

USSR: THE CONCEPT OF ACCELERATION IN TERMS OF PLAN TARGETS



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Peace Information Center
2590 Dana Ave.
Berkeley, CA 94704
(415) 548-0900

The 27th Congress of the Communist Party of the Soviet Union, held in Moscow from February 25 to March 6, 1986, will go down in the history of the Soviet Union as a congress of strategic decisions. It set the directions for the USSR's development, assigned concrete tasks, showed ways to attain them and adopted the new edition of the CPSU Programme and amended the CPSU Rules.

As was stressed in the Political Report of the CPSU Central Committee to the Congress presented by Mikhail Gorbachev, General Secretary of the CPSU Central Committee, **"These days, many things, in fact everything, will depend on how effectively we will succeed in using the advantages and possibilities of the socialist system, its economic power and social potential, in updating the obsolescent social patterns and style and methods of work, in bringing them abreast of the changed conditions. That is the only way for us to increase the might of our country, to raise the material and spiritual life of the Soviet people to a qualitatively new level, and to enhance the positive influence of the example of socialism as a social system on world development.**

"We look to the future confidently, because we are clearly aware of our tasks and the ways in which they should be carried out."

The Congress approved the Guidelines for the Economic and Social Development of the USSR for 1986-1990 and for the Period Ending in 2000.

The report on the Guidelines was made by Nikolai Ryzhkov, Member of the CPSU Central Committee Political Bureau and Chairman of the Council of Ministers of the USSR.

The pivot of the Guidelines, he stressed, is the concept of acceleration advanced by the April plenary meeting of the CPSU Central Committee. The Guidelines specify the programme tasks and aims of the Party that will have to be attained before the end of the present century and define the principal directions for a qualitative transformation of the productive forces and of society's social development.

The Guidelines are entirely consonant with the vital interests of the Soviet people, with their hopes for the future. This was demonstrated with the utmost clarity by the fact that the

discussion of the draft of the Guidelines was truly nationwide, with approximately 110 million citizens taking part.

The 27th CPSU Congress defined the current period in the life of our country as a time of crucial change. Why is a crucial change necessary?

First of all, because the reserves for the extensive growth of the Soviet economy have been practically exhausted. Therefore, the significance of the stage of crucial changes is that **further economic and social progress demands a resolute changeover to intensive methods of economic activity.**

This is also required by the level of socio-economic development attained by the Soviet Union. The time is past when we were short of absolutely everything—foods and footwear, machine-tools and tractors, schools and hospitals, fuel and medicines. At that time quantity came first: our primary task was to satisfy the basic requirements of the country's economy and population. This often had to be done at the expense of quality, of technological and economical standards. The situation has changed radically today. The continuing progress of our society demands that priority be given to the growth of qualitative, rather than quantitative, parameters of production and social development.

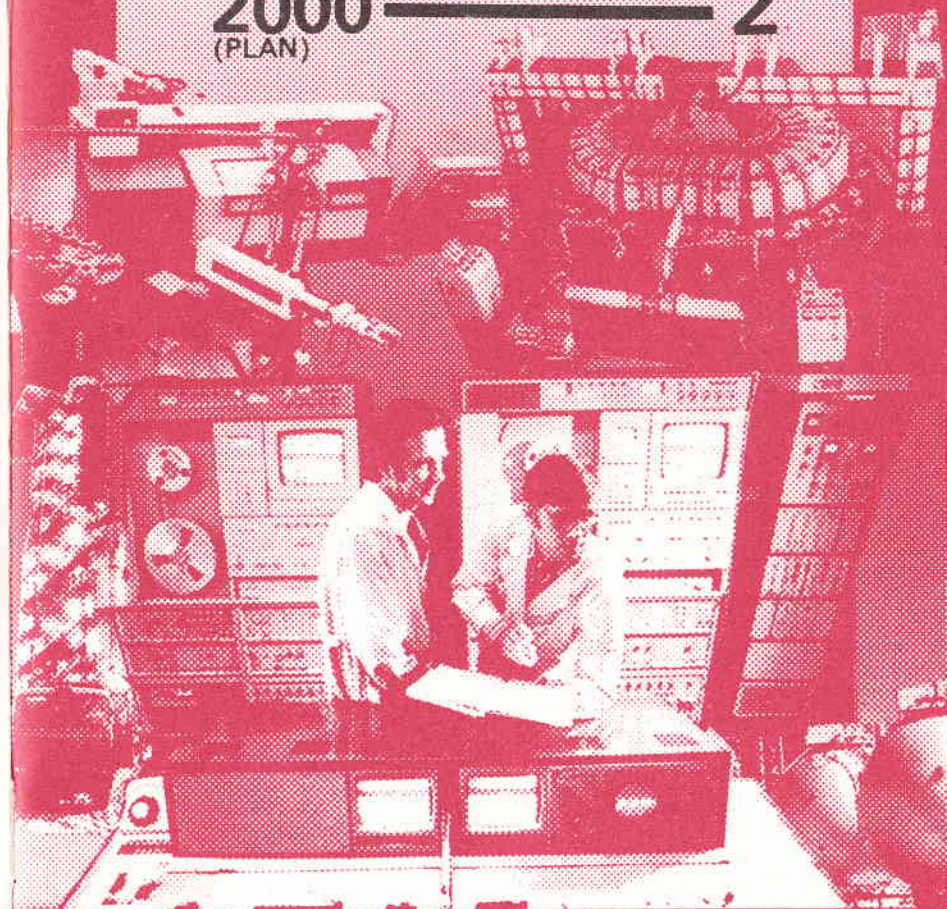
The switchover of the Soviet economy to intensive development and the emphasis on the quality of output require profound changes in the existing system of economic management, in the life of society as a whole, and in human psychology.

We call the current period of the country's development a stage of crucial changes because the solution of the problems that are on the agenda requires a major and comprehensive restructuring in many spheres.

Production potential

1985 ————— 1

2000 ————— 2
(PLAN)



Growth in absolute terms
(thousand million roubles)

1985 compared to **1980**
1990 compared to **1985**

**National income used
for consumption
and accumulation**

1985 ————— **71**
1990 ————— **96-**
(PLAN) **111**

Industrial output

1985 ————— **135**
1990 ————— **169-**
(PLAN) **194**

Growth in absolute terms
(thousand million roubles)

**Average annual
agricultural output**

1981 ————— **11**
1985 ————— **11**
1986 ————— **28-**
1990 ————— **32**
(PLAN)

THE WAYS OF ACCELERATION

Growth rates have always been and remain a central issue in the Party's economic policy. Today, in light of the concept of accelerating the country's socio-economic development, it acquires a fundamental significance and a new content.

First, the Guidelines provide for a **more dynamic growth of the national income**. Its increment rate is to rise from the annual average of 3.1 per cent in the last five-year period (1981-1985) to **5 per cent** in the 14th five-year period (1996-2000). The negative tendency towards a slowdown in growth rates during the past three five-year periods will be halted. The increment of the national income in absolute terms will be even larger. As a result, the national income to be produced in that period will total roughly **12,000,000 million** roubles, which is more than the total for all of the preceding years of Soviet power. This rise in the growth rates of the national income and of the increment in absolute terms is essential for carrying out large-scale economic and social tasks simultaneously. It is also necessary in order to maintain the country's defence capability at the proper level.

Second, in the process of acceleration, a **more balanced structure of production** is to be formed, one that more effectively would fulfil the growing and changing social requirements. This means that every percentage point of growth and every rouble invested in production must signal products that are qualitatively new and effective, with high consumer properties; products that are needed by the national economy and the population. This is the immutable imperative of the present strategy for economic growth.

The **third**, and probably the most important, requirement is that higher growth rates must be achieved on a fundamentally new basis, that of **comprehensive and consistent intensification**. The principal means of carrying out this task is a **major acceleration of scientific and technological progress and the attainment of the highest levels by science and technology**. This is the catalyst of our advance, the impact of which will grow from one five-year period to another.

The CPSU approaches the question of intensification in comprehensive and broad terms. Our economy has reached a level, where it can develop rapidly not by increasing the growth of resources, as was formerly the case, but by compre-

hensive intensification all along the line. It is planned not only to raise labour productivity, but also to reduce both material input per unit of production* and the assets-to-output ratio**; to transfer not only individual industries, but the entire national economy to the course of intensification. This is the only sure way of accelerating economic and social development.

The productivity of social labour is to increase by **20-23 per cent** by the end of the 12th five-year period (1986-1990). For the first time ever, it is planned to achieve practically the entire increment in the national income, in industrial output, and in the output of other sectors of material production through higher labour productivity. This is one of the fundamental features of the current five-year period. The growth in manpower resources during these years will be slower and amount to only **3.2 million** people. Without the planned growth of labour productivity, our national economy would require an additional work force of more than 22 million. We simply do not have such manpower resources.

The Guidelines provide for a basically new approach in meeting the economy's needs for material resources. Whereas in the preceding years these needs were covered primarily by increasing production, the task now is to obtain **75-80 per cent** of the growth in the necessary fuel, energy, raw materials, metals, and other supplies by economizing these materials. The following example gives an idea of how effective this course is for the national economy. If the character of our country's economic growth were to remain unchanged, by the end of the century we would need roughly 50 million tons more rolled stock than is currently projected. The implementation of the resource-saving policy will allow for a marked decrease in energy and material input per unit of production.

The intensive growth and technological improvement of production facilities results in particularly high demands on the assets-to-output ratio. Regrettably, the negative trend in attempts to decrease this ratio has still not been overcome. It is also planned in the next 15 years to change decisively the dynamics of this indicator: to stabilize the assets-to-output ratio in the first stage, i.e., during the 1990's, and then to ensure its growth.

* Material input per unit of production is an indicator of the expenditure of material resources in the production of any goods.

** Assets-to-output ratio is an economic indicator that characterizes the relationship between the cost of the main production assets and the cost of gross or commodity production in the course of a year.

Modernization of the national economy on the basis of the achievements of the scientific and technological revolution is a task of truly historic significance. Only this will provide a solid foundation for comprehensive intensification. This means a rapid renewal and qualitative improvement of the country's material and technological facilities. It is especially important that their high level be maintained steadfastly and conform to the world's best standards. This is essential for the solution of not only economic, but also important social problems.

These are the aims and basic tasks for the development of the Soviet economy and for raising the living standards that the Soviet Communist Party has set for the long term. This is indeed an enormous programme. Its implementation will advance our country significantly along the road of social progress, considerably reinforce its economic positions in the world, and further enhance the attractive force of socialism.

Growth of national income

1985 — 100%

1990 — 119-
(PLAN) 122%

2000 — almost
(PLAN) twice



Growth of per capita real incomes

1985 — 100%

1990 (PLAN) — 113-115%

2000 (PLAN) — 1.6-1.8 TIMES



IS IT FEASIBLE?

The economic targets that must be attained by the close of the 20th century are defined in full conformity with the provisions of the new edition of the CPSU Programme. It is planned to double the national income and industrial output. There will be a substantial increase in and a radical modernization of the country's production facilities. As a result, the economic potential that will be created in the course of 15 years will be approximately equal to what has been built in all the preceding years of Soviet power, and major progress will be made in the building of the material and technical basis of communism.

Is this a feasible task? It certainly is, despite its complexity. Some people doubt whether it is feasible, because the goal will be difficult to attain if the negative trend in our economic development, which took shape in the late 1970's—early 1980's, continues. But we are fully determined to reverse this trend and have already begun to do so.

What is the essence of the problem? The fact is that the rates of our development remained closely linked with the growth rates of the manpower and material resources drawn into production. This was due to the insufficiently resolute transfer of the economy onto the course of intensification and the slow restructuring of planning, management, and the entire economic mechanism. The growth of resources decreased and the rates of economic growth continued to fall.

Statistics show the following: the total increase of productive resources amounted to 13 per cent in the 10th five-year period (1976-1980) and to 10 per cent in the 11th five-year period. The national income grew by 21 per cent in the 10th five-year period and by 17 per cent in the 11th five-year period.

The current, 12th five-year period, will mark a crucial change. The national income is expected to grow by **19-22 per cent**, while the increase in resources will not exceed **7 per cent**.

The solution of this problem will require the major restructuring, about which we have just been speaking. The targets that have been set can be attained by means of two interrelated levers: **the mobilization of organizational and economic reserves, including, above all, the activation of the human factor and the improvement of the economic mechanism; and a sharp acceleration of scientific**

and technological progress in all sectors of the national economy.

The first lever has already been put into action and has contributed largely to the substantial increase in economic growth rates in the second half of 1985 and early 1986. A much greater effect is expected from the second lever, which depends on the rate of the wide-scale application of basically new technologies and equipment in production.

The USSR has more technical and technological ideas than anyone else in the world, but their implementation is, as a rule, slow. Why? One of the main reasons was the imperfect economic mechanism. An enterprise lacked an effective internal economic incentive for constantly renewing production and the goods it produced, for putting into practice the latest technological improvements. Excessive production costs were covered by state subsidies, while excess profits were automatically "absorbed" by the state budget. An enterprise did not "earn" funds for renewal of its equipment and benefited very little from the results of such renewals. That is why people waited for orders "from above", why appeals were made to the civic sentiments of executives and rank-and-file workers, and why advanced experience was not broadly disseminated.

The creation of an effective internal economic incentive is the most important moment in the radical restructuring of the country's economic mechanism, which is currently getting under way. The implementation of the best technological ideas should be profitable for every worker and for all work collectives, while the output of obsolete goods should be made economically impossible. This requires major adjustments in planning, in the indicators by which the operation of enterprises and entire industries is assessed and encouraged.

It should be noted at the same time that even under present-day conditions, when the restructuring of the economic mechanism and technological modernization are far from complete, many workers and whole work collectives are performing at a level that will be required of everybody only at the end of the 12th five-year period or even by the close of the century. These people are not breaking records, which only a chosen few can do either in work or in sports, but they are thinking and working in a new way, which is not forbidden to anyone.

Under the traditional procedures for increasing the planned output of an enterprise or a production shop, managers demanded and received additional manpower and material resources. At present, they can no longer count on this in most cases and have to seek out their own internal reserves. If

it were otherwise, extensive growth would continue and there will be no changeover to the intensive methods of development. This idea was not understood properly by many of those who endorsed it in words. But those who grasped it fully, were able to forge ahead.

Here is one example. The aluminium foundry of the ZIL production amalgamation (the Likhachev Motor Works in Moscow) is to raise labour productivity by at least 50 per cent during the 12th five-year plan period. After studying the matter together with scientists, the foundry's management and workers came to the conclusion that the labour productivity of one of the most important operations—the casting of cylinder heads—could be doubled if new equipment was installed. Formerly, they would have ordered this equipment somewhere and would have waited for it for a long time. In today's conditions, they decided to make it themselves, for the ZIL has all the latest scientific and production facilities. They made it, and the first three casting machines have been put into operation.

Though not every enterprise has the ZIL's possibilities, internal reserves are to be found everywhere. They are, in fact, found and put to use wherever people have learned the new approach.

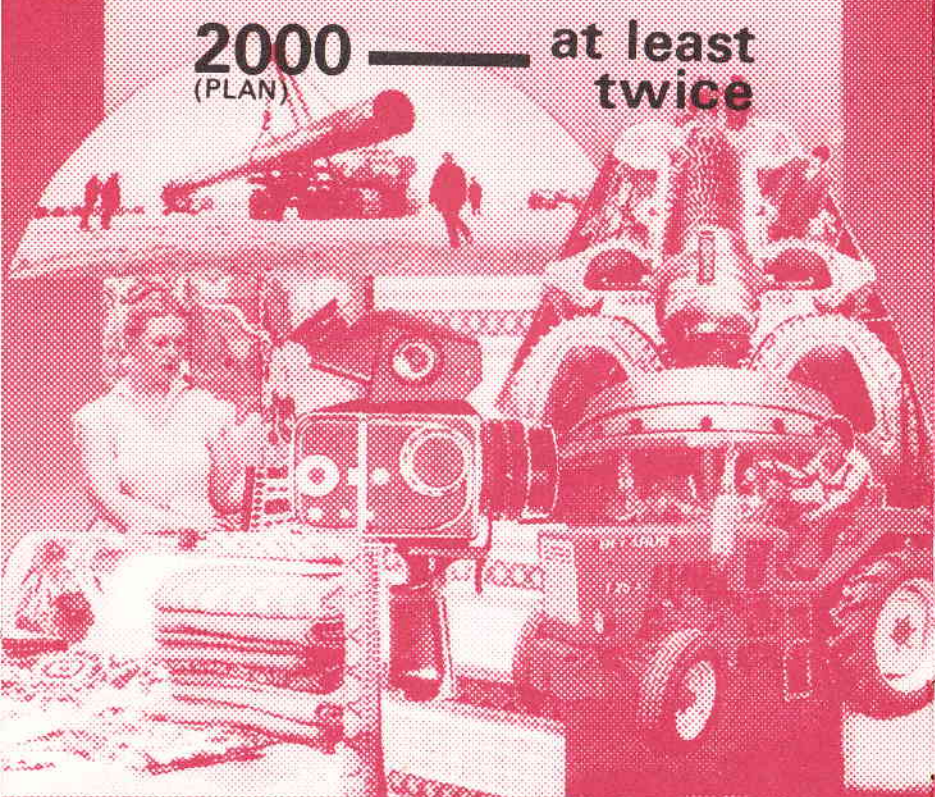
Any modern production process is a long chain of interconnected links. If every production unit waits for someone else to provide new technology and equipment, things will not start moving soon. We cannot afford to wait—this is the spirit of the current period of the country's development.

Growth of industrial output

1985 — 100%

1990 (PLAN) — 121-124%

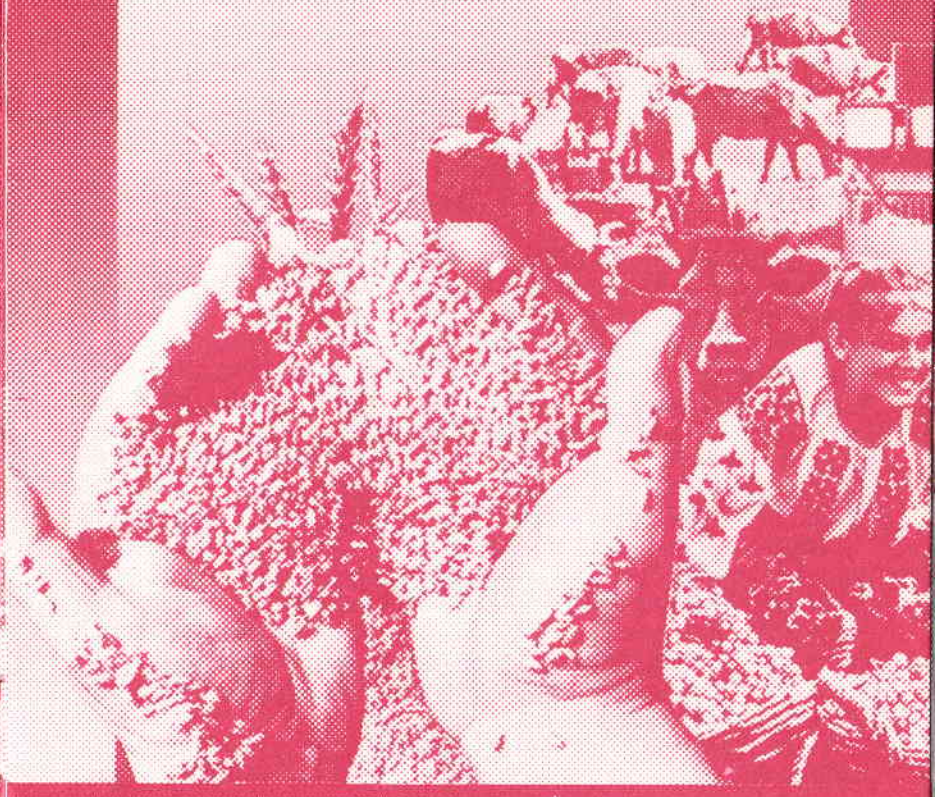
2000 (PLAN) — at least twice



Gross agricultural output

1985 — 100%

1990 (PLAN) — 114-116%



A TACTIC IN CAPITAL CONSTRUCTION

The priority given to retooling and modernization will demand a certain cutback in the number of new projects, especially in the European part of the country. New projects will be carried out only for the purpose of effecting major structural changes, establishing industries that are necessary at the present stage of the scientific and technological revolution, and developing natural resources. Our fundamental course consists in extensive retooling, plus whatever new construction is vitally necessary.

The Soviet Union has always carried on construction on a vast scale. For years on end our country has led the world in the volume of investment in capital construction. Its continuous growth, reflecting the dynamic development of the entire national economy, has been a matter of pride for us. But every coin has its flip side. This is also true of this situation.

The very scope of the Soviet construction programmes contained a tight knot of problems, which hindered their implementation.

First of all, the mounting number of construction projects put an unbearable burden on our economy. The inevitable result of the simultaneous construction of hundreds of thousands of big and small projects was the fragmentation of financial resources and, as a result, the extension of time limits for construction. What takes long to build becomes more expensive; still worse, it becomes obsolete. This state of affairs in construction was in contradiction with the acceleration of the country's socio-economic development envisioned by the 27th CPSU Congress.

How should this contradiction be resolved? What is the most rational way of putting to use nearly a trillion roubles, for this is the size of Soviet capital investments in the next five years? Some projects will have to be shelved in order to shorten the time limits for completing the remainder by, at least, half. This penalty will have to be paid because of past mistakes in planning.

But the shelving of projects can only be the first, though necessary, step. As in any surgical operation, it cannot be a permanent measure. The Soviet Union does not intend, for instance, to give up its plans for the comprehensive economic development of Siberia, the establishment of the most ad-

vanced industries, or the implementation of its housing programme. Therefore, **the cornerstone of the investment policy is a radical restructuring of capital construction and a sharp increase in its effectiveness.** In other words, it is necessary to build quicker and cheaper. This will naturally require the vigorous implementation of a whole complex of economic and organizational measures.

A novel feature of the investment policy in the 12th five-year plan period is its emphasis on faster scientific and technological progress, on the qualitative improvement of the material facilities and structure of production.

We have said already that the volume of the Soviet Union's capital investment in the 12th five-year plan period will amount to nearly a trillion roubles, a substantial increase over the preceding five-year period of **170,000 million roubles.** It is not, however, simply a matter of greater investment. More important is the change in the structure of its use. For the first time ever, priority will be given not to new construction, but to the retooling and modernization of existing production facilities.

Fewer expensive enterprises will be built, while old production shops will be filled with more up-to-date "content". That is why the percentage of capital investments earmarked for retooling and modernization is to grow from 37 per cent of the 1985 total to **50 per cent** in 1990.

New construction will be subject to rigid restrictions. It may be started only if the capacities of the existing enterprises have been fully used and there is sufficient manpower for the proposed project, or for the purpose of developing new areas, or for launching basically new technologies. These restrictions do not apply, of course, to housing construction, which will continue to expand.

The acceleration of the construction industry will be effected through its further industrialization.

Finally, the management of construction will be reorganized radically, along the same basic lines as the rest of the national economy: towards greater independence for individual enterprises, a changeover to cost accounting and self-financing, and the gradual substitution of economic levers of management for administrative ones.

Growth of social labour productivity

1985 — 100 %

1990 — 120-
(PLAN) 123 %

2000 — 2.3-
(PLAN) 2.5 TIMES

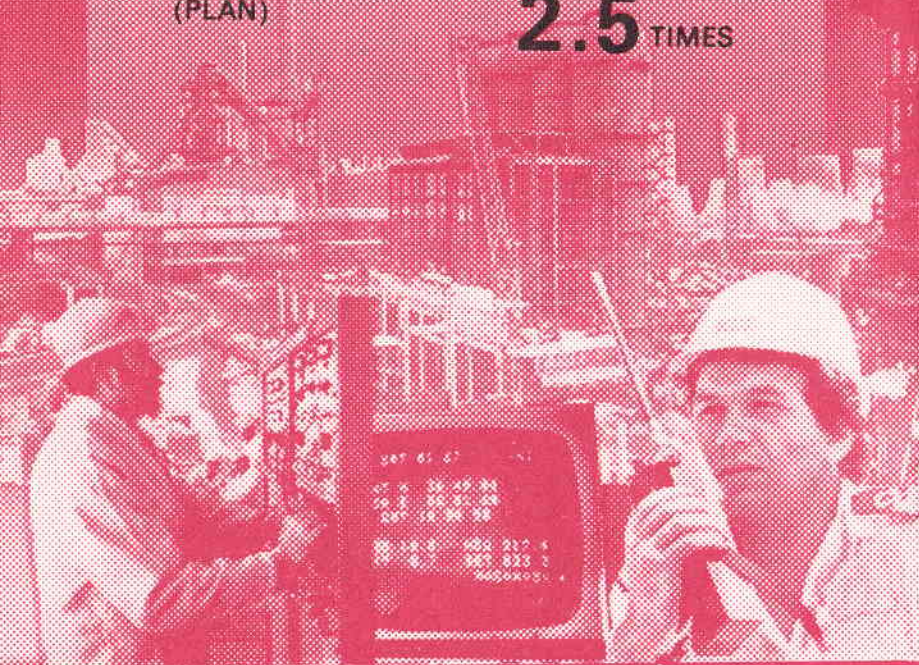
Increase in the number of persons employed in material production

1976 — 4 %

1981 — 2 %

1986 — 0 %

1990 — 0 %
(PLAN)



WAYS OF OVERCOMING THE MANPOWER SHORTAGE

Raising the productivity of social labour is, in the final count, the most important way to solve socialism's basic problems. The decisive step in carrying out the programme task bequeathed to us by Lenin, will be made within the next 15 years, namely, to reach the world's highest level. The Guidelines provide for increasing labour productivity in the entire national economy by 2.3-2.5 times by the year 2000. As a result, the Soviet economy will enter upon a qualitatively new road of development: for the first time, the growth of production will be ensured together with a reduction in the need for manpower.

The situation with regard to manpower in the Soviet Union is admittedly difficult. During the 1970's, a one-per-cent increment in the national income required a 0.2-per-cent increase in manpower.

It has already been noted that the task for the 12th five-year plan period is to increase the national income by 19-22 per cent without any marked increase in manpower resources, i.e., only through higher labour productivity.

Let us have a look at the Tatar Autonomous Soviet Socialist Republic, which lies in the upper reaches of the Volga. It is a very rapidly developing area, where the situation with regard to manpower is particularly tense. The republic's work force grew by 44,000 people in the 10th five-year plan period and by 13,000 in the 11th five-year plan period; a drop of 2,000 people is expected during the current five-year plan period and a much greater decrease in the 13th five-year plan period (1991-1995).

Like the rest of the country, the Tatar Republic plans to accelerate its economic development. It is building a nuclear power station, a tractor integrated works, a fertilizer factory, and other enterprises. Who is to fill the new jobs? How is a 21-24-per-cent increase of industrial output to be achieved while the number of workers goes down?

The actual situation in the republic is, in fact, even worse than the statistics cited above would seem to indicate. One per cent of industrial growth was worth 109 million roubles in the 11th five-year plan period and is equal to 128 million in the current five-year plan period. In addition, one of the republic's key industries—oil and gas extraction—will decrease its output somewhat for objective reasons (although the

resources of oil and natural gas are far from exhausted in the republic, present-day methods for extracting them make an increase in output unprofitable). Therefore, in order to ensure an overall growth of 21-24 per cent other industries will have to increase their output by at least 28 per cent, and machinebuilding, by 40 per cent.

In the period from 1984 to 1985 the Tatar Republic achieved 92 per cent of its industrial growth through higher labour productivity. In the 12th five-year plan period this factor is to account for 100 per cent of the growth in all sectors of the national economy. It should be achieved mainly through a sharp acceleration of scientific and technological progress. Up till now this lever for raising efficiency has not been used to the full. In the last five-year plan period, the application of scientific and technological achievements, even at the republic's most advanced enterprises, accounted for only 40-50 per cent of the increase in output, or roughly as much as was added by strengthening discipline and order, better organization, and improved management. In the next few years the share of scientific and technological progress among the factors contributing to higher labour productivity is to be raised to 75-80 per cent. The wide-scale application of the latest technologies and equipment, and the modernization of existing enterprises on this basis are called upon not only to compensate for the current shortage in manpower, but also to release workers who will be required for new enterprises.

The republic made some progress in this direction during the last five-year plan period, when 35,000 workers were released through the introduction of robots, numerically controlled machine-tools, automated devices, and progressive technologies. The reserves, however, are far from exhausted. Thirty-four per cent of the republic's work force are engaged in physical labour. During the last five-year plan period, the use of physical labour was reduced with impermissible slowness at an annual rate of only 1-1.5 per cent. This process will be accelerated sharply.

Moreover, 43 per cent of the republic's vast stock of metal-cutting machines are ten years old or more. At the same time, the latest highly productive numerically controlled machine-tools and robots are used at half capacity because of the lack of machine operators. The rate of removing obsolete equipment is to be trebled, at least, in the 12th five-year plan period.

There are also plenty of such untapped reserves in the agriculture of the Tatar Autonomous Republic. The mass

application of industrial technologies and the intensification of farming promise both a substantial addition to yields and major savings in manpower.

In principle, the shortage of manpower, both in the Tatar Republic and in the country as a whole, can be explained largely by the fact that it is not used rationally enough. This means that the situation can be remedied. In the early years of Soviet power we experienced unemployment because we had more potential workers than jobs. We put an end to unemployment once and for all more than fifty years ago. Now we have the reverse problem: more jobs than workers. It is high time to strike a balance between the two. This is exactly what will be done.

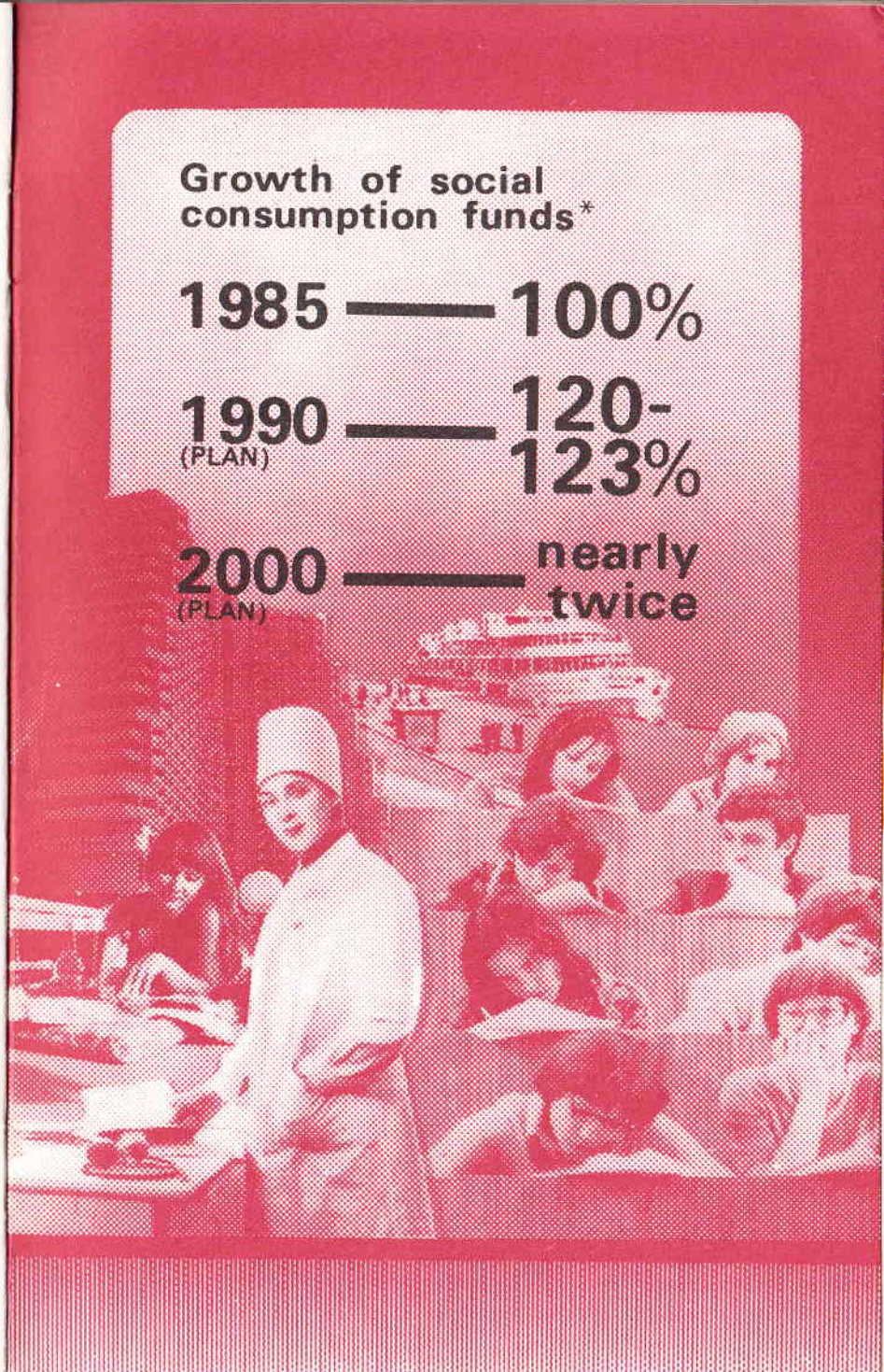
Growth of social consumption funds*

1985 — 100%

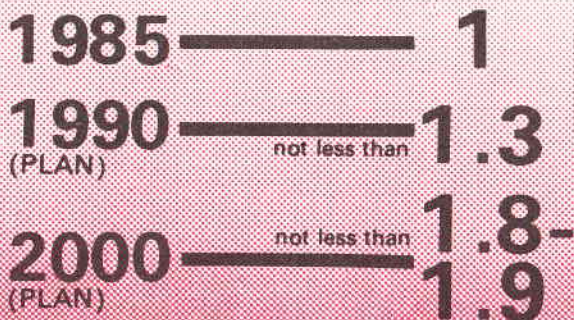
1990
(PLAN) — 120-123%

2000
(PLAN) — nearly twice

* Social consumption funds are a part of the personal consumption fund under socialism. In distributing them, the state influences the structure of the population's expenditure and consumption in order to even out and equalize, as soon as possible, the socio-economic status of society's members. Today these funds account for about one-third of the total volume in the consumption of material benefits and services, including free education and retraining, free medical assistance, allowances, students' maintenance grants, paid leaves, accommodation at sanatoria and holiday homes, upkeep of children at preschool institutions, etc. Over 50 per cent of the total benefits and allowances is paid in cash.



Growth of output of non-food products



THE PURPOSE AND CONDITION OF ACCELERATION

The supreme goal of social production under socialism is to maintain a steady rise in the people's living standards and cultural level. At the present stage the Communist Party sets itself the task of raising the people's well-being to a qualitatively new level.

We give priority to the solution of social problems in the sphere of labour, which is the main sphere of human activity. First of all, the scope of arduous, monotonous work is to be reduced substantially. The amount of manual labour will be reduced by **more than half**. This will free over **20 million** people from unskilled work and make their activity more meaningful and satisfying.

It is planned radically to solve within fifteen years the urgent problems of material well-being and cultural development. These problems are particularly important for all strata of society. They include, above all, the full satisfaction of the growing demands for affordable, high-quality and varied goods and services, and the attainment of the dietary standards that are recommended by science. **By the year 2000 we must fulfil a task of great social significance—provide virtually every Soviet family with a separate flat or a house.**

The system of education and personnel training, and the medical services have to be improved radically and the facilities necessary for cultural pursuits, recreation, and sports and for the entire social sphere must be considerably extended and reinforced.

The social aspect is the key component of the strategy of acceleration. Social questions are by no means new for the Soviet Union. The elimination of social injustice was the primary task of the Great October Socialist Revolution of 1917. Since then the CPSU and the Soviet state have always centred their attention on social problems. Why then was it stated at the 27th Party Congress, in general, and in Nikolai Ryzhkov's report, in particular, that the achievements in the social sphere failed to meet our requirements?

It was not because little had been done. In the quarter of a century since the adoption of the current CPSU Programme, the Soviet Union achieved more than ever before: per capita real income grew by 160 per cent and the social consumption funds by more than 400 per cent, 54 million new flats were built, the transition to universal secondary education was

completed, and the number of people with a higher education increased fourfold.

Thus, we have no grounds for being dissatisfied if we compare this period with any preceding one or with what was done in other countries during the same period. And yet, we are far from satisfied with what has been achieved because our standards for work in the social sphere are very high, because we set ourselves tasks that have never before been set by anyone.

We are striving to ensure a free and harmonious development for all Soviet people without exception and are seeking to create the conditions that each person needs.

Consider the housing problem. Today 80 per cent of the families living in towns have separate flats. This is certainly a major achievement. But we are not satisfied, for we want all families to live in such conditions.

The demands for developing the social sphere have become particularly acute and stringent now that we have begun to implement the concept of acceleration elaborated by the CPSU. Acceleration itself is aimed, above all, at a faster and more radical solution of social problems. At the same time, the solution of these problems is an indispensable precondition for the country's accelerated development.

Our dissatisfaction with what has been done stems from this. We are no longer content with what we were justly proud of earlier.

The CPSU Central Committee believes that certain central and local bodies of authority in recent years have underestimated the urgent problems of the social sphere, the need to strengthen its material base. Its development has lagged substantially behind our growing needs.

This lag ran counter to the demand for a greater social orientation of the economy, for raising the material well-being and cultural level of Soviet people, and, in the final count, adversely affected the fulfilment of production tasks.

At the 27th CPSU Congress the Central Committee adopted **a long-term and comprehensive social programme** that embraces all spheres of human life, from working and living conditions to health and recreation and to social, class, and national relations.

In the coming fifteen years, the volume of resources allocated for the improving of living conditions is **to be doubled**. Per capita real incomes are to go up by **60-80 per cent**. This increase in absolute terms during the next three five-year periods will be roughly equal to what was accomplished over the last 40 years.

Enormous state funds are to be invested in **expanding housing and social and cultural construction**. In particular, we have set the task of building **at least 2,000 million** square metres of housing space before the end of the century which will make it possible to solve the housing problem. The building of apartments for young families will be expanded, in part, in the form of complexes and cooperatives for them.

Much has to be done in order to **saturate the market with diverse high-quality goods and services**. The gap that still exists between the demand for certain goods and services and their supply is to be bridged as a result of the measures that have been planned.

The social programme announced at the 27th CPSU Congress is by no means limited to raising the material well-being of the people. A broad range of measures will be implemented in the current five-year period, and over a longer term, in order to meet the social and cultural requirements of Soviet people more fully.

The nationwide system of free public education will be developed further. In the 12th five-year plan period alone, schools for **seven million** pupils and pre-school institutions for about **three million** children will be built. The demand for places in kindergartens will be met fully in the next few years.

Considerable funds have been allocated for **improving the health protection system and the rest and recreation conditions for working people**. Plans have been made for the construction of new hospitals and outpatient clinics and, most important, for raising the quality of the medical service for the population.

Increasingly better conditions are being provided for physical culture, sports, and amateur artistic and technical pursuits.

The CPSU shows concern for improving the life of all strata and groups of Soviet society. Measures have been taken to improve the working and living conditions of women, to promote mother and child care, and to give more aid to veterans of war and labour.

These and other measures will be financed by the social consumption funds, which will **nearly double** by the year 2000.

Housing construction (million square metres)

1981 ——— 550
1985 ——— over

1986 ——— 565-
1990 ——— 570
(PLAN)

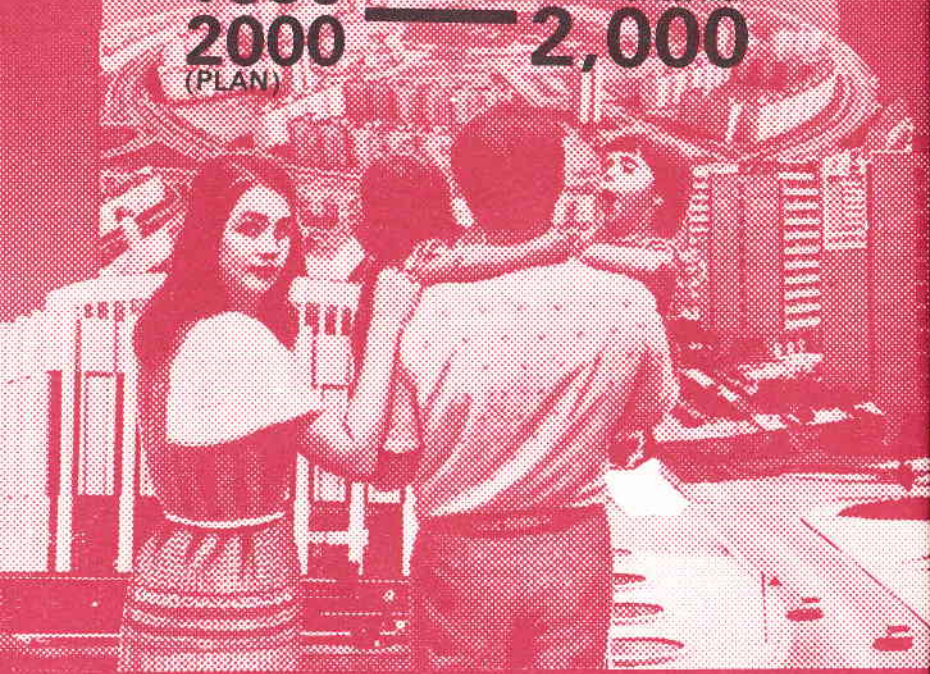
1986 ——— not less than
2000 ——— 2,000
(PLAN)

Growth of services to the population

1985 ——— 1

1990 ——— 1.3-
(PLAN) 1.4

2000 ——— 2.1-
(PLAN) 2.3



SOCIAL JUSTICE AND ECONOMIC EFFICIENCY

The growth of the economy and its higher efficiency, envisioned for the 12th five-year plan period, form a reliable basis for a substantial advance in carrying out the programme guidelines of the CPSU—to raise the standard of living of Soviet people to a qualitatively new level and to ensure a steady improvement of their working and living conditions. The Party organically links these objectives with the harmonious development of the individual and the promotion of working people's creative initiative. This is the essence of a vigorous social policy under the conditions of accelerated social progress in the USSR. The immutable demand is the fullest implementation of the principle of social justice, of the socialist distribution of goods and benefits.

The principle of socialism is: "From each according to his ability, to each according to his work."

Pay for work cannot be the same for people who work differently. Doesn't this contradict the objective, which has determined social policy in the USSR since the Great October Socialist Revolution, of ensuring actual equality for all members of society? It continues to determine it today. This can be seen from such customary features of our life as free medical service, compulsory secondary education, the low and stable prices of foodstuffs and housing rent.

Yes, there is a contradiction, but it is being rectified by the actual development of socialism. A certain levelling in payment for work was unavoidable during the first post-revolutionary years. This was not only due to the fact that salaries at that time were the barest minimum, which could not be lowered any further. It was also because common justice dictated that it was correct to pay differently for different work only if all people had equal opportunities to prove their worth. But no equal opportunities were possible, since some people had an education, profession, or skill while others, in fact, the overwhelming majority, had either no education at all or, at most, a couple of years at a primary school.

It was first necessary to give everyone at least minimal opportunities for proving his abilities. This task has been successfully accomplished.

Characteristic in this respect was the speech made at the

27th CPSU Congress by Vitaly Aleshnikov, a grinders' team leader from the *Kirovsky Zavod* production association in Leningrad. He said: "We know that wage-levelling is dangerous both economically and morally. It nullifies the general striving for highly productive, efficient work. Our Soviet rouble has a stable rate of exchange, which is backed by the entire wealth of our state. But the value of the rouble is not purely monetary. There is another rate of exchange, a moral one, which should be equally stable. An unearned rouble burns one's conscience."

The Congress fully supported delegates' proposals on strengthening the control over the standards of work and consumption. It was stressed once again that a just distribution of goods and benefits is an indispensable function of an active social policy in socialist society, where social justice is rated among the supreme values.

One new feature is that wages and salaries in the productive sectors of the economy will be increased, for the first time, on a mass scale out of the economies of the wage fund and through the release of workers who will be given an opportunity to work at other places.

The earnings of workers in non-productive spheres will be increased out of state funds. Rises in the earnings of teachers and other workers in public education are to be completed. **Five million** doctors, nurses, and other workers in public health will have their pay increased. A rise in salaries is planned for some categories of workers in institutions of higher education and in cultural institutions.

There has been a certain disparity in recent years between the pay of workers and that of engineers and technicians. An engineer often earns less than a skilled worker.

This abnormal situation should certainly be rectified. Otherwise the prestige of an engineer will fall and so will the attraction for young people of an engineer's work. This is quite inadmissible, particularly at a time when so much emphasis is placed on accelerating scientific and technological progress.

The question is how this disparity is to be eliminated. We do not intend to slow down the growth of workers' wages. They will continue to increase. But the increase in the pay of engineers and designers will be faster: by **30-35 per cent** during the 12th five-year plan period, as opposed to the average **25-30 per cent** for all the workers in the productive sphere.

It has already been pointed out that the size of earnings will be increasingly tied in with the results of work. This is

particularly true of engineers and designers who, unlike workers, up till now have been paid only their salaries. This results in the disparity that must be straightened out.

There are no simple remedies that would make it possible to establish, at once and in all cases, an exact correspondence between the measure of work and the measure of its remuneration. But increasingly intensive work is under way to link earnings as closely as possible to work efforts and real results. Many innovations in this direction have already been or soon will be put into practice. Accumulated experience has shown that **the strict observance of the principle of pay according to work inevitably results in higher labour productivity, in a sharp increase of work results at every work place.**

A fuller implementation of the norms of social justice, which flow from the essence of socialism, paves the way to solving the vital problem of the day, **the attainment of the world's highest level of labour productivity.**

In this way, Party's programme goal will be attained. The goal is to ensure a steady rise in the material and cultural standards of the people.

The next fifteen years will be a historic period for our country on the road towards perfecting socialism and building communism.

We must raise productive forces and production relations to a qualitatively new level, substantially accelerate scientific and technological progress, ensure speedy progress in all strategic sectors of economic development, and build up a production potential equal in scale to that which has been accumulated in all the preceding years.

From the Guidelines for the Economic and Social Development of the USSR for 1986-1990 and for the Period Ending in 2000

