

# USSR:

# On the Threshold of

# 1984

**S**tatement by Yuri Andropov,  
General Secretary of the CPSU  
Central Committee

**R**esolution of the USSR Supreme  
Soviet "On the International  
Situation and the Foreign Policy  
of the Soviet State"

**C**ommentary: Towards Economic and  
Social Progress

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Central Committee**

**Resolution of the USSR  
Supreme Soviet "On the  
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and the Foreign Policy of  
the Soviet State"**

**Commentary: Towards  
Economic and Social  
Progress**



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## From the Publishers

At the end of December 1983 there were major events in Soviet society's life. Firstly, the plenary meeting of the CPSU Central Committee was held, where those present listened with great attention to the analysis and conclusions made by Yuri Andropov, General Secretary of the CPSU Central Committee, concerning the main directions in the future development of the USSR national economy. The text of his statement is given in the beginning of this booklet. This important political document sets out the social and economic policy of the Soviet Communist Party and State at the present stage.

The plenary meeting was followed by the session of the USSR Supreme Soviet, the country's highest legislative body, which reviewed and passed the drafts of the plan for the Soviet Union's economic and social development and of the Soviet budget for 1984, submitted by the government. Both the plan and the budget show once again that the Soviet people, under the guidance of the Communist Party, are steadily following a path of peace and creative labour. The USSR's defence spending for 1984 remains at the 1983 level and is only 4.66 per cent of the state budget.

There is no threat to anyone from the state which is building more flats, schools and hospitals than any other country in the world, spending every third rouble on the development of agriculture and other branches of the agro-industrial complex, and is constantly and dynamically increasing its spending on the health service, education, and social insurance.

"The USSR Supreme Soviet solemnly declares that the Soviet Union is not encroaching on the security of any country—either in the West or in the East," says the Supreme Soviet's Resolution "On the International Situation and the Foreign Policy of the Soviet State". This resolution is also published in this booklet, which concludes with a commentary on the results of the Soviet Union's social and economic development by the political commentator of the Novosti Press Agency Gennadi Pisarevsky.



**Statement by Yuri  
ANDROPOV, General  
Secretary of the CPSU  
Central Committee**

**Plenary Meeting of the CPSU Central  
Committee  
December 26, 1983**



Dear Comrades,

Very regrettably for reasons of a temporary nature I shall be unable to attend the session of the plenary meeting. But I have carefully studied all the material upon which the plan for the coming year has been based. I gave it a great deal of thought and was preparing to speak and set out some considerations of mine. That is why I am sending the text of my statement to the members and alternate members of the CPSU Central Committee, members of the Central Auditing Commission and the participants in the plenary meeting of the CPSU Central Committee.

As you know, having taken into consideration the preceding exchange of views, the Politbureau of the Central Committee has decided to submit to you for discussion the drafts of the plan and budget for 1984 which have been drawn up by the USSR Council of Ministers.

The questions the plenary meeting is to examine are of vital importance for the country. It is of great political significance that along with the setting of tasks for the future we are at the same time assessing fulfilment of the decisions of the 26th Congress, summing up the results of the work done in the period since the November 1982 Central Committee plenary meeting and analysing the achievements and shortcomings in order to draw correct conclusions for the future.

The implementation of some measures to improve our economic management, achieve better organisation and strengthen state, labour and plan discipline began in the country this year.

This has been largely conducive to rectifying the state of affairs in several sectors within a comparatively short period of time, to enhancing the initiative and responsibility of personnel and their confidence in their strength, and to raising the creative activity of

the masses. The course received the full approval and support of Communists, of all working people.

People have begun putting more heart into their work. The rates of economic growth have increased and quality indicators have somewhat risen. In general a change for the better has taken shape in the national economy. All this confirms the correctness of the line that has been worked out, the feasibility and substantiated nature of the tasks set by the Party to develop the economy and to overcome existing difficulties.

As can be seen, there have been some good results. But this is only the beginning. *The most important thing now is not to lose the tempo and general favourable disposition to get things going, and more actively to develop positive processes.*

An analysis of the planned targets for 1984 shows that the planned rates and proportions conform in the main to these tasks and consolidate the positive trends of the current year. I think you comrades will agree with that. Raising the efficiency of production occupies a more important place in the plan than previously. Its social emphasis has been intensified. It provides for all the measures necessary to maintain the country's defence capacity at the proper level. Thus, the draft plan accords with the political and economic strategy of the Party and, I believe, can be approved by the plenary meeting.

A few days after being endorsed by the session of the USSR Supreme Soviet, the plan will become the law of economic life for all the sectors of the economy, for thousands of enterprises, amalgamations and organisations. It will be the determinant of the working rhythm of production shops, divisions, production teams, of millions of workers, of all those who by their dedicated labour create material and cultural values and strengthen the might of our homeland.

In the present international situation which has sharply deteriorated through the fault of aggressive imperialist circles, strict implementation of the state plan becomes not just an obligation but also the

patriotic duty of every Soviet person, each work collective, and each party and public organisation.

It is very important that a good start be made from the very first days of the new year and that everyone attune themselves to even more strenuous work, without seeking any excuse in difficulties, of which there are a good deal ahead.

It is essential, first of all, to focus attention on the most urgent problems, on what are called bottlenecks, upon whose solution the success of the work depends.

You comrades know that shaping the 1984 plan was not an easy matter. To balance it required some effort. This, of course, was largely due to shortcomings in the national economy and in the quality of planning itself. But whatever reasons are given in explanation, we are bound to ensure the successful implementation of the plan *and the paramount condition for this is efficient organisation of all the work, both nationally and locally.*

It is obvious that already at the first stage, in each sector and in each work collective, one should have a clear idea of how, by what ways, means and methods the high targets set in the draft plan will be implemented as regards economising all types of resources, raw materials and other supplies, and power, as regards raising labour productivity and boosting the manufacture of consumer goods.

One must weigh all this thoroughly again and again, and during the implementation of the plan constantly and persistently seek additional reserves to ensure the uninterrupted functioning of the national economy.

The task can be set in a party manner only thus: one must ensure implementation of the plan without fail, but in so doing use every opportunity to exceed it. This must be the aim of all economic activities, socialist emulation, the economic, organisational, ideological and educational work of the party, trade union and Komsomol bodies, and of the local Soviets. The most important thing after a plan is worked out, as Lenin said, is to "be able to arouse both com-

petition and initiative among the *masses*, so that they set about the job straightaway" (V. I. Lenin, *Collected Works*, Vol. 35, p. 467).

I would like to note that several documents have been adopted recently with a view to further developing the initiative of working people. These are, first of all, the Law on Work Collectives and resolutions on the tightening of discipline, on the development of the team form of the organisation of labour, and others.

The ability of economic managers and public organisations to enlist people's efforts and to achieve high ultimate results of work should be judged from how the party decisions will be translated into practical deeds at every enterprise and amalgamation.

When discussing the draft plan, the Politbureau of the CPSU Central Committee supported a proposal to set the party and trade union organisations, and work collectives a specific task: *to achieve an above-plan growth of labour productivity, say, of one per cent and cut down production costs by a further 0.5 per cent. This should be regarded as the Party's additional assignment concerning the plan.*

Comrades V. Grishin, D. Kunayev, V. Shcherbitsky, V. Vorotnikov and E. Shevardnadze have reported that the foremost collectives of Moscow and Leningrad, the Ukraine, Kazakhstan and Georgia, as well as of some other cities are ready to come forward as initiators of such a movement.

This deserves the warmest approval. The working out and adoption of obligations should be organised on this basis everywhere, special economy accounts should be opened for enterprises, construction projects, state farms and all organisations, and those who will achieve the best results should be actively encouraged.

Other diverse forms of people's initiative can also make a good additional contribution to the implementation of the plan for 1984 and of the five-year plan as a whole.

A movement for raising the shift index of machinery was widely developed in the country at one time, for example. Subsequently it began to fade out unjustifiably. Yet in it lie vast reserves for the growth of both the efficiency of production and labour productivity.

What in fact is the picture we can observe now? Take the country's very big Kharkov tractor works. In 1980-1982 the machine-tool fleet at the enterprise grew by nine per cent while its shift index went down from 1.5 to 1.41. This is explained by the lack of labour resources, but at the same time demands for more and more equipment are voiced with enviable persistence and no particular concern is shown for how it will be used.

But there are other examples, too. A compulsory procedure to establish whether work places correspond to the rules of the scientific organisation of labour has been introduced at the Dnepropetrovsk harvester manufacturing factory which is, incidentally, subordinated to the same Ministry of Tractor and Agricultural Machinery Building. As a result, within three years along with an increase in output about 600 workplaces were cut, in other words, without any special capital outlays considerable labour resources were found at the factory itself.

There is no doubt that combined with intensive automation of production it is precisely such an approach which makes it possible to tap tremendous reserves for the growth of labour productivity.

Regrettably, in recent years the movement for the earliest possible attainment of designed labour inputs per unit of output has been virtually forgotten. It ought to be said bluntly that in several branches the proper concern for reducing labour inputs is not yet being shown. Yet if one thinks back, in pre-war years there was a vigorous drive to speed the attainment of the designed labour inputs.

We ought to revive also the movement to increase the shift index of machinery and achieve the planned labour inputs per unit of output. And do this, of course, on a new organisational and technical basis.

It is hardly necessary to prove that this will make it possible to boost output substantially and slash production costs. Ministries and departments as well as planning agencies should give serious thought to how the related measures should be carried out.

The next question. The resolution of the Central Committee and the USSR Council of Ministers *on the fulfilment of contract obligations for the supply of products* has great significance in the system of measures to tighten discipline. There is every indication that this measure has somewhat improved the situation in the national economy. But facts also indicate that this fundamental problem has not yet been fully resolved.

The responsibility of economic executives for fulfilling contracts and orders has been increased. That is true. But there still are "loopholes" allowing the payment of bonuses where supply quotas have not been met in full. Planning agencies have even legalised a special term: "the maximum percentage of underfulfilment". True, the instructions make the reservation that this indicator of lack of discipline—one can hardly call it anything else—should be limited to one or two per cent and only in exceptional cases to three per cent.

But since violation of contracts is allowed in principle, some executives are exercising this "right" to the full. Thus, several engineering ministries this year have applied the maximum limit of underfulfilment of contract obligations to nearly half of their plants and factories.

Quite understandably, discipline in the field of supplies depends not only on the enterprises but also on the work of the materials and machinery supply agencies, of transport, of all those managerial links that are called upon to ensure that the production process continues without interruptions and maintains a steady rhythm. And everyone involved in this process should, in the event of contract obligations not being honoured, answer for this to the extent he is to blame.



The USSR Council of Ministers should examine these issues, work out corresponding proposals and enforce proper order.

There is another problem that deserves very close attention. Our planning agencies, ministries and departments have not yet come up with the necessary solutions *to ensure that the country's production, scientific and technological potential should be used fully and most efficiently.*

Take, for example, the huge capacities that have in recent years been created in the chemical and petrochemical industries and also in engineering. Many of them have for a long time not been used in full because of the intrasectoral and intersectoral lack of coordination and because of disproportions.

It would appear expedient that each ministry, the USSR State Planning Committee and the USSR State Supplies Committee should as soon as possible work out special measures to eliminate the bottlenecks and disproportions that reduce efficiency in utilising the production potential.

And we are, of course, duty-bound to work constantly and persistently to accelerate scientific and technological progress. Many branches of industry are now advancing more rapidly and confidently in this decisive direction. The new decisions taken after the November plenary meeting and the important experiments conducted to stimulate the development and introduction of new technology have given an appreciable impetus to this.

But the organisation of the entire package of scientific and technological work is still far from smooth. Some branches are marking time and failing to fulfil plans to introduce new equipment, and the scope of these plans themselves leaves much to be desired. The state of affairs in the national economy demands that the ministries, departments and the USSR Academy of Sciences should make a decisive turn towards raising the technical standards of production and improving the quality of products.

Much will depend on how we mobilise personnel at enterprises, research and design organisations, en-

gineers, technicians and scientists for intensifying scientific and technological progress. This is a task of paramount importance. We must and can accomplish it.

Every year, when discussing social and economic development plans, we are compelled to dwell upon problems of capital construction. This is understandable. The scale of capital construction in the country is vast. There is a direct link between capital construction and the fulfilment of our plans to increase industrial production, consolidate the material and technological basis of agriculture and improve the living conditions of working people and the cultural and everyday amenities available to them.

Regrettably, the state of affairs in this very important field still cannot satisfy us. Several facilities and projects are not being completed on schedule.

The heads of building organisations often enter upon lengthy explanations of their work failures and seek objective reasons for them. What is needed, however, are not explanations but real improvements in the state of things in construction. After all, tremendous public funds have been invested in this sector, a well-developed industrial base has been created, there are competent design organisations, and the building sites are now better equipped with machinery.

The key to success here, as, incidentally, everywhere, is to heighten the responsibility of the personnel and strictly demand from them irreproachable performance of their duties, efficiency, initiative and the unconditional fulfilment of the tasks set. It is from this standpoint that we should appraise the work of our building ministries and their collegiums and territorial agencies, and the performance of managerial staff. One should be particularly exacting as regards the fulfilment of plans to build housing, schools, hospitals, childcare pre-school establishments, communal facilities, and public service establishments.

Transport operations demand the unremitting attention of economic, party and government bodies. Of course, trends for the better have appeared of late.

But in transport there are, perhaps, more reserves and untapped opportunities that can be brought into play within a short period of time than anywhere else.

This is, above all, true of reducing the irrational carriage of freight. Evidently a thorough study of this question must be made and essential measures worked out to achieve proper order in the deployment, specialisation and integration of production and to exclude the many cross hauls and needless journeys which burden the whole economy.

The present-day scale and pace of development of productive forces demand changes in one's attitude to questions relating to *environmental protection and the rational use of natural resources*. This is a task of major economic and social import. For what is at issue in effect is protecting the health of the people and carefully husbanding the country's national wealth. Moreover, these are questions of the future, too. Upon their solution depend the conditions in which succeeding generations will live.

It must be stressed that despite the serious efforts we are making, this acute problem remains on the agenda.

This indicates that work to protect nature requires even more persistent and purposeful efforts. A narrow departmental approach is, perhaps, more intolerable in this field than in any other field. It sharply lowers the effectiveness of the use of capital investments, hinders pursuance of a single policy in carrying out nature protection measures, gives rise to a disregard for the ecological consequences of decisions taken, leads to false economies which ultimately result in great losses. In a word, one must approach this problem in a comprehensive way, from the standpoint of the national interests, and resolutely improve the whole system of environmental management and control.

Comrades, *all our efforts in the economy are ultimately aimed at securing a rise in the living standards of the people. This is the main social and political objective of our plans.* Any successes in developing

production are appraised at their true worth when they lead to an improvement in people's well-being.

In this respect quite a lot is being done in our country. The real incomes of the population are steadily rising, the construction of housing, cultural and public service facilities is proceeding on a large scale, education, health protection and culture are successfully developing. The plan for 1984 provides for a further rise in living standards.

As before, the implementation of the Food Programme requires great attention. The measures carried out this year have made it possible to improve somewhat the supply of some foodstuffs to the population. For the first time in the recent period noticeable progress has been made in such an important field as stock raising. Purchases of milk, meat and eggs have increased. Fodder supplies are more firmly based. This gives grounds to hope for a further change for the better next year, too. To this end the Central Committees of the Communist Parties and the Councils of Ministers of the Union republics, local party, government and economic bodies, workers in the countryside must ensure the successful wintering of cattle, the successful accomplishment of spring sowing, in a word, take another step towards increasing the output from field and farm.

It is the paramount duty of party and government bodies in the republics, territories and regions, ministries and departments persistently to increase the use of the potential that has been created in agriculture, the returns from the resources channelled to the development of the agro-industrial complex in order to resolve in full the problem of supplying the population with foodstuffs.

It remains an urgent task to meet fully the market demand for manufactured goods. At a time when the purchasing power of the population and the degree to which people are supplied with various goods have risen, the demands made as regards the range and quality of products have considerably increased of late. Yet industry is readjusting itself extremely slowly to the manufacture of modern consumer goods.

At the wholesale fair of domestic and leisure goods intended for sale in 1984, trade organisations refused to purchase 500,000 TV sets, 115,000 radio sets, almost 250,000 cameras, 1,500,000 clocks and watches, 160,000 domestic refrigerators and some other goods because the quality and range of these goods did not meet consumer demand.

It is surely intolerable that when there is a shortage of many goods in the shops high-quality raw materials and other supplies should be wasted on manufacturing unmarketable products which will then be stored in warehouses and whose prices will inevitably be marked down later.

There are also instances when due to the lack of flexibility on the part of trade and industry officials, a lack of knowledge of the real demands of the population and of the market situation, some products alternately become scarce or accumulate on shop counters and at factories. This leads not only to the restructuring of production and to losses, but also to discontent among people.

The incomplete satisfaction of the public demand for goods is a source of negative phenomena, including profiteering. It goes without saying that we must continue resolutely to combat this disgusting phenomenon using all means which the state has at its disposal. Yet the main point is that it is necessary constantly to increase output, improve the quality of goods, intensively develop the sphere of services, so as fully to eliminate the shortage of goods and deficiency of services. This should be made the personal responsibility of executives at all levels throughout the country. The time has apparently come not just to talk about shortages in the production of goods for the public, but about the particular officials standing behind these shortages. The party, government and economic bodies must keep this most important problem under their permanent control.

As is known, the Politbureau of the CPSU Central Committee has found it necessary to draw up, within the five-year plan for 1986-1990 and the Guidelines for the long-term economic and social development

of the USSR, a comprehensive programme for developing the production of consumer goods and the system of public services, embracing the most important aspects of Soviet people's life.

We certainly should not wait until this work is completed and should resolve the pressing problems without delay, step by step.

*In outlining current objectives we must not overlook strategic questions in the development of the national economy.*

We will have considerably to intensify work to improve economic management and further enhance the initiative of work collectives.

We attach great significance to conducting at several ministries an economic experiment to widen the rights of enterprises and increase their responsibility for the results of their work. In the course of the experiment some new elements of management will be tested. The results will be a basis for preparing relevant proposals for the national economy as a whole. One must prepare for this in advance in other branches, too. We should enter the 12th five-year plan period with a well-adjusted economic mechanism allowing for fuller use of the potentialities of our economy.

I must say that of late quite a lot has been done to improve the quality of state plans.

But our planning mechanism still has many weaknesses. Some cardinal tasks of economic development often seem to have been adapted to suit the conditions in particular regions and branches. We must consistently abandon such a passive, you might say, approach in planning.

The choice of the most effective lines of development of the national economy, of those chief elements which make possible its swift advance along the path of intensification, is one of the most pressing tasks of improving planning and management.

In this connection I would like to share some considerations with you.

The specific forms of management and planning must correspond to the real conditions at each stage

of the country's social development. This is an objective law which, quite obviously, no one can either change or annul. That is why improvement of the management system, based on the principles of democratic centralism, is an integral part of the overall process of improving our social system.

The question of working out a programme for all-round improvement of the entire mechanism of management is now ripe for solution. This mechanism must fully correspond to the economy of developed socialism and to the nature of the tasks being tackled.

I think such a programme should provide for:

Improvement of the organisational structure of management at all levels and in all sectors of the national economy, including a clear definition of the functions, rights and responsibilities of management bodies and of enterprises, the organic combination of the interests of the state and of work collectives;

Improvement of the planning system in the national economy proceeding from the need to raise the socio-economic efficiency of social production;

Increasing the effectiveness of the economic levers and stimuli of the economic mechanism as a whole, including price-formation, the credit system, methods of analysing the results of economic activity, and so on.

Only an all-round interrelated study of the problems of improving the managerial system can resolve the task of the fullest use of the advantages intrinsic in the socialist method of production. This should become an important integral part of the new edition of the CPSU Programme.

These are some issues I thought it necessary to dwell upon. They do not, of course, exhaust the range of economic problems that demand solution, especially since life is constantly advancing new ones.

Our successes will to a decisive degree depend on mobilisation of the masses, on people's creative attitude to the work assigned them, on the further development of socialist emulation.

Of major importance is thorough selection of personnel according to their business and political qualities, the training of true organisers of production, resourceful, capable workers. The attitude of goodwill to them, which has been established, must to an even greater degree be combined with an exacting attitude to them and adherence to principle.

These are all urgent tasks of party work.

A review-and-election campaign is currently drawing to a close in the Party. The meetings and conferences already held have demonstrated full support for the course of the 26th Party Congress, the November and June plenary meetings of the Central Committee, the orientation of all party organisations towards determined improvement of the style and methods of party guidance. In this we see a pledge of the successful solution of the new tasks of further advancing the national economy and raising the well-being of Soviet people.

Comrades, in conclusion I would like to share with you my thoughts about the lofty role of members of the CPSU Central Committee, of all the participants in the plenary meeting of the Central Committee present in this hall, and their responsibility to the Party and the people.

We have roused the working people, directed them to work well and have at the same time encouraged great expectations by the collectively worked out decisions of the November plenary meeting. A good deal has been done, but much still lies ahead.

Millions of Communists and non-party people have boundless trust in the Party and are prepared to support the measures for further improving the situation in the economy and in other spheres of the life of society. This places immense personal responsibility on all of us, on everyone without exception, and we must justify this deep trust of the people.

No matter where members and alternate members of the Central Committee and members of the Central Auditing Commission are working—in the government or in sectors of the national economy, in party



bodies, in local government or in the sciences, in the sphere of culture or in the diplomatic field, all of us must always remember that we are political leaders and we must set the interests of the Party and of the people above all else.

The main thing today is to set the tone and set a worthy personal example in our work, do everything to develop the economy and social relations, and to improve the life of people, being invariably guided in this activity by lofty Leninist principles.



Resolution of the USSR  
Supreme Soviet

**On the International  
Situation and the Foreign  
Policy of the Soviet State**



Expressing serious concern over the sharp aggravation of the world situation caused by the growth of militarism and the aggressiveness of imperialist forces, above all, in the United States, the Supreme Soviet of the Union of Soviet Socialist Republics *resolves*:

Fully to approve the September 28 and November 24, 1983, Statements by the General Secretary of the CPSU Central Committee, Chairman of the Presidium of the USSR Supreme Soviet, Comrade Yuri Andropov. These Statements contain a profound and all-round evaluation of the causes of the present complication of the international situation and confirm the invariable course of the Soviet Union for preserving and consolidating peace, curbing the arms race, expanding and deepening cooperation between states.

The USSR Supreme Soviet fully supports and approves the steps and measures being taken by the Communist Party and the Soviet government for strengthening the Soviet Union's defence capacity and ensuring the security of the Soviet people and of their allies.

Mankind has been warned about the danger to peace to which the reckless and bellicose policy of imperialism gives rise. This policy manifests itself above all in the desire of the United States and its NATO allies at all costs to upset the existing military equilibrium, which serves as a basis for international security. It also manifests itself in the deployment of new US nuclear missiles in Western Europe, which has made it impossible to continue the Geneva talks.

This is also evidenced by the actions taken by the United States and the reactionary regimes and governments cooperating with it, directed at kindling international conflicts in various parts of the world.

The US military are sowing death and destruction and encroaching on the sovereignty and independence of the peoples of other countries. The aggression against Grenada and its unlawful occupation will, like the Vietnam war, become a disgraceful page in the history of the United States. Wrath and indignation are caused by Washington's great-power policies in Central America where an undeclared war is being waged against Nicaragua; by threats against the Republic of Cuba; by the US and Israeli occupation of Lebanon; by open support for South Africa's aggression against Angola and other African countries. In violation of the UN Charter and the norms of international law imperialist states claim the right to rule over lands that belong to others, to exploit the natural resources of other countries and to impose their will on the peoples of Asia, Africa, and Latin America.

Strongly condemning imperialist interference in the affairs of independent states and peoples, the policy of aggression and brutal force, the USSR Supreme Soviet calls on the Congress of the United States and on the Parliaments of the other NATO countries to do everything in their power to make the governments of these countries abandon their "position-of-strength" policies that are dangerous to the cause of peace, and give up attempts to achieve military superiority. The only possible way through which peace and international security can be strengthened in present-day conditions is by recognising in practice the principle of equality and equal security and seeking, on its basis, mutually acceptable accords.

The USSR Supreme Soviet confirms that if the United States and the other NATO countries show a readiness to return to the situation that existed before US medium-range missiles began to be deployed in Europe, the Soviet Union will also be prepared to do the same.

The USSR Supreme Soviet expresses profound satisfaction with the adoption by the UN General Assembly of a declaration condemning nuclear war,

as well as the UN decisions on freezing nuclear armaments and preventing an arms race in outer space, and it declares that the Soviet Union is prepared to consider measures for the implementation of these decisions if the United States and the other NATO countries are also prepared to do likewise.

The USSR Supreme Soviet considers it necessary to press insistently for implementation of the proposals for concluding a treaty on mutual renunciation of the use of military force and on the maintenance of relations of peace between the Warsaw Treaty states and members of the North Atlantic Alliance; for all nuclear powers to follow the example of the Soviet Union in pledging not to make first use of nuclear weapons; and for preventing an arms race in outer space.

The USSR Supreme Soviet instructs the Soviet government to continue the course of ensuring the security of the Soviet state and its allies, of further taking necessary steps which, with due account for the circumstances arising, would lead to a change of the international situation for the better; actively to pursue this course at the Stockholm conference on confidence-building measures, security and disarmament in Europe.

The USSR Supreme Soviet solemnly declares that the Soviet Union is not encroaching on the security of any country—either in the West or in the East. It wishes to live in peace with all countries and to implement the principle of the peaceful coexistence of states with different social and political systems.

The highest body of authority of the Soviet state expresses confidence that reason can and must save mankind from a nuclear catastrophe. A weighty contribution to resolving this very urgent problem of today can and must be made by the Parliaments and peoples of all countries of the world. The USSR Supreme Soviet and the Soviet people call upon them to make such a contribution.

The peaceloving foreign policy of the Soviet Union will, as before, rest firmly on the selfless labour

of the whole people closely rallied around the Communist Party of the Soviet Union.

*Chairman of the Presidium  
of the USSR Supreme Soviet*

**Y. ANDROPOV**

*Secretary of the Presidium  
of the USSR Supreme Soviet*

**T. MENTESHASHVILI**

**Moscow, Kremlin  
December 29, 1983**



# **Towards Economic and Social Progress**

A Commentary



**...All our efforts in the economy are ultimately aimed at securing a rise in the living standards of the people. This is the main social and political objective of our plans.**

***YURI ANDROPOV***

In 1984 the entire increment of the national income—15,000 million roubles<sup>1</sup>—will be used to raise the living standards of the Soviet people. This will help raise per capita real incomes by 3.5 per cent, the highest increase in the first four years of the 11th five-year plan period (1981-1985). The long-term policy of stepping up the production of consumer goods is to be continued. This will increase total commodity turnover by 5.4 per cent. The Soviet state will also increase its spending on public health services, housing construction, social insurance, public education and environmental protection.

All the above facts offer clear and convincing proof that, despite the sharp deterioration of the international situation, the USSR is continuing to devote its main attention to further raising living standards, and that the Soviet economy is developing along peaceful and constructive lines.

The increasing emphasis on the social aspect of economic development in the USSR in 1984 is the direct result of the overall improvement of its economic performance in 1983.

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<sup>1</sup> One rouble is about 1.3 US dollars, according to the official rate of exchange.

## A Good Word for Last Year

People have begun putting more heart into their work. The rates of economic growth have increased and quality indicators have somewhat risen. In general a change for the better has taken shape in the national economy. All this confirms the correctness of the line that has been worked out, the feasibility and substantiated nature of the tasks set by the Party to develop the economy and to overcome existing difficulties.

*YURI ANDROPOV*

The year 1983 held a special place in the recent Soviet economic calendar. In a way it was a year of dramatic change, because we succeeded in putting an end to the unfavourable and disturbing tendency of declining rates of economic growth. I shall explain this in more detail.

For decades the Soviet economy has only been moving forward with all the able-bodied population being employed. But in the past few years the rate of economic development began to decline, which naturally gave us cause for concern. The situation in the national economy was carefully and critically examined at the plenary meeting of the CPSU Central Committee in November 1982. That is why the national economic plan for 1983 was drawn up with higher rates of economic development in mind.

The Party's policy of raising the efficiency of production through its intensification, of being more exacting as regards economic development, and of strengthening discipline at work and in the sphere of planning and technology improved the whole tone of the life of society and yielded quite good results.

In 1983 the Soviet national income rose by 3.1 per cent compared with 1982 to total over 480,000 million roubles; industrial output registered a 4 per cent increase, as against 2.9 per cent in 1982. The more than one per cent of growth rate of industrial development in the USSR, which accounts for 20 per cent of world industrial output, is a signal achieve-

ment. Furthermore, the output of the branches of industry producing consumer goods (the economists call these branches "Group B") increased by 4.1 per cent and the output of heavy industry ("Group A") by 3.9 per cent.

In 1983 not only quantitative but, which is most important, qualitative indicators showed very encouraging results. Labour productivity rose by 3.5 per cent, which was responsible for 90 per cent of the growth in national income. Soviet industry started producing about 3,700 new machines, instruments, items of industrial plant and materials. Several highly efficient technological processes were adopted in industry, still wider use was made of microprocessors, industrial robots, etc. Suffice it to say that the number of industrial robots manufactured last year was 10,000.

In spite of generally unfavourable and in some areas adverse weather conditions the harvest of many crops was good. Compared with 1982, there was an increase in state purchases of grain, sugar beet, tea and other farm produce from collective farms.

For the first time in the recent period considerable progress was made in such an important branch of the economy as stock raising. In the past year the output of meat grew by 1,300,000 tons and that of milk by more than five million tons.

In accordance with social programmes a total of two million flats were built, which made it possible to improve the housing conditions of ten million people. The existing network of public education establishments, health services and cultural facilities was further expanded. The cash incomes of the population and particularly those of collective farmers grew by seven per cent. In the same year the prices of many consumer goods were reduced on three occasions. All this raised per capita real incomes by two per cent.

In short, the development of the Soviet national economy showed a sharp change for the better. But all that is only a beginning, said Yuri Andropov's statement to the plenary meeting of the CPSU Central Committee held in December 1983.

## Qualitative Factors of Economic Growth

The most important thing now is not to lose the tempo and general favourable disposition to get things going, and more actively to develop positive processes.

*YURI ANDROPOV*

In 1984 the Soviet economy is to an even larger extent than before oriented towards greater efficiency. The plan for the year, therefore, has been worked out more carefully and in many ways differently from the way such plans were worked out in the past. The main indicator for assessing the work of industrial establishments now is the volume of goods sold, with an eye to the fulfilment of commitments for uninterrupted supply of goods to the consumer. For the first time the ministries in charge of industries have been provided with economically validated normative correlations between the growth of labour productivity and of pay. This is an important factor stimulating honest and productive labour—the mainstay of our economic and social progress.

In 1984 for the first time in the history of our country we expect to obtain nearly the entire increment of the national income (97 per cent) from increasing the efficiency of socially useful labour. The national economy will in the foreseeable future be developing without any appreciable increase of labour resources: there will be almost as many old people retiring on pension as young people taking up jobs in the national economy. This is the inexorable reality of our time. That is why high labour productivity and a thrifty attitude to working time is so urgent today.

In 1984 industrial output has been planned to rise by 3.8 per cent with a higher rate of growth in Group B—four per cent, as against 3.7 per cent in Group A. It is also planned to achieve 90 per cent of the growth in industrial output by increasing labour productivity. The remaining ten per cent cannot be effected yet

because of the extractive industries. In the traditional mining areas the geological and production conditions for the extraction of fuel and raw materials are deteriorating, and we have to go farther afield for them—to the Arctic North, the East and Siberia, to undeveloped areas with a severe climate.

In 1984 the government has allocated 40,800 million roubles for the needs of the fuel-and-power industry, which is 11 per cent more than in 1983. The output of electricity is expected to rise to 1,465,000 million kilowatt-hours, which is 3.6 per cent more than in 1983. The emphasis will be on the development of hydropower and nuclear power production which will register an increase of about 12 per cent.

In 1984 the output of oil (including gas condensate) will rise to 624 million tons: almost 12,500,000 barrels of oil a day, which is 7,700,000 tons more than in 1983. We are also expecting the highest growth in gas output in the history of this country: 42,500 million cubic metres (one thousand cubic metres of gas is roughly equivalent to one ton of oil). On the whole gas output in the Soviet Union will reach almost 580,000 million cubic metres. Virtually the entire increment of gas and oil output will come from Western Siberia, which already accounts for more than 15 per cent of the world production of hydrocarbon fuels.

Coal output will total 723 million tons, which is five million more than in 1983. The output of steel will stand at 155 million tons, rolled metals at 108 million tons, cement at 130 million tons. All these figures speak for themselves. With production on such a large scale special attention must be devoted to the economical use of resources.

## **Problems of Conserving Economic Resources**

...We are bound to ensure the successful implementation of the plan, and the paramount condition for this is efficient organization of all the work, both nationally and locally.

It is obvious that already at the first stage, in each sector and in each work collective, one should have a clear idea of how, by what ways, means and methods the high targets... will be implemented as regards economising all types of resources, raw materials and other supplies, and power...

*YURI ANDROPOV*

In order to live better, we must be thriftier. This old rule has long since become an economic axiom. Today people everywhere are becoming increasingly aware that our civilisation is, on the whole, very wasteful in spite of its achievements on earth and in outer space. All countries to a greater or lesser degree use unjustifiably large amounts of energy, fuel, metal and other resources per unit of production. The ratio of materials consumption both in the world economy as a whole and in the national economy of even the most advanced countries falls short of the desired goal.

To reduce this ratio is a worldwide problem, which is also an acute one in the USSR. "Today the practicability of our plans depends on how economical we are, how thrifty in our attitude to public wealth," Yuri Andropov said at the plenary meeting of the CPSU Central Committee in November 1982.

Today the USSR is turning out more industrial goods than the whole world did in the early 1950s. So, what was the scope of the world economy has now become the scope of a single country. In 1984 the Soviet national economy will consume resources worth 1,500 million roubles every day. This means that an economy of just one per cent in the use of all these resources is the same as saving 15 million roubles a day. This is certainly something to think about. It is worthwhile calculating how many more homes, schools and hospitals could be built with this money.

The USSR has a very strong raw materials base: virtually all the resources which we use are our own. But their extraction calls for great expenditure and



truly heroic daily efforts by the people working in the newly developed areas. In the Tyumen region, for example, which is the country's main producer of oil and gas, there are 120 kilograms of gnats per hectare of marshland. These tiny bloodsuckers torture every living thing, people have to work in mosquito nets and every two hours spray themselves with strong-smelling repellents. In winter fierce winds blow from the Arctic, blizzards rage for days on end, while in calm weather the column of alcohol in the thermometer (mercury would freeze solid) may drop to 60 degrees Centigrade below zero. In such frost rubber becomes as brittle as glass, steel crumbles like stale bread and one's breath can be actually heard as a rustling sound because the minute drops of moisture freeze into crystals as one breathes out.

But to return to figures. Economists say that in present-day conditions in the Soviet Union a reduction in the amount of resources expended per unit of output is two, three and sometimes even six times more economical than increasing the output of raw materials. Twenty years ago two roubles had to be invested to produce one rouble's worth of raw materials. The figure has risen to four roubles in our day and is likely to become five, six or more roubles. That is why the economic effect of saving each ton of oil, cement or metal is steadily growing, as is the harm done by their irrational use. Whereas a one per cent reduction in the materials used per unit of output added 2,000 million roubles in 1965, the figure rose to 6,000 million in 1980 and will reach 7,000 million by 1985. This is enough to build almost 700,000 comfortable flats.

In other words, better use of resources is at present the most economical and sometimes the only way of increasing the ultimate results of production. The saving of resources should become, as it were, the main "extractive" branch of the Soviet national economy.

What are called "personal economy" accounts have been introduced at machine-building enterprises

and in other industries everywhere in the Soviet Union. This encourages a more rational use of electricity, metal and equipment by workers, technicians and engineers; our working people are doing what they can to save an extra kilowatt-hour of electricity or kilogram of steel or copper. But all these economies, very important in themselves, could greatly be surpassed if precision casting replaced the machining of metal parts. The consumption of electricity alone could be cut by 15-20 per cent.

Though precision casting is being introduced at Soviet factories the rate of its introduction is far from satisfactory. The amount of waste metal in the engineering industries is still impermissibly high—20-22 per cent. Intensive use of powder metallurgy, for example, halves the metal waste inevitable in machining and makes possible a major reduction in the fleet of machine tools and a sharp increase in the service life, strength and resistance to corrosion of machine parts.

The substitution of metals by plastics is also very important. One kilogram of polymer constructional material can replace four to five kilograms of rolled ferrous metals, while the production of one ton of plastic parts requires two to three times less energy than the manufacture of the same amount of metal parts.

Much more attention has been paid in the new conditions to saving energy resources in all the countries which are members of the Council for Mutual Economic Assistance. This is a major source of additional resources. At present energy consumption in most of the CMEA industries considerably exceeds the best world standards and power generation is still expensive. Should fuel consumption per kilowatt-hour at the power plants of our CMEA partners be brought down to the level of the Soviet Union (327 grams of fuel per kilowatt-hour, which is better than that in many advanced capitalist countries), the CMEA countries could save 25 million tons of fuel a year.

Another example. The oil-refining technologies which are now used in CMEA countries turn less than 50 per cent of the crude oil into motor fuel, the rest being used as mazout, which is uneconomical. Secondary refining can increase the proportion of more valuable oil products to 70 or more per cent. It has been calculated that by using advanced processes in oil refining the European CMEA countries can additionally obtain nearly 15 million tons of fuel and lubricants a year without increasing their consumption of crude oil.

The introduction of rational economies in all areas of our economic life is no simple matter, it is not a problem that can be solved at one fell swoop. That is why so much attention is being paid in the Soviet Union to instilling in people a high sense of responsibility, a careful and thrifty attitude to resources. A thrifty attitude to the public wealth by everyone is becoming in this country not so much an obligation and duty as a habit, a rule of behaviour, an indication of general and professional culture.

Experience has shown that frugality, thriftiness are more rapidly instilled among a collective, such as a work team. It is therefore natural that a team-based organisation of work should be gaining ground in our country and is being supported in every way by the Communist Party and the Government. This form of work is based on economic principles, it encourages workers to save material resources—a factor on which their earnings depend.

A system of measures has been worked out and is being applied everywhere in the Soviet Union whereby the economy of resources is encouraged by higher pay, while mismanagement and wastefulness are punished by cuts in pay. Bonuses paid to workers, foremen, technicians and engineers for savings in resources can amount to 75 per cent of the value of what has been saved, depending on the nature and availability of materials. The size of the economies effected is calculated as the difference between accepted (average-progressive) rates of material con-

sumption and actual consumption. Thus bonuses for saving petrol, electricity and heat are worked out at 75 kopecks from every rouble saved. In some industries the bonuses for saved materials amount to 80 kopecks per rouble. In the printing industry as much as 90 per cent of the cost of materials saved from economies in the use of paper, cardboard and so on, may be spent on paying bonuses to those responsible.

The use of secondary resources is of exceptional importance for our country. Each year nearly 100 million tons of scrap metal and huge quantities of waste paper and chemical and other waste are accumulated in the Soviet Union. Putting them to economic use is highly advantageous. For instance, steel smelted from scrap is 15-20 times cheaper than that produced from ore. In the process the pollution of the air drops by 86 per cent and of water by 76 per cent. Fifty million tons of steel is smelted from scrap in the Soviet Union. Making so much steel in the usual way requires the mining and processing of 190 million tons of iron ore and 75 million tons of coking coal and limestone. One ton of paper made from waste saves four cubic metres of wood, 900 cubic metres of water and half the electricity consumed in the usual process.

The plan for 1984 provides for the more efficient collection and utilisation of secondary raw materials in order to save primary commodities worth nine million roubles. This impressive figure can be doubled and even trebled. The 1984 targets for economies in resources, though strenuous efforts will be required to meet them, are quite feasible. The cut in energy consumption per unit of the national income will be 1.5 per cent, as compared with 0.6 per cent in 1983. Metal consumption per unit of the national income will go down by 2.5 per cent. As it is, we are spending more fuel and raw materials than advanced capitalist countries, particularly Japan. Naturally we cannot accept this, so additional reserves are being brought into play.

## Programme for Accelerating Scientific and Technological Progress

And we are, of course, duty-bound to work constantly and persistently to accelerate scientific and technological progress. Many branches of industry are now advancing more rapidly and confidently in this decisive direction. The new decisions taken after the November 1982 plenary meeting and the important experiments conducted to stimulate the development and introduction of new technology have given an appreciable impetus to this.

*YURI ANDROPOV*

In 1984 the Soviet Union will start manufacturing nearly 4,000 new types of machines, equipment and instruments and stop the production of 2,200 types of obsolescent goods. These figures are obviously modest ones for the Soviet Union, which has 1,400,000 scientific workers and where one-third of the world's scientific output is produced.

Long ago the Soviet Union caught up with the United States in having most brain power. Over 120,000 inventions are registered in the Soviet Union each year. But each idea or discovery needs to be materialised, in other words, put into production. Not so long ago the system of introducing inventions in production worked quite well in the Soviet Union, as was confirmed by the commissioning of the world's first atomic power station (1954), the launching of the first sputnik (1957), Yuri Gagarin's orbital flight (1961), the development of laser and computer technology, and so on.

But the system of adopting inventions is no longer adequate now that a new stage of the scientific and technological revolution has begun. Ideas have become so numerous that not all of them come into production in time, thus causing great losses to the national economy.

The scientific and technological revolution had gained such momentum that some Soviet executives are not prepared for the strenuous tempo of work

which is required to produce basically new equipment. One can no longer do things the old way. What used to be good yesterday, today needs improvement, renovation and critical reappraisal.

In this connection mention should be made of the August 1983 resolution of the CPSU Central Committee and the USSR Council of Ministers on stepping up scientific and technical progress in the national economy. It is no exaggeration to say that this was one of the most important party and government decisions of recent years.

The Soviet Union has everything required for combining the attainments of scientific and technological progress with the advantages of socialism. This means that the revolution in science and engineering should wholly be at the service of the ideals of the socialist revolution or, speaking plainly, at the service of man. Soviet society needs a faster scientific and technological revolution which enriches each citizen both materially and culturally.

This is obviously needed: it will improve working conditions, make it possible to find new resources and raw materials, and so on. The intellectual need is even more important, since under socialism scientific and technological progress provides a real opportunity for more and more people to think not so much of their "daily bread", by what to live, as of how to live, to live "not by bread alone".

In the USSR education has traditionally developed ahead of the demands of the national economy. We do not share the utilitarian view that secondary education is unnecessary for every worker and peasant. That is why it is both universal and compulsory in the Soviet Union. This naturally presents difficulties as every young person must be given a job in keeping with his or her educational level. Hence the urgent question of reducing unskilled manual work through faster introduction of new technologies. This means greater automation of all kinds of work, the development of robotic complexes and the general computerisation of production and management. Special

importance is attached to robots in the Soviet Union; in 1984 11,000 of them will be produced.

The August 1983 resolution of the CPSU Central Committee and the USSR Council of Ministers also mapped out measures to improve the quality of goods. As of January 1, 1984, all industrial goods in the Soviet Union will be divided into only two quality categories: top quality (on the level of the world's best products) and first quality (the best Soviet level). Goods which have not been approved in these categories are to be taken out of production. It is obviously not easy to remove thousands of types of goods from production. To make things easier, wholesale prices for obsolescent goods are to be cut by 30 per cent, a sort of "tax on conservatism". At the same time prices for new and highly efficient goods are to be raised by 30 per cent.

The development of science and engineering is one of the main channels of the competition between the socialist and capitalist systems. Soviet people have always supported the idea of the peaceful competition of different social systems.

In the 20th century wars have taken the lives of 40 million of our countrymen and inflicted colossal material damage. Everything we have been able to do (and we have managed a good deal) has been done in peaceful conditions. To us peace is the greatest of treasures, a synonym for the words "life", "happiness" and "well-being". That is why Soviet people are above all concerned that all scientific and technological achievements, both present and future, should bring only good to humankind.

Soviet people are sincerely convinced that socialism is much superior to capitalism. Our opponents strive to prove the opposite. Let this historical argument be settled by time, the strictest and justest of all judges.

It should be pointed out here that the Soviet Union has always been in favour of a comprehensive exchange of scientific information with the West, cooperation in science and technology and mutually advantageous use of the benefits of the international

division of labour. But because of the stand taken by some countries, especially the United States, we are compelled to rely mainly on our resources and to work towards making ourselves self-sufficient in computer facilities, microprocessors and equipment for all of our industries.

“Technological anti-Sovietism”, like any other variety, is doomed to failure: it is only a matter of time. Soviet people will counter every attempt at economic blackmailing the way the builders of the gas pipeline from Siberia to West Europe—a distance of about 4,500 kilometres—did. This unique engineering project has been completed in just over a year, almost three times faster than was planned. The US Administration failed in its attempts to prevent the delivery of Siberian oil to West Europe.

For years on end Washington has been cherishing the illusion that the USSR is unable to mass-computerise production without Western aid and that therefore the main resource of modern society—information—is less accessible to the Soviet Union than to the West. It is true that the timely and adequate processing of the rapidly growing mass of information requires further improvement of computer facilities. It is also true that the Soviet Union is still behind the United States and Japan in the extent to which computers are used in production. But this gap is closing rapidly and the current growth rate in computers output is 11 times higher than the growth rate of industrial production as a whole. In the next few years we intend to manufacture millions upon millions of microprocessors and micro- and minicomputers, which will enable us to computerise production completely, bringing its level at least up to that of the United States.

Soviet engineers use numerically controlled machine tools, robots and computers to build flexible automated production lines which raise productivity by two to four and sometimes six to eight times. More than 20 automated complexes are now in use in the engineering industry, and this is just the beginning.

The labour shortage objectively requires that



robots be built faster. We attach very great importance to robots because their mass employment in production, besides quickly increasing labour productivity, also makes work processes more human by relieving workers of hard manual labour.

Although Soviet specialists began experimenting with robots soon after the Second World War, until the mid-1970s they were built for research, not industrial, purposes. One example are the robots of the moon-rover type which moved along the surface of the moon, taking rock samples on command from the earth.

In 1975 the USSR produced only 120 programme-controlled manipulators. The output of them grew to about 1,600 in 1980, 5,400 in 1982 and 10,000 in 1983.

In 1984 the Soviet Union will be manufacturing a thousand robots a month—the first, albeit modest achievement of the youngest and most dynamic Soviet industry.

Though rare as yet, robots in the Soviet Union attend to forging presses and heating furnaces, they make watches, kinescopes, integrated circuits and instruments. We need hundreds of thousands, even millions of robots.

Nearly 50 samples of "second generation" manipulators are to be developed and put into production in the 11th five-year period. In combination with special systems they can do such intricate jobs as welding, painting and assembling finished parts or units. They can be used as a basis for fully automated production sections, lines and whole shops. Such technological complexes will make it possible fully to automate various production processes and to start building completely automated factories and plants.

The Soviet Union long ago began to use computer facilities in a planned manner and on a large scale to automate designing and research. This has greatly helped improve the performance of new machines and structures, save materials in constructing projects and in production and cut electricity and transport costs in operation. Designing time is shortened by 50

to 100 per cent, the quality of documentation is improved and scientists and engineers have more time for creative work.

The development and introduction in production of new equipment also demand to restructure the training system for workers, specialists and managers. This task is made easier by the fact that most young Soviet workers have had a secondary education. Nevertheless many of them have to retrain. The curricula of higher-education establishments, too, need revision.

Specialists say that faster scientific and technological progress will enable us to increase the growth rate of the national income by as much as five and eventually even seven per cent a year. This will help to increase real incomes faster and to allocate more funds for the needs of public health, education and housing construction.

## **The Agro-Industrial Complex**

As before, implementation of the Food Programme requires great attention. ... noticeable progress has been made in such an important field as stock raising. Purchases of milk, meat and eggs have increased. Fodder supplies are more firmly based. This gives grounds for hoping for a further change for the better.

*YURI ANDROPOV*

Unlike most of other countries, the food problem in the USSR is being solved in the most difficult manner from an economic point of view—with prices of the basic foodstuffs remaining stable. However, this is the most effective way from a social point of view. For instance, a Soviet housewife pays two roubles for a kilogram of beef, or 40 per cent of the actual cost. The remaining 2.99 roubles is paid by the state—such is the extent of state subsidy for meat production.

The state also subsidises the production of milk, butter, many kinds of vegetables and other foods.

State purchase prices of meat, milk and other farm produce were raised substantially as of January 1, 1983. However, retail prices remained the same. For instance, those of meat and milk have not changed since 1962.

The USSR Food Programme, which covers a period up to 1990, is often described in the West as a programme for fighting hunger. This misinformation, to put it mildly, is far removed from the truth.

Socialism banished forever and within a historically short space of time such things as hunger and malnutrition that had plagued working people for centuries in old Russia.

Pre-revolutionary Russia was considered a "granary of Europe", which exported grain, butter, honey, fish, etc. Our ideological opponents keep reminding us of that in an attempt to convince people in the West that the old system was better than the new one. In actual fact things were quite different. In tsarist Russia grain was exported by big landowners and wholesale traders while the landless peasants starved. In the years (1910-1912) when Russia accounted for approximately a quarter of world grain export, according to official figures 30 million peasants went hungry. One out of every five inhabitants of the country suffered from malnutrition. Starvation, the suffering and privations of millions of people—that was what the grain exports were built on.

Hunger, poverty and lack of rights for the common people, on the one hand, and the parasitic existence, luxury and omnipotence of the ruling classes on the other—all that was reflected in the works of the great Russian writers Fyodor Dostoyevsky, Leo Tolstoy and Anton Chekhov. Descriptions of villages dying out from hunger, of the dreary existence of the city poor deprived of the bare essentials can be found in the works of Gleb Uspensky, Vladimir Korolenko, Maxim Gorky and other writers of those days.

On average, every Soviet person now consumes nearly 3,400 calories a day, which makes it one of the world's highest indicators in this sphere. However, we intend to improve the structure of the diet by

increasing the share of meat, fruit and vegetables while decreasing that of bread and potatoes. The production and consumption of fruit, vegetables and berries is to go up considerably.

The increase in agricultural output in the USSR in the 1965-1980 period was 3.3 times faster than population growth in the same period. Per capita meat consumption rose by 41 per cent, that of sugar by 30 per cent, and of milk by 25 per cent. However, we have not yet achieved a situation in which food production would not lag behind demand, and we intend to do away with this disproportion in the near future.

The USSR has a powerful and viable agro-industrial complex comprising 26,000 collective and 21,000 state farms, inter-farm enterprises, ancillary farms of industrial establishments and personal subsidiary plots, as well as industries engaged in servicing agriculture, transport and storage facilities and organisations that handle the sale of farm produce. This complex is developing in a purposeful and dynamic manner under a uniform national plan. It rests on a strong material and technical base and is staffed with highly skilled personnel and workers in various fields.

The main part of the agro-industrial complex is agriculture. In 1984 its gross output is to reach 140,000 million roubles, an increase of more than 8,000 million roubles compared with 1983, and capital investments in agriculture will total 38,000 million roubles. Altogether 660,000 hectares of irrigated land and 700,000 hectares of drained land will be put to use; this will bring the total area of reclaimed fields and plantations to 34 million hectares. In the course of the year farms are to be supplied with 380,000 tractors, about 120,000 grain harvesters, and machines and equipment for livestock farming worth 2,600 million roubles.

The output of equipment for the food, meat and dairy industries is to grow by 7.5 per cent.

A considerable sum of money is allocated for the social development of rural areas; for instance, 8,500

million roubles will be spent on the construction of houses, cultural centres and service establishments. Farmers' real incomes will continue to rise at rapid rates and will virtually be the same as those of the urban population (95 per cent). We have been moving towards this goal for decades. From the very start Communists worked to eliminate the basic differences between town and country. And now, in conditions of developed socialism, we are close to translating into reality one of the main ideas of Marxism-Leninism. The USSR Food Programme provides for the priority construction in rural areas of cottages with all modern amenities and outbuildings, pre-school children's centres, schools, hospitals, libraries, other service and leisure-time facilities, shopping and public catering establishments.

During the 11th five-year plan period (1981-1985) collective and state farms as well as other farming enterprises are to build houses with a total floor space of not less than 176 million square metres, and in the 12th five-year plan period (1986-1990) the scale of housing construction will be 15 to 18 per cent greater. Utility services for the rural population will also be considerably expanded.

The construction of houses on collective and state farms by individuals is to be increased and they are to receive every possible financial and material assistance for this. A total of 280,000 kilometres of motorways will be built by 1990 both for general and intra-farm use.

Under the Food Programme approximately 160,000 million roubles is allocated for meeting the social needs of rural areas. This is a large sum even by our standards, and it means a large-scale effort to eliminate the social differences between town and country.

For historical reasons our rural areas lagged behind cities by a whole epoch as far as the material conditions of life were concerned. So the USSR has been doing its utmost over the years to speed up the development of the productive forces in agriculture. This has made it possible to raise farmers' living

standards at faster rates as compared with other sections of the working people.

Large-scale social changes are under way in rural areas. Secondary education for children in rural areas is now compulsory as in the rest of the country. Medical service for rural inhabitants is steadily improving. Their pensions and social security benefits are going up, and working and living conditions are improving.

But nevertheless, even today, despite all improvements that make the social status of workers and farmers draw closer together, living and working conditions are still worse in the countryside than in the cities. There are quite a few rural settlements that need to be renovated and improved. Therefore, we shall continue to take energetic and radical steps to solve the problems of transformation of the countryside in the years ahead, seeking the necessary resources for this both on a nationwide scale and in each republic, collective or state farm, as stipulated in the USSR Food Programme.

The Soviet people know from experience that agrarian problems are not easy to solve. But despite the difficulties we shall solve them. Our aim is to ensure the well-being of every Soviet family.

## **A Great Economic Experiment**

**We attach great significance to conducting at several ministries an economic experiment to widen the rights of enterprises and increase their responsibility for the results of their work. In the course of the experiment some new elements of management will be tested. The results will be a basis for preparing relevant proposals for the national economy as a whole. One must prepare for this in advance in other branches too. We should enter the 12th five-year plan period with a well-adjusted economic machine allowing for fuller use of the potentialities of our economy.**

***YURI ANDROPOV***

The economic experiment was launched at hundreds of Soviet enterprises on January 1, 1984. Its

goal is to improve planned management of the national economy and find the most rational ways of putting it on the path of intensive development. Enterprises taking part in the experiment are given more independence and their rights have been considerably extended.

It is clear to everyone in the USSR that the time has come to give more independence to enterprises. But it is far from clear what this independence should consist in, not only in theory but also in practice, how to make all and everyone interested in achieving top final results at minimum cost.

The purpose of the experiment is to help find answers to these and many other questions. Its results are to be summed up in the first quarter of 1985 and will be taken into account in drawing up the 12th five-year plan (1986-1990). In order to prevent possible errors no steps have been taken to transfer enterprises to new working conditions on a mass scale<sup>1</sup>. For even a minor error could result in enormous losses, given the huge scale of the Soviet economy.

As the enterprises have greater rights under the experiment, they also have more responsibility for the results of their work and the utilisation of allocated resources. It is up to them to decide how to use the resources and fulfil the state plan; here initiative is encouraged. Besides, for these enterprises a strict correlation is set between the growth of production (taking account of labour productivity) and the wages fund. In other words, to earn more money, it is necessary to turn out more high-quality products. To this end, emphasis should be laid on the introduction of the achievements of science and technology in

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<sup>1</sup> The management of the Soviet economy is based on a sectoral principle both on a national (USSR) level and a republican level (the USSR is a federative state, consisting of 15 republics). Each sector is run by a ministry. Participating in the experiment are two USSR ministries—the ministry of heavy and transport engineering and the ministry of electrical engineering, and three republican ministries—the ministries of the food industry of the Ukraine, of light industry of Byelorussia and of handicraft industry of Lithuania.

production. The overall aim is to accelerate the transition of the national economy to a predominantly intensive path of development.

Experts believe that the experiment will help determine the effect of the introduction of new machinery and progressive production methods. Self-financing enterprises will not buy poor-quality machinery, but will thoroughly study each machine, technology, and so on, they purchase.

This biggest economic experiment in Soviet history is arousing considerable interest in the West. The Western press claims that the USSR is going to abandon centralised planning and has a growing nostalgia for a free market, and that, allegedly, only a return to market-oriented economic management will enable it to solve its problems.

Incidentally, this subject is not new: as if adhering to some ritual, the opponents of socialism have been criticising the Soviet economic system since the days of the first five-year plan (1928-1932). And their recommendations have remained essentially the same: go back to a free market and everything will be all right. However, our position has not essentially changed either: we have abolished once and for all market chaos and the exploitation of man by man, which have always been based on private property. In their *Communist Manifesto* (1848) Marx and Engels wrote: "...the theory of the Communists may be summed up in the single sentence: Abolition of private property." That is why the USSR will never return to a free market and abandon planned economy; such an alternative is absolutely unacceptable to us.

Thanks to economic planning the USSR has become one of the world's mightiest powers and done away with unemployment, cyclic and other crises within a very brief period of time. Thanks to planning, the Soviet economy has been making steady progress, and the population's real incomes have been growing from year to year.

The experiment has just got under way, and it is too early to talk about it in more detail. It should be



noted that other experiments are being carried out in the USSR with a view to achieving the best end results at minimum costs.

## **Social Programmes for 1984**

**Any successes in developing production are appraised at their true worth when they lead to an improvement in people's well-being.**

**In this respect quite a lot is being done in our country. The real incomes of the population are steadily rising, the construction of housing, cultural and public service facilities is proceeding on a large scale, education, health protection and culture are successfully developing. The plan for 1984 provides for a further rise in living standards.**

***YURI ANDROPOV***

If all the figures which describe a country's living standards are added up and then divided by the number of the population, the result will be the statistically well-to-do, healthy and educated "average person". The method is simple and easy to grasp, but it must be borne in mind that "averaging" of this kind often amounts to stretching the truth.

To begin with, there is no such thing as an "average person". There is a living individual who is healthy or sick, well-paid or unemployed, married or single, illiterate or well-educated. The economists, sociologists and statisticians, however, need the "average person" for analysis and research, just as power engineers need their reference fuel and mathematicians their imaginary number. But even the "average person" should not be used as a means of biased information (we'll omit the dishonourable word "propaganda"). Immanuel Kant once said that every man should be treated "as an end in himself, never as a means only". Nevertheless, our ideological opponents readily use the "average person" to "prove" that under capitalism such a person is better off than his "average" fellow under socialism. Is this so?

If measured in the mass of commodities or money, living standards in the Soviet Union really are lower than those in industrialised capitalist countries, but not as much lower as the Western mass media make them out to be.

First, since there is no exploitation and people live by the results of their own work, there is no social gap dividing the super-rich minority from the poor or barely decently-off majority. It is true that there are differences in Soviet people's incomes but they are small by Western standards. The "average person" in the Soviet Union is, therefore, much more authentic than in the West where one millionaire in the statistical medley makes hundreds of "statistical" people well-off. Americans who go hungry (US papers and magazines put the figure at two million) do not feel better from knowing that, according to statistics, there is more food in their country per head of population than in the Soviet Union where no one goes hungry.

Secondly—and this is where the main fault of the "mean statistical" view of life in the Soviet Union lies—emphasis is placed on a comparison of working people's cash incomes. In other words, the considerable wage or salary of a Western blue- or white-collar worker is compared with the more modest earnings of his Soviet counterpart.

It seems appropriate to note that money has a different value in different countries and it is also spent differently. For instance, we in the Soviet Union are used to paying a fare of 0.05 roubles in the metro or on the bus, regardless of the distance we travel; we see nothing extraordinary in the fact that the monthly charge for gas per person is 0.4-0.5 roubles, regardless of the amount used, and telephone rental is 2.5 roubles, regardless of the duration of the conversations.

Then it must be pointed out that medical assistance of every kind in the Soviet Union is free, the expenses being borne by the state. This is a sizable but invisible addition to the family budget.

In 1984 more than two million specialists will graduate from Soviet higher and specialised secondary educational institutions, bringing the total number of specialists to 33 million, or more than a quarter of the gainfully employed population.

Meanwhile the state spends over 200 roubles a year on every general school pupil, over 750 roubles on a specialised secondary school student and more than 1,100 roubles on a university or college student. As much money goes into a university degree as a skilled worker earns in 40 months. The 1984 state budget for public education, science and culture is 46,300 million roubles.

Eighty per cent of Soviet families move into their apartments free of charge. The rent and the charges for electricity, telephone, hot water, heating, etc., have not changed for several decades and are the lowest in the world, covering only a third of maintenance costs, the rest of which—more than 5,000 million roubles—are met by the state.

The plan for 1984 provides for the construction of 109 million square metres of living space for which 21,300 million roubles is to be spent from the state budget and from other sources. Although it is a fact that more housing is built in the Soviet Union than anywhere else in the world, it is not enough and the housing problem is still a major priority. According to statistics the USSR is behind advanced capitalist countries in per capita provision of housing, but unlike in these countries where there are countless homeless people and vacant apartments, the Soviet Union gives everyone a place to live, and even if it is not always big enough, no one is homeless.

Taxes come to eight per cent of an urban family's budget and to only 1.5 per cent of the budget of a family living in a rural area (farmers are exempt from income tax). Working people pay nothing to the social insurance fund; all pensions and allowances and sick-leave payments (the latter are the full wage or salary after eight years of work) come from the state budget.

Taxation in the Soviet Union is a way of re-distributing incomes for the benefit of families who are less well-off. In 1984 taxes paid to the state budget will amount to 30,000 million roubles, or less than nine per cent of the budget revenue. The state subsidies for the production only of meat and dairy products will exceed that. It would be possible, of course, to reduce the amount of paperwork, so to say, by simultaneously abolishing both the taxes and the subsidies, but that would benefit only those who are well-off.

This shows that taxes in the Soviet Union are, in fact, repayable, since, owing to the mechanism of social redistribution, they are returned to the population in full. It will be noted in passing that the state earmarks much larger sums for the people's social needs than it receives in the form of taxes. The state budget allocations for the development of free public education, free medical assistance, social maintenance, housing construction and the building of child-care establishments, sanatoriums, etc., are nearly seven times the sum of tax receipts.

Another example. Parents pay only 20 per cent of the cost of maintenance of their children at pre-school establishments, the rest of the cost is subsidised by the state. The highest charge for a child in a day-care centre is 12.5 roubles, and only well-to-do parents pay that. People with smaller incomes pay less and some do not pay anything at all.

The pre-school children's establishments to be built in 1984 will have 580,000 places, nearly half of them in rural areas. The total number of children at such establishments will reach 16,500,000.

The tax system in the Soviet Union, unlike many other countries, is very simple and easy to understand. As a rule taxes are deducted from one's wage or salary at the place of work. In case of any misunderstanding, detailed explanations are given by the accountants concerned.

Taxes are low, hence their comparatively insignificant role in the state budget. Ninety per cent of the

state's income comes from deductions from the profits of enterprises and institutions, from their contributions to the social-insurance fund and some other sources. Some of the income is accounted for by the high prices of alcoholic drinks and also jewelry, furs and other luxuries.

On the whole non-commodity expenses in the Soviet Union, including such things as rent, taxes, transport fares, utility charges, etc., consume less than 30 per cent of a family's budget. The remaining 70 per cent can be spent to buy goods or put aside. The picture is different in the West where such expenses have risen recently from 60 to 80 per cent. Rents and the cost of education, medical services, electricity, heat and transport are growing much faster than inflation.

A formal comparison of the structure of incomes and expenses of families in the Soviet Union and those in the West thus results in false calculations, producing figures that are three times lower than the actual size of Soviet people's real incomes.

It is axiomatic that any feature of life should be regarded as a dynamic, rather than static, phenomenon. Even in the recent past the Soviet Union could be said to be a whole "consumer epoch" behind the West. But this gap has narrowed considerably now since real incomes in the Soviet Union have been growing at a higher rate than those in Western countries. Today these incomes are growing in the Soviet Union by an average of three per cent a year, while in most Western countries they are falling. Ever since 1975 prices have been ahead of wages and salaries. In other words, inflation in these countries has been playing the role of yet another, "invisible" tax, as it were, about which it is naturally useless to complain.

People in the West live in social conditions entirely different from those existing in socialist society. Therefore, it is impossible to measure everything by the same yardstick. Our reader in the West knows better than we do what is left of his wages after he

has paid taxes, rent, various insurance premiums, university fees for his child, etc. On top of this come transport fares, bills for heating, electricity and many other communal services.

In the 1970s what was called the "index of discomfort", a combination of the price index and the unemployment rate, came into use among US economists. In 1976 Jimmy Carter, during his election campaign, called the same thing the "index of poverty".

In 1976 this index in the United States was high and Reaganomics only in 1983 managed slightly to reduce it. But nobody believes any more that President Reagan will be able to cut it appreciably.

The "index of discomfort" is a kind of thermometer showing the social temperature, the degree of social stress. In the USSR this index equals zero: there is no unemployment, on the contrary, there is even a shortage of manpower, and the prices are much more stable than in any capitalist country. The zero "index of discomfort" is far from small compensation for the fact that the USSR is to some extent behind the West in the production of consumer goods and in the sphere of public services. Is that not the reason why this index is disregarded when the Soviet Union is discussed in the West?

For historical reasons the USSR has not yet reached Western standards as regards a number of consumer items. But, let me repeat, the Soviet people's living standards are rising more rapidly than in capitalist countries although, of course, not as rapidly as I or any of my compatriots would like. A stable growth, however, is in evidence. This enables more and more people to think not so much of how to obtain money to live but more of how to live.

It is not easy to find an optimal balance between the material and the spiritual in life, but this must be done, because a lack of balance leads to either a cult of things or asceticism. Both are distortions in man's life.

"Man is the measure of all things"—this illuminat-

ing idea belongs to Protagoras, an ancient Greek philosopher, a fervent seeker of truth, who tried to predict the progress of civilisation, to see into the distant future. But in Protagoras's time, 2300 years ago, as well as today, things called by the collective name of wealth were, and in a consumer society still are, the measure of man.

Western intellectuals, especially members of the Club of Rome, have shown most convincingly that consumer society is far from the best, to quote Voltaire, "in this best of all the possible worlds". The cult of things is a grave disease not so much of individuals as of all humankind. The mass production of goods consuming tremendous resources has brought down on nature an avalanche of harmful waste poisoning and destroying the biosphere.

Rational man, naturally, should have rational requirements: an excess of things as well as a lack of them are two extremes, a departure from the normal state of affairs. "Man shall not live by bread alone" was one of the first postulates of the dialectical unity of the material and spiritual in our life. In other words, people long ago came to the conclusion that neither man the consumer nor man the ascetic are ideals.

In the Soviet Union we do everything possible to combine harmoniously the satisfaction of people's growing material requirements with their lofty aspirations for the spiritual, the eternal, the priceless.

Yuri Andropov spoke about this in his speech at the plenary meeting of the CPSU Central Committee in June 1983. He pointed out that the formula "the raising of living standards" is sometimes interpreted in a simplistic way, as a growth of incomes and the production of consumer goods. "In fact, the concept of living standards is much wider and richer," he emphasised. "It embraces the steady growth of the consciousness and cultural level of people, including their cultural standards in everyday life and conduct and, what I would call, reasonable consumption. Also included in this concept is good public order, a sound rational diet, a high quality of public services (in

which, as is known, far from all is well in our country). It also embraces a morally and aesthetically adequate use of free time. In short, everything which in its sum total is worthy of being called civilised in line with socialist principles."

Naturally, we understand that the production of some goods is still not sufficient to meet reasonable requirements. That is why their production will continue to grow dynamically. We mean here, above all, an increase in the output of meat and dairy products, vegetables, fruit, fashionable clothes, footwear, colour TV sets of latest models, air-conditioners and other household appliances of high quality. Radical changes must be made in the sphere of services, which because of its inefficiency still consumes a lot of our time. On the other hand, life demands that the whole system of education—schools, universities, colleges and the mass media—pay greater attention to questions of forming reasonable requirements so that the material well-being of people improves along with their cultural development.

This is not an easy task, and it becomes more difficult to solve it as our incomes grow. Regrettably, in Soviet society too there are cases of money-grubbing, the pursuit of enrichment, acquiring as many things as possible. This sometimes leads to ugly and intolerable phenomena, such as bribery, profiteering, abuse of office—those phenomena which are so sharply censored by our press and other media. Though there are not many such people in our society we cannot afford to be complacent.

In all "civilised times" literature and art have played a special role in the struggle for man's spiritual world. Homer, Rabelais, Bosch, Shakespeare, Balzac, Dostoyevsky and many other great writers, artists and dramatists exposed avarice, money-grubbing, the cult of money and things. At the same time they, Dostoyevsky in particular, showed the suffering of people insulted and injured by privation, lack of rights and poverty. Thus they showed what man should not be like.



But here the question may arise: What should man be like? We in the Soviet Union want man to be happy, happy in his work and his private life. We want him never to know privation and hardship, we want him to live a full and interesting life. In other words, we want man to live "not by bread alone".

СССР: ВСТУПАЯ В 1984-й ГОД

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