managerial staff, their ability to work the new way and bring about a turn to intensification of production and increased efficiency and quality. We are sure that they will live up to the trust of the Party and people.

Effective socialist management of the economy is inconceivable without reliance on the collective of personnel and without cultivating a truly proprietary attitude to production, conversance with economics, and without the high-quality performance of each and every one. It calls for effective organisation and does not tolerate negligence or breach of discipline. To establish order everywhere, strictly to call the unconscientious to book and to bring up lagging sectors—this too, comrades, offers no small possibilities for improving the results of production.

In the present conditions, great economic and social significance attaches to the further involvement of factory and office workers, collective farmers and professionals

in running production and to enhancing the role of trade unions as the most mass organisation in settling all questions of production, work, the everyday life and leisure of the working people. Now, at the beginning of a new five-year period, it is essential to give still greater impetus to the socialist emulation, to the nationwide movement for the rational use of resources, for reducing various losses, waste, and unproductive expenditure, and for rooting out mismanagement and extravagance. Every hour of working time, every kilogram of raw material, every kilowatt-hour of energy, and every rouble invested must serve our common cause with maximum return. Party, government, trade-union and Komsomol organisations must give attention to the accumulated experience, especially in promoting the emulation in honour of the 26th Congress of the CPSU, sum up the achievements of the best workers and bring them to the knowledge of all. There is no doubt that the eleventh five-year period will be highlighted by new achievements of our heroic working class, collective farmers, and people's intelligentsia.

Comrades Delegates,

The great cause of building communism and of safeguarding peace, of improving the life of Soviet people, has been well served by the ten past five-year plans. Our new, Eleventh, Five-Year Plan is also focused on these aims.

The draft Guidelines for the Economic and Social Development of the USSR for 1981-1985 and for the Period Ending in 1990, submitted for your consideration, express the vital national interests and define the requirements of the further all-round progress of Soviet society.

Construction and peace, these two indissolubly linked concepts, close and dear to all working people, define the essence of our plans. In the present complicated international situation, with the forces of imperialist reaction and aggression so much more active, the Soviet Union, as Leonid Brezhnev has stressed, will do everything to safeguard and consolidate peace, prevent another world war, and dependably protect the peaceful constructive labour of the Soviet people. We will continue to devote unremitting attention to strengthening the country's defences. We may rest assured that our valorous Armed Forces will have everything they need effectively to

counter any attempts of the imperialist forces to gain military superiority.

Our Party and people take pride in the grandeur of all our achievements and look confidently to the future.

Ahead is strenuous, creative labour in the name of communism, in the name of peace.

Great Lenin said that to accomplish an immense constructive task one must "display sufficient class consciousness, devotion to principle, self-sacrifice and perseverance".

The entire heroic path of revolutionary struggle, of building a new society has shown that these remarkable qualities are embodied in the Party of Lenin, in the Soviet people, the hard worker, the fighter, the builder.

The living creativity of the masses inspired by the great ideals of communism and guided and organised by the Party is a dependable guarantee that the historic decisions of the 26th Congress of the CPSU will be successfully put into practice.

Long live the indestructible unity of the Party and people!

Long live the Soviet people!

Glory to the Communist Party of the Soviet Union!

(N. A. Tikhonov's report was heard with great attention and repeatedly punctuated with prolonged applause.)

Н. А. Тихонов
ОСНОВНЫЕ НАПРАВЛЕНИЯ
ЭКОНОМИЧЕСКОГО И СОЦИАЛЬНОГО РАЗВИТИЯ СССР
НА 1981-1985 ГОДЫ И НА ПЕРИОД ДО 1990 ГОДА

на английском языке

Цена 15 коп.

HC 336.25 .T5513

Tikhonov, N. A.

Guidelines for the economic an

010101 000



0 1163 0068517 3

TRENT UNIVERSITY

HC336.25 .T5513

RECON

Tikhonov, N. A.

[Osnovnye napravleniia ekonom-
icheskogo i sotsialnogo razvitiia
SSSR za 1981-1985 gody i na ...

Guidelines for the economic

and social

development of the USSR

ISSUED TO

365328

365328

