JPRS-UEA-91-018
15 APRIL 1991

Foreign Broadcast Information Service
50 ANNIVERSARY
1941 - 1991

JPRS Report

DISTRIBUTION STATEMENT A
Approved for public release
Distribution Unlimited

Soviet Union

Economic Affairs

DTIC QUALITY INSPECTED 2

REPRODUCED BY
U.S. DEPARTMENT OF COMMERCE
NATIONAL TECHNICAL INFORMATION SERVICE
SPRINGFIELD, VA. 22161

19980120 135

Soviet Union
Economic Affairs

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ECONOMIC POLICY, ORGANIZATION, MANAGEMENT

Savings Revaluation Guidelines Stated

914A0572A Moscow PRAVDA in Russian 26 Mar 91 Second Edition p 2

[Unattributed article: "In the USSR State Bank, the USSR Ministry of Finance, and the USSR State Savings Bank"]

[Text] In accordance with the USSR president's ukase of 22 March 1991, "On Compensation to the Population of the Losses Resulting From Devaluation of Savings Stemming From Extraordinary Increase in Retail Prices," there is to be a simultaneous revaluation of the population's savings on deposit with the USSR Gosbank [State Bank] and the USSR Savings Bank, as well as of savings kept in USSR Savings Bank certificates, USSR state treasury notes and state internal premium bonds of 1982 issue. The revaluation will be done according to the following procedures.

I. For Deposits of the Populace in the USSR Savings Bank

Compensatory payments will be made for all types of existing deposits by adding 40 percent to the value of deposit as of 1 March 1991. There will be no compensation paid on individual accounts closed during the period between 1 March and 22 March or later.

Deposits transferred by the depositor from one account to another in his own name and deposits reinvested into time deposits under new terms on which the interest had been accumulating since 1 November 1990, are subject to revaluation regardless of the date of reinvestment.

Compensatory payments of 200 rubles [R] or less are added to the deposit total, with these funds available for use after 1 July 1991.

Compensatory payments of more than R200 are entered into special accounts, with these funds available for use after a period of three years. Deposits on these special accounts accumulate interest at a rate of seven percent a year starting 1 March 1991.

Revaluation amounts up to R200 will be entered into savings books whenever the depositor comes in person to a USSR Savings Bank branch after 1 July 1991. Starting the same time, depositors to whom revaluation amounts of over R200 are due will be issued new savings books for the amounts entered into these special accounts.

Owners of said special accounts will be permitted, under special circumstances, to use these funds before the expiration of a three-year period via noncash transfer for the purpose of buying expensive consumer goods or housing. The procedures for conducting such operations will be stipulated separately and the USSR Savings Bank branches will be notified of it.

The same procedures for revaluation of accounts are to be applied to the USSR Gosbank accounts of depositors in military service.

II. For State-Issued Securities and USSR Savings Bank Certificates

Starting 2 April 1991, the face value of the State Internal Premium Bonds of 1982 issue is increased by 40 percent and will be R140, R70, and R35 instead of R100, R50, and R25, correspondingly.

On the basis of this, USSR Savings Bank branches will sell State Internal Premium Bonds of 1982 issue at following prices:

Month	From 1 to 15 of each month			From 16 to 30/31 of each month		
	R100 bonds	R50 bonds	R25 bonds	R100 bonds	R50 bonds	R25 bonds
January, April, July October	141.20	70.60	35.30	142.00	71.00	35.50
February, May, August, November	142.80	71.40	35.70	141.20	70.60	35.30
March, June, September, December	142.00	71.00	35.50	142.80	71.40	35.70

In connection with the revaluation of the face value of the bonds and the scheduled 74th premium drawing for the 1982 issue that is taking place on 30 March, the sale of the bonds to the populace by the USSR State Savings Bank branches in accordance with existing procedures will resume after the bonds are verified against the drawing tables.

Repurchase of bonds from the populace by the USSR Savings Bank branches will be done at the bonds' face value until 2 April, and at their new value (R35, R70, and R140) starting 2 April.

Bonds currently in the hands of the populace and in the safekeeping of the USSR Savings bank branches will continue to participate in drawings in accordance with existing terms of the issue. The number and the value of winnings involved in the drawings will remain the same.

Compensatory payments to the populace for the USSR state treasury notes and the USSR Savings Bank certificates purchased before 1 March 1991, will be made upon expiration of their term or after 1 March 1994. The amount of compensatory payments will accumulate

interest on terms on which the principal papers were issued. Compensatory payments will not be made for USSR state treasury notes and the USSR Savings Bank certificates purchased on or after 1 March 1991.

Owners of state merchandise no-interest-bearing bonds of 1990 issue will receive compensatory payments equal to 40 percent of the bond's face value in 1993 only if they refuse to receive the goods and bring the bonds for buy-back to the USSR Savings Bank Branch.

USSR Savings Bank branches have been instructed to lift restrictions on cash withdrawals from savings accounts. Withdrawals are no longer limited to R500 a month; accordingly, the passports will no longer be stamped with a special stamp when a withdrawal is made.

INVESTMENT, PRICES, BUDGET, FINANCE

New Prices, Black Market Prices Listed

914A0578A Moscow KOMSOMOLSKAYA PRAVDA in Russian 23 Mar 91 p 1

[List compiled by Ye. Anisimov and S. Blagodarov: "Life Is the Dearest Thing a Person Has"]

[Text]

Merchandise	Old price	New price	"Black-market" price (based on old prices)
Childhood			
Baby diapers	R1	R2.50	R3 to R10
Baby carriage, closed	R70	R140	R75 to R250
Baby tricycle	R46	R80 to R85	R150 to R200
Yogurt	R0.34	R0.70	—
Footwear for children	R2 to R10	R10 to R50	R50 to R300
Baby food (per jar)	R0.5	R1.5	2 to 3 times the nominal price
Girl's dress	R5	R15 to R20	R30 to R150
Tights for children	R1.60	R4.50	R10 to R15
Plain pencil	R0.02	R0.12	—
Eraser	R0.10	R0.25	R2 (imported)
Dress—school uniform	R12	R62	R30 to R70
Young Pioneer's scarf	R0.75	R0.80	—
Adolescence			
Condoms	R0.06	no change	R1 to R1.5 (imported)
Cigarettes	R0.50	R1 to R3	R3 to R5 (domestic); R18 to R25 (imported)
Champagne	R6.5	?	R25 to R30
Vodka	price unchanged		R30 to R35
Matches	R0.01	R0.05	—
Slava watch	R50	R50 to R55	up to R400 to R600 (imported)
Youth			
Train ticket	R20	R30 to R35	high season, southbound—twice the nominal price
Air ticket	R30	R55	1.5 to 2 times the nominal price; R2,000 to the United States
Lotos detergent	R1	R1.60	R20 (imported)
Bathroom tissue	R0.32 to R0.40	R0.60 to R0.75	R2 to R3 per roll
Electric iron	R7 to R12	R15 to R20	R25 to R30
Tea kettle	R6	R12	R40 (with a whistle)
Semiautomatic washing machine	R230	about R400	1.5 to 2 times the nominal price
Elektrosila vacuum cleaner	R66	R120	R400 (imported)
Soft chair	R12	R32	R35 to R70
Frying pan	R1.60	R3 to R3.5	R25 to R30

Sofa bed	R188	R346	R500 to R1,000
Imported shoes for men	R70	R150	R400 to R700
Regular men's raincoat	R140	R300	R300 to R1,200
Beer	R1.50	R3	R30 (0.33-liter can)
Vegetable marrow spread	R0.47	R1.50	—
Men's suit	R200	R500 to R700	R300 to R800
Men's shirt	R20	R50	R30 to R150
Ladies' boots	R150	R300	R300 to R1,200
Men's boots	R90	R150	R150 to R700
Socks	no change in price		R15 to R25 (imported)
Lunch at a cafeteria	R1.5 to R2	R4 to R6	—
Maturity, etc.			
Salmon caviar (a jar)	R4.20	R40 to R50	R100 to R200
Ratine coat	R200	R300 to R350	not in demand
Sausage (good) per kilogram	R10	R30	R30 to R35 (one link at the Riga Market)
Radio set with three settings	R26	R45 to R60	
Saratov KM-120 refrigerator	R250	R430	R400 to R4,500 (depending on make)
Rubin color TV set	R755	R1,218	2 to 3 times the nominal price
Okean radio	R135	R207	not in demand
Long-distance telephone call	R5	R6	—
"Family-man" boxer shorts	R2	R3.5	not in demand
Light bulb	R0.50	?	R1.5 to R3
Electricity and gas rates remain unchanged			—
Zhiguli [compact]	about R8,500	about R16,000	R30,000 to R50,000
Volga [mid-size]	about R17,000	about R35,000	R70,000 to R100,000
Bricks (per 1,000)	R68	R200	2 to 3 times the nominal price
Gasoline	no change in price		—
Model 2630 VCR	R5,000	?	R10,000 to R15,000
Video cassette	R60 to R70	?	R70 to R80
Yeast	no change in price		—
Granulated sugar	R0.85	R2	3 to 5 times the nominal price (in rural areas)
Cologne	R1.4 to R1.8	R5 to R6	up to R300 (imported)
Shag	R0.06	R0.12 to R0.15	
Medical preparations	no change in price		20 times the nominal rate
Empty bottle	R0.20	R0.50	R1 to R1.5 (next to beer stands)

Lumber for rendering the last services to those departing this insanely expensive world will become approximately twice as expensive.

Another life...

Merchandise	Old price	New price	"Black-market" price (based on old prices)
Passport for foreign travel	R50	no change	?

P.S. Prices have been calculated on the basis of data available to the editorial office.

Uncoordinated Wholesale Pricing May Lead to Inflation

914A0586A Moscow TRUD in Russian 28 Mar 91 p 2

[Article by L. Rozenova, deputy chairman of the USSR State Committee on Prices: "A Trap Has Been Sprung: Erroneous Decisions in the Sphere of Wholesale Prices May Necessitate a New Reform of Retail Prices"]

[Text] **The forthcoming price reform concerns all of us. Understandably, hardly anyone is happy about the forthcoming price increase. However, to what degree can we believe those who assure us that new prices will make our life better, and our economy more stable? Could they make it even worse? A specialist on price setting reflects on this topic.**

I would like to discuss wholesale prices for industrial products which are tied to retail prices in the most direct manner. If the former are going to grow rapidly no resolutions will **succeed in containing the latter.** As a result, the flywheel of **hyperinflation** will be set in motion, the economy will get out of control, and an increase in social tension may entail unpredictable consequences...

Such is the force of wholesale prices which are a powerful spring in the economy. We must say that at present there are essentially no effective stoppers for this taut spring; it is ready to be released (and is already being released) very rapidly. The government has made a decision **to expand the sphere of application of contract prices** in the national economy (largely under direct pressure from ministries and departments), with the noble goal of speeding up our transition to a market economy in mind, but without taking current realities into account. The share of these prices in the market output of products for production and technical uses currently stands at 40 percent (50 percent in machine building).

It would appear that there is nothing bad about it. After all, we are in favor of switching to a market economy, and in this case prices cannot be dictated administratively, from the top. The market will regulate everything itself. It appears to be correct; however, there is a substantial "but." At present, we are nowhere close to having a market. Given overgrown monopolies in production, releasing prices at present, in the absence of competition, will necessarily bring to soar in an unprecedented manner. This is why regulators of not only an economic nature are required during a period of transition.

Is this to say that only state prices should be used for now? Of course, it is not. The situation is paradoxical because the market cannot fully develop in the absence of free prices whereas free prices, in turn, should be based on market structures and regulators. Is there a way out? As we see it, initially a quite substantiated decision was made **to introduce** freely set prices **in stages.**

The number of prices set by state organs should be reduced, and the percentage of contract prices should be increased accordingly, as the market is saturated and market structures are set up. In the opinion of specialists, at present it would be feasible to restrict the share of contract prices in the overall market output of products for production and technical uses to **between 15 and 20 percent.**

However, the leaders of the former USSR Council of Ministers did not agree to this. They increased the share of freely set prices, which took effect on 1 January 1991, to 40 percent. With a view to avoiding unfavorable consequences, they imposed a limit on jacking up prices unjustifiably—the upper profit margin (between 25 and 40 percent in individual industries). Everything above this level is withheld from the profits for the budget. Alas, as many specialists have cautioned, this restriction does not play an essential role.

Practice indicates that the use of contract prices encourages the enterprises to **increase outlays and prices without restraint.** In the process, republic and local organs drawing additional revenues for their budgets are directly interested in increasing prices. The confiscation of profits generated above the standard upper profit margin does not at all "penalize" the manufacturer, allowing him to keep the amounts he is entitled to under the norm in all cases. This was confirmed graphically by a review carried out by USSR Goskomtsen [State Committee on Prices] employees who visited many enterprises.

Specifically, what is really happening? Two months of using contract prices extensively are behind us. Of course, final conclusions would be premature. However, even preliminary conclusions give us cause for serious concern. Wholesale prices for products for production and technical uses soared abruptly. In two months, an increase compared to the same period of last year amounted to 79 percent. In particular, this affected ferrous and nonferrous metals, products of the chemical and wood complex, and machine building. Annualized cost increments will amount to between 70 and 80 billion rubles [R].

Examples are easy to come by. Let us look at, say, newsprint. According to preliminary calculations, a new wholesale price for it should amount to R500 per ton on the average effective 1 January. This already provided for an increment, because a ton cost R300 last year. However, at this point a decision was made to set newsprint prices on a contractual basis, and supplier enterprises immediately resorted to all kinds of tricks. They asked to be paid R1,250 to R1,800 per ton! This was a vivid image of the wild and fantastic appetites of monopolists. This meant that newspapers should have been closed down, or new subscriptions should have been offered at prices which were six times higher.

In conjunction with numerous complaints by publishing houses, the USSR Goskomtsen, on instructions from the government, **set the upper limit of contract prices for newsprint at R880 per ton.**

In machine building, prices for castings, forged pieces, stamped pieces, assemblies, parts, and subcontracted products increased. At the same time, plants must sell machines and equipment at fixed prices. As a result, many enterprises began to operate at a loss or with slim profit margins. Major associations such as Rostselmash, Azovmash, Gomselmash, the Kirov Plant, the Kremenchug Motor Vehicle Plant, the Pavlodar Tractor Plant, and the Kaliningrad Railway Car Plant face a difficult financial situation.

Expanding such practices in the future will undermine the economy still further. The issue of either increasing the level of fixed wholesale prices or transferring them to the class of contract prices will unavoidably emerge. Naturally, this will bring about a new inflationary cycle in the national economy. In view of this, it will be necessary to either increase retail prices or increase subsidies to the light industry, processing industries of the agro-industrial complex, transportation, and so on.

The fact that contract prices are hampering technical progress is also alarming. Enterprises are giving up the production of many types of advanced equipment because customers cannot afford them. They have already begun to curtail the production of machine tools with numerical program control (ChPU), flexible production modules, and robots. The plants have returned to manufacturing universal equipment, the production of which was discontinued long ago.

About 10 years ago, the Moscow Machine Tool Plant Red Proletarian stopped producing universal lathes and switched to manufacturing machine tools with numerical program control. Requests for them have now declined precipitously (by 74 percent). Under the circumstances, they have resolved to resume the production of obsolete equipment.

However, I believe that I have given enough examples. The performance of the national economy in January and February indicated that the condition of the economy and the financial situation of our country did not improve. The situation deteriorated not only in the consumer market but also in the market of the means of production. Of course, prices are not the only tool for regulating production, but they play a very important role in stabilizing the economy. **State regulation and monitoring of the level of prices** are necessary and should be used as levers to be applied to production and the market. The experience of the world also testifies to this.

In our opinion, it is necessary to draw honest conclusions from miscalculations which were allowed to occur, and take measures to increase **economic penalties imposed on enterprises for overstating contract prices.** These measures should definitely include the use of punitive sanctions. It should be resolved that, simultaneously with transferring to the budget profits generated above-the-norm, an enterprise should reduce the contract price by the amount of an increase which was allowed to occur. It is also expedient to give price-setting organs the right **to revoke overstated contract prices for the products of monopolistic enterprises.** Moreover, in the event of consistently overstating prices, the enterprises should be deprived of the right to set contract prices altogether.

In summation, I would like to address some unfavorable tendencies which have resulted from the dominance of monopolistic enterprises in the economy. Taking advantage of their position, they frequently resort to extortion, force consumers to transfer additional funds and render services which are not directly associated with the manufacturing of products, demand to be paid in freely convertible currency, and so on. This issue needs to be considered separately, incidentally, along with the instances of overstating prices based on the decisions of the organs of power of some republics and various organs of government (ministries and departments).

The experience of the world indicates that legal foundations for the setting of prices (laws, decrees, and resolutions), which delineate the functions of confirming, regulating, and monitoring prices, should be in effect in a market economy. The development of general legislation on these issues is the most important task; accomplishing this task will facilitate economic stabilization.

POLICY, ORGANIZATION

RSFSR New Economic Plan Criticized

914A0585A Moscow SOVETSKAYA ROSSIYA in Russian 28 Mar 91 First Edition p 3

[Article by Doctor of Economic Sciences S. Rodin: "The Market Breakthrough: What Does 'Reanimation' of the 500 Days Program Promise For Russia"]

[Text] *Moscow—As is known, the RSFSR [Russian Soviet Federated Socialist Republic] government will present its new economic program of accelerated transition to a market at the republic's extraordinary Congress of People's Deputies that opens today. It is based on the drafts of reforms prepared by several groups of specialists. I.S. Silayev said at a recent news conference that the best features from these projects have been included in the new program, which essentially represents an "improved" 500 days program for Russia.*

Today we are publishing comments on two documents that have become a basis for the government program.

In the beginning there was the failure of the 500 days program, of which some wits said that, had it been implemented, all that people would have left would be nine days and 40... The program was loudly promoted and supported by Western economists and financiers. However, even T. Koryagina, Yeltsin's loyal comrade-in-arms, warned against implementing this program. Let us give her credit where credit is due. She saw in this program something that even its authors had overlooked—that this would mean a crash not only of the national economy but of the political career of the leader of the "democrats."

However, the evil was put to use: the program was good, they said, but the center prevented it from being implemented. Therefore we should develop our own program—for Russia.

Yes, it is about time to do that. For earning points on destructive actions alone does not hold much of a prospect. Sooner or later people will understand that the betrayal of the Russian-speaking population in the Baltics, or the call for the creation of a Russian Army, or the declaration that differently minded people are enemies and declaring war on them—as well as on the center—and many other actions of the same kind are the way toward the final disintegration of everything that is still left of the great power.

That is why it was so necessary to come up with something attractive! Something that not only would attract members of cooperative businesses and private entrepreneurs but would also not scare off those who are unhappy with the zeal of all-out restructuring. And, most importantly, something that would allow control of the working class mind and make it an obedient weapon in a political struggle.

Thus, several groups of specialists constructed on a rush basis the blueprints for turning socialism into capitalism within the framework of Russia, while carefully masking (so far!) their goal by enveloping them in a dense fog of social demagoguery.

For instance, Mikhail Maley, deputy head of the Russian government, presented a draft entitled "A Special Road for Russia." What can one say? The "democrats" just love catchy names over empty contents. But the most solid document was born of the efforts of yesterday's "market" advisers to the president who have now moved over to Yeltsin's side.

Some of them are now members of an official, specially created group of experts attached to the RSFSR Supreme Soviet chairman himself. The result of their vigil—"Theses of the Economic Reform Program in the RSFSR"—is a document of earth-shattering power. Earth-shattering in a sense of frank and open declaration of its goals. "The strategic political goal," it says, "is to replace the confrontation 'Center vs. Government of Russia' with the confrontation 'Center vs. Workers Collectives of Russia and Its Government.'"

There it is. What they want is to pit the working class and other working peoples' collectives against the president and the Union government, while they themselves hide behind the workers' wide back and furtively "pull the strings," cleverly fanning up this opposition. If they succeed, the way to the supreme power will, of course, be cleared for them.

The tactics are being changed accordingly. Since, as M. Maley declared, for all practical purposes they have already won the battle for the "labor army of the republic," the government of Russia charitably offers "the great truce" to the Union Cabinet of Ministers. Let the center and the working class fight it out. We, the "democrats," are peaceful people. So how can these tactics help but win extra points both at the Congress and among the voters?!

Who will come to power, though—that is the question. Well, the reader will say, probably Yeltsin. But any personality at the pinnacle of power should have a sufficient power base; otherwise, it will not last long. Well, the reader will say again, such a base exists among the emerging bourgeoisie, cooperative businesses, shadow economy dealers, and so on. But there are not enough of them yet. Therefore, while the workers battle the center, the new class—petty, mid-level, and upper-level bourgeoisie—will fast mushroom and grow.

The time will come, and the striking workers' services will no longer be needed. Then they will be sent to a place set aside for them long ago—the labor market. One would assume that at that time a different kind of political figure will be needed at the top, too.

We should acknowledge: the populists do learn from their own mistakes. For instance, today their programs are no longer measured in days but are stretched out

until the end of the century. The above-mentioned "Theses" outline three stages: stabilization (1991 through the first quarter of 1992); liberalization (three to five years); and integration into the world economy (until the end of the century).

But this is not the only thing the populists had to rethink. They have understood that they would not be able to direct people's wrath at the center if they continue their diehard insistence on closing unprofitable enterprises. Therefore, the "Theses" authors propose to spend 50 billion rubles on supporting financially weak enterprises and preserving jobs and the standard of living. Additionally, they propose to spend about the same amount on preferential treatment of priority industrial branches and the private sector.

The main task of the stabilization, however, is to gain stable political support. "To succeed, it is absolutely necessary to ensure the support of the majority of citizens of Russia and their associations," they declare.

They will have, however, to take one more important factor into account. The point is, our people are used to their sociopolitical system. Although the socialism was not exactly that which was scientifically formulated by the founders of its theory. Nevertheless. Despite empty store shelves—a state into which perestroyka-bent reformers pushed us with the "help" of criminal capital—and despite the unbridled propaganda of Western delights, the popular masses just do not want capitalism. Thus, a conclusion: it is too early to reject socialist phraseology at this stage of disintegration of the state and social system. Therefore, M. Maley, for instance, uses the word "socialism" two or three times in his program "A Special Road for Russia." See, we are all right!

The catch is that in his interpretation the real socialism is actually common variety capitalism of the countries of Southeast Asia—Japan, Taiwan, etc. This privatizer calls for "giving up fruitless attempts to stave off the natural course of economic crises." There you are. If we want to follow Maley, our future is the crises that hurt the working people most.

So, the populists' task is to at any cost "stop the decline of the living standards of the entire population" and to possibly improve in real terms the living for those who have started to work under the new economic conditions. Well, why not? Even if they stop the decline in the living standards of the people in one year—that is not too bad in itself. But how are they to do it?

To stop the disintegration of the national economy by market methods one, of course, needs money. A lot of money—hundreds of billions of rubles. The populists say that it is a simple task to find this money—all that is needed is to "tie up" the money supply by selling state property.

First, there is the same notorious privatization. But instead of the Polish type of "shock therapy" which centered on letting prices rise so much that they skyrocketed, here in Russia they are proposing to accomplish this breakthrough to the market announced by I. Silayev by the method of shock privatization—to sell, in one year, up to 200 billion rubles' worth of state property to our citizens and foreigners.

Second, they propose to introduce ruble-based commercial trade in Russia. This invention deserves readers' special attention. Of course, the main task of the Russian perestroyka characters is to drag the working class into a permanent confrontation with the center. And the "great truce" being offered by them is no more than another trick. They have no intention of offering any kind of truce. This is just another populist act. In reality they are concentrating their war against the center in the financial-economic sphere.

The shape this war is to take is indicated, too—a peculiar kind of ideological diversion; to achieve this, it is "enough to offer better terms than the center offers now, and to take transactional activities upon ourselves." For instance, if the state now offers enterprises 1.80 rubles for a dollar, the government of Russia will offer more (at currency exchanges). Thus, they simultaneously accomplish two tasks: Russia acquires hard currency, and the center goes bankrupt.

Third, to carry out the so-called commodity intervention long preached by some economist-privatizers, on which they can "earn" up to 150 billion rubles.

This is what it is about. It is known that there is great variation and multiplicity of prices on both domestic and foreign markets. The spectrum of prices is so wide that one dollar, depending on type of goods, costs anywhere between 5 and 500 rubles here! Under such conditions, commodity intervention—buy here, sell there, buy there, sell here—is the most effective way of accumulating the initial capital. Multimillion fortunes will be emerging and multiplying with the speed of cancer cells.

That is, on one hand. On the other, the Russian reformers also hope to profit from it, to make close to 150 billion rubles. This is generally utopian, but they will indeed make something. It is true, they are concerned that in case of massive imports of consumer goods their own enterprises will be put into a hopeless situation, as happened in Eastern Europe. But they can promise any preferences and benefits. The important thing is that once the feat is accomplished, capitalization will become irreversible.

Such are the fruits of the privatizers' feverish efforts. Of course, by selling out a considerable part of the national wealth, one can accomplish at least one task: the goods will finally appear in the stores. But at prices out of reach for the mass buyer. Attempts to stave off the decline in living standards in the subsequent period will require the next step—to sell the rest: housing, land, forests, natural resources, and so on.

Yes, the academics' market shamanism has gone far. By refashioning the market hat, some of our academics and politicians think that by the same feat they will turn the USSR national economy into a market-type economy. But the point is that our people, through their labor, have already created a material and technical production base of a certain type, with branch, interbranch, and regional structures of a certain type, and with such specialization and cooperation, as well as such differentials in individual expenditures, that characterize it as a nonmarket system in its very essence. Therefore all attempts to put this market hat on the national economy lead to destruction of the material base of production, reduction of its volume, and empty shelves in the stores.

"Transition to a market economy"—this postulate, although born in the circle of academics-economists, can only be termed illiterate from the point of view of theory and destructive from the point of view of practice. It is not possible to transit into a market economy—it must be created over the course of decades, liquidating a mass of certain enterprises the market does not need, and, vice versa, creating a no lesser number of enterprises without which the market cannot function. One cannot help but remember Margaret Thatcher's words that in England the market economy took 100 years to develop.

To create a purely market economy in Russia, it will take hundreds of billions of rubles in capital investment, a permanent army of tens of millions unemployed, and total impoverishment of the people. Impoverishment to such degree that the 1991 standard of living will look like paradise in comparison...

The people should know what is awaiting them, and where the Union and Russian privatizers are leading them. Once they know that (although the current results of the market-based perestroyka already speak for themselves), it is unlikely that they will have a desire to support adventuristic projects.

All of this does not necessarily mean that a market is not needed within the framework of the unitary national economic complex that exists in the USSR.

First, we have always had it—the same consumer market, for example. The task is to develop it to the level of meeting current demands. Second, we should very carefully and scientifically divide state sector production into market and nonmarket parts. For that we need to subjectively "divide" each enterprise's property into the government share (51 to 90 percent) and that of the workers' collective, divided among its members through shares with dividend rights. Third, we need to truly create a cooperative-kolkhoz [collective farm] market production, instead of destroying large-scale production in agriculture, as some hare-brained schemers who surround B. Yeltsin dream of doing. Individual farm-based production will only be useful on virgin lands. Fourth, it is necessary to develop market production in the form of small business, not through the privatization of property created by generations of Soviet people and belonging to all people but through its self-generation, with the help of a legal framework and even financial help on the part of the state. Fifth, we should create a serious state program of entering the world market with our machinery and tools, as well as consumer goods. Finally, the market line should go through all structures of the economic mechanism and its instruments: prices, pay, distribution of resources and income, and so on.

All of these market spheres—necessary, and therefore requiring appropriate attention—will not destroy the existing production-economic system in the country; on the contrary, they will give it a true wholeness and therefore will increase the efficacy of its functioning.

The schemes for market perestroyka analyzed here are a completely different matter; they make the market a prevalent economic form that completely rejects national-economic planning. The "market breakthrough" that is being offered in these schemes is the thousand-year-old Russia breaking through into an economic, political, and social abyss.

RSFSR Government, Programs Blamed for Republic's Economic Crisis

914A0566A Moscow SOVETSKAYA ROSSIYA in Russian 26 Mar 91 First Edition p 2

[Article prepared by a large group of economic experts; place and date not given: "The Logic of Destruction: What Populism in the Economic Policy of the Russian Leadership Will Bring"]

[Text] The second extraordinary RSFSR Congress of People's Deputies, held late last year, marked the continuing decline of the republic's socioeconomic situation. Since the congress, the crisis has grown even deeper. The production of national income is declining quickly, and in most branches of the economy production output is falling.

In the last year, the situation in the Russian Federation's consumer market has become more acute. The republic leadership's purely populist policy of raising the population's monetary income regardless of growth in national income, goods resources, and the development of the service sector has led to a new round of inflation and increased monetary pressure on the market and has brought about its virtually total disintegration and collapse. Last year the population's monetary income grew by 16.5 percent, whereas labor productivity declined by five percent. Over the last year, the population's unsatisfied solvent demand grew from 95 billion to 128 billion rubles (R), to nearly half the annual volume of retail goods circulation.

At the same time, in the ever accelerating anticonstructive bacchanalia that the leaders of the Russian parliament are trying to pass off as their utmost concern for the people, the popular masses are undergoing absolute impoverishment.

Let us analyze a few tendencies that have manifested themselves clearly in the Russian economy over the last year.

The republic's industry has produced consumer goods totaling R15 billion less than envisaged by estimates for the year. Of the 84 types of goods included in the periodic report, the level of production declined for 40 designations.

In 1990 the agro-industrial complex's gross production declined for the first time. Production of various types of agricultural products, other than grain and milk, was curtailed. And this despite a fantastic crop! Deliveries of food for the market fund from state resources declined over the 1989 level goods by two percent. In the first two months of the current year the production of food shrank by six percent, and on the whole for the first quarter a decline is expected in food output of 18-20 percent. Per capita consumption of such foods as eggs, sugar, potatoes, vegetables, and fruits has declined.

Last year, the absolute output of light industrial goods per capita of population declined in the RSFSR by nearly one percent, whereas in the Ukraine and Belorussia 2-5 percent growth was achieved in the output of clothing, shoes, and other branch products.

The situation with these goods is not shaping up satisfactorily this year either.

The republic's construction program for housing and sociocultural sites has failed. Housing construction rates have fallen sharply. Compare: for all sources of financing, housing has been introduced as follows (in millions of cubic meters):

- 72.8 in 1987
- 72.3 in 1988
- 70.4 in 1989
- 60.5 in 1990

As we see, last year 14 percent less housing was made available than in the preceding year. Last year's acute drop alone managed to wreck the "Housing 2000" program.

Construction for social-sector sites has been even worse. The opening of general education schools and preschool institutions at the expense of state capital investments fell off by 22 percent, of hospitals by 36 percent, of clinics by 12 percent, and of professional-technical schools by a factor of two. Housing construction for the elderly, invalids, and juvenile invalids was also unsatisfactory, two times fewer having been made available than was planned. Never before has there been such a failure.

The frivolous policy of universal denationalization, the seizure of state property, the forced institution of private property for land, and other analogous processes being extended by the RSFSR leadership are even astounding our obvious ill-wishers abroad.

No new basic productive funds are being introduced. The 1990 program for introducing productive capacities has been wrecked on a scale incomparable with previous years, and the consequences could be catastrophic.

The entire sphere of investment activity has been distorted, and the structure of investment demand seriously violated. In 1990, the number of newly started productive sites exceeded the number of those preserved by a factor of nearly three.

Capital investments are getting scattered, incomplete construction, the total volume of which had reached R125 billion by the end of 1990, or 105 percent of the total volume of capital investments, as against 91 percent in 1989, is growing, the above-average volume totaling, according to estimates, R37 billion, having swallowed up enormous material and financial resources without yielding anything whatsoever. This kind of overall increase in incomplete construction in the republic's economy is the first in the last 20 years.

The conscious liquidation of base branches in the guise of fighting monopolism, liquidating unprofitable production, and breaking up economic ties of many years' standing will not lead to balance in the economy even given a market, as is naively assumed in the RSFSR government. Attempts by populists to transfer base branches to consumer complexes with the distorted demands they have today is simply to deceive the people, and utterly to ruin the branches that determine scientific-technical progress, giving birth to an enormous army of unemployed.

The economy's 1990 state of crisis was largely predetermined by the highly unsatisfactory results of economic activity in the second half of the year, when the new government came to the leadership of the economy.

Thus, if in the first half of 1990 there was essentially no decline in the rate of growth of industrial production, then in the second half of the year there was. If in the first half of the year the activization of basic funds declined by one percent, then in the second half it declined by seven percent, and the introduction of housing space declined correspondingly by 9-15 percent.

This same type of situation has taken shape in agriculture as well. If in the first half of the year purchases of milk for the republic grew by three percent, then in the second half of the year they were dropped by five percent. The decline in livestock and poultry purchases accelerated.

At the same time, such republics as Belorussia and Kazakhstan realized an increase in basic funds last year. In these same republics there was a smaller decline than for the RSFSR in housing construction rates.

The main cause of the economic crisis in the republic is the total breakdown of the system of state administration of the economy and the destruction of links between republic and union structures of administration.

A resolution of the Second RSFSR Congress of People's Deputies noted that the situation requires decisive and logical measures to stabilize the economy and hasten the republic's transition to market relations. The leadership of the RSFSR's highest governmental authority, however, has grasped only the part of this demand that concerns an accelerated transition to the market and has done virtually nothing to stabilize the critical economic situation. Having rejected old forms of administration and destroyed all links with the union system of state regulation, the RSFSR Supreme Soviet and Council of Ministers have assiduously set about to form a new government and a new market structure to administer the economy. The guiding principle behind this has become their focus on a course of economic life "determined not by the government itself but by entrepreneurs."

The inability and the consequent lack of desire of the new organs of power to carry out concrete economic activity have led to a sharp fall in public production.

The RSFSR government has made its desire for independence from the central state organs in deciding all the most important socioeconomic issues a goal in itself, proceeding not from economic logic but from political ambitions. This also affects foreign economic ties, as well as currency operations, attracting foreign capital, forming the budget and organizing the banking system, and transferring union-subordinated enterprises to RSFSR jurisdiction.

As a rule, the government's actions in these areas are not having a positive effect on the RSFSR economy, and many of them have been rocked by scandal, like the R140-billion transaction that has become so sadly famous. The cause lies in the fact that all of them are based on an illegal absolutization of the concept of republic sovereignty that does not take into account any economic expediency and on a conception of its superiority over the sovereignty of the USSR. They are working to undermine the federative structure of the Soviet socialist state and, consequently, the economy of the RSFSR.

The republic's system for planning socioeconomic development and devising budgets for the republic and the regions within it has been destroyed. Forecasts for the most important indicators of economic development for the current year have been made on the basis of proposals from enterprises and economic organizations that are not backed up by economic justifications or the presence of material or technical resources. Social programs will be funded not by raising the efficiency of public production but by redistributing the shrinking "pie."

The government has let slide the issues of territorial administration of local economies, the complex socioeconomic development of the republic's territories, and the formation of their budgets, giving rise to general chaos, regionalism, group egosim, and nonimplementation of resolutions.

The law: "On Securing the Economic Bases of RSFSR Sovereignty," passed by the Supreme Soviet in October of last year, is essentially directed at destroying the integral economic organism, all-union property, and unified transport, energy, and other crucial social and economic structures of essential services to the population.

The attempt to swaddle the economy in republican or regional frameworks has already led to several instances of total economic paralysis, a decline in production, an exacerbation of shortages, and a growth in the practice of barter. Thus, the Chelyabinskiy Tractor Plant may put out nearly 17 percent fewer industrial tractors in 1991 than it did last year.

Without serious study of the foundations, agreement is being reached to create free enterprise zones on the republic's territory, although the proposed plans for economic zones lack appraisals of the potential political, economic, and social consequences. All this has served as reason for the public's refusal to create the Novgorod and Leningrad zones.

The process of forming free zones frequently proceeds in spurts, incompetently, with dependent attitudes towards the economy of the USSR and the union republics and foreign capital and with intentions that contradict general state goals and interests.

Unsatisfactory socioeconomic results, however, are merely the result of deeper causes, especially the overall concept, which comes from the well-known "500 Days" program that the Russian leadership has been trying to implement.

The truth must be faced honestly at least once: the "500 Days" program was doomed to failure from the very beginning due to its anti-state and anti-popular tendency and its isolation from our reality and, in the end, to the artificial, ambitious political confrontation between the leadership of Russia and the president, Supreme Soviet, and government of the USSR.

Behind the people's back a group of theoreticians and politicans has worked out a document that envisages replacing the USSR all at once with some kind of "economic space" or "economic union of sovereign republics."

Realization of the ideas contained in the program has led and will continue to lead to two chief results: the expropriation of property from the people; and the transition to a society that has the owners of the people's former denationalized legacy at one pole and the hired working class at the other. Despite declarations about the equality of all citizens, the Russian program will quickly form a class society with the inevitable intensification of

class struggle in the initial process of privatizing property. However, the program's authors and the politicians who have foisted it on Russia are little concerned with the consequences of this struggle for the people and the state. For them the chief thing, evidently, is to make the process irrevocable and to create in the shortest possible time a social base for solidifying their seizure of political power in Russia and the implementation on this basis of their intention to dismember the USSR.

The authors have not shied from self-priase. But why did they so amiably reject the program as soon as it reached the point of carrying it out in practice?

How solid could the program have been if it only took two months for it to become, in the opinion of its own authors, inoperable? What changed? Did the administrative-command system, monopolism, the dominance of state property, and the shortage of goods and budget all vanish? Did the imbalance in links and prices disappear? All this is just as it has been. Is the center that passed the "Fundamental Directions" to blame? But the very conception and program for the transition to the market worked out by the Shatalin-Yavlinskiy group stated quite specifically: "Each sovereign republic shall work out independently, on the basis of the basic conception, a set of undertakings for the transition to market relations."

But a few months go the same S. Shatalin viewed our life quite sensibly. In those three months before the "500 Days" program, Shatalin responded to an IZVESTIYA correspondent's question as to whether he agreed with the proposal for the immediate introduction of true market relations, as follows:

"Not unambiguously, since that would be more dreadful than the great crisis of the late 1920s and early 1930s. Above all, we need preparation, a well-thought out market infrastructure, new financial-credit, monetary, currency, price, and fiscal policy, a banking system (including a reserve system), a social safety net, and much more. Without all this only suicides intent on destroying the country at one blow could introduce the market today."

The "500 Days" program failed not due to any opposition from the "center" but because life itself repudiated it. In the first place, at the moment the program was to be implemented the USSR was by no means disintegrating, as the authors had expected. Secondly, society, many strata of the population, proved unready for the "shock" scenario, for the prospect of mass unemployment, for selling all state property into private hands, for the threat of bankruptcy, for unregulated price formation. Thirdly, there turned out not to be the necessary capital, both native and foreign, to bring about the quick privatization of enterprises. Fourthly, the actual legislative and executive authority was not prepared to carry out market reform according to schedule; the necessary legislative, normative, and procedural legal base for bringing about the envisaged undertakings had not been created by 1 October, nor has it yet. Fifthly, measures to finance the recovery and stabilization of the ruble and economic ties proved unrealistic. Sixthly, the other sovereign republics advanced their own programs and approach, their own deadlines for implementing market undertakings, and they had no desire to shoulder the yoke of the Shatalin-Yavlinskiy program and pursue the standard "package" of legislation proposed from the "Russian center."

B. N. Yeltsin came out with the popular but extremely unrealistic slogan of shifting to the market without raising retail prices. The prescription for this solution is still being carefully hidden, although the calculation evidently had been to extract monetary resources from the population through the sale of state property.

The failure of the concept of financial recovery through the use of income from the sale of property also demonstrated the bankruptcy of the "democrats'" proposed solution for retail price reform. Their main idea consisted and consists in rejecting central state increases in prices, "letting go," "liberalizing" retail prices, that is, leaving them to the will of the market and then to declare that "as of 1 January 1991, the payment of all grants and subsidies to enterprises beyond a specific limited sphere shall cease." The ensuing bankruptcy of thousands of enterprises, kolkhozes, and sovkhozes and the establishment of market balance at the expense of escalating retail prices would have been passed off as the success of the "500 Days" program.

Right now we can say with complete assurance that if the plan for price reform proposed in May 1990 by the government of N. I. Ryzhkov had been accepted and not blocked, then the reform in price formation would not have stretched out for nearly a year, we would have succeeded in avoiding the essential natural doubling in wholesale prices, and we would not have experienced the devastating "scissors" between wholesale and retail prices that appeared at the beginning of this year. The population would already have had a balanced market, the growth in retail prices would have been less significant than we will have now, and compensatory payments would have been less burdensome for each republic and the country as a whole. This is the price of the political populism of the Russian market program.

However, despite all this, Russia's rulers are trying to implement the same line: a frankly brutal course to bring down the union's finances and banking system. They are using the war of budgets and banks and resistance to the center as an instrument for satisfying their own political ambitions, as a means of fighting for power.

At the peak of union legislation, the law: "On the Formation of Budgets in the RSFSR in 1991" established that all enterprises, associations, and organization situated on the territory of the RSFSR, regardless of the department they belonged to, shall make their taxes contributions and other payments wholly to the budget of the republic. It attempted to limit the funds transferred to the union budget to R23.4 billion, and this was

in the absence of a new union treaty, when it was still undetermined what authorities for administering the economy of the Russian Federation would be delegated to the union.

A number of union-subordinated enterprises situated on the territory of the RSFSR report that their bank accounts for making tax and other payments to the union budget have been closed.

Denying the union government its right to its own sources of income for financing state programs and redistributing financial resources among regions and branches of the economy means in practice rejecting the fundamental principle that the economic potential of the USSR is the common legacy of the Soviet people, created through the labor and means of all the republics.

It is utterly obvious that confrontation over the formation of the union budget is in pursuit of political as well as economic goals:

- to curtail income to the USSR budget to the maximum and thereby undermine the basis of its economic sovereignty as a state;
- to weaken the real economic levers of economic administration, including regulation of the activities of union-subordinated enterprises;
- to deprive the USSR of opportunities to carry out its own national domestic and foreign economic policy;
- to strike a blow to all economic, defense, and political functions of the USSR before concluding the new union treaty;
- to wreck the process of transferring to market relations, forming a unified all-union market, and stabilizing the socioeconomic situation in the country; to bring the country to the brink of chaos and, having provoked an explosion of discontent among the population, to seize power.

Voters hoped that once they disposed of increasing financial potential, the republic and local organs of power would start worrying about the effective utilization of budgetary means and fulfill campaign promises to curtail expenditures on maintaining the administrative apparatus and other governmental institutions.

The promises have been forgotten, however. Expenditures for maintainng the organs of state power and administration of the RSFSR in 1991 will grow by R1.3 billion, or 70 percent. Maintaining republic organs of power will cost three times more—up from R0.6 billion to R1.8 billion.

The increase in expenditures for maintainng the apparatus of the Presidium of the RSFSR Supreme Soviet in 1991 is given in the budget as R15 million, for the RSFSR Council of Ministers R10.4 million, and for the ministries and departments R189.2 million.

At the same time the local soviets, are still waiting to get something from the top.

Thus we can sum up. The practical policy of the leadership of the RSFSR is aimed at realizing all the negative and destructive goals contained in apparent or unapparent form in the "500 Days" program.

The time has come to defend Russia, the people, and the Soviet Union from this destructive bacchanalia.

RSFSR Property Law Attacked

914A0598A Moscow EKONOMIKA I ZHIZN in Russian No 7, Feb 91 p 5

[Article by V. Konyshev, candidate of economic sciences: "The Law 'On Property in the RSFSR'—A Legal Revolution?"]

[Text] **On 24 December 1990 the RSFSR Supreme Soviet adopted the law "On Property in the RSFSR," which establishes the legal conditions for a bourgeois society in the republic's economy. In essence the law is leading to a reactionary social revolution, and to the replacement of the constitutional socialist system with a capitalist one.**

What Is the Essence of the Revolution?

The law "On Property in the RSFSR" introduces unlimited private property, including capitalist. This becomes the predominant kind in the economy. The antisocialist nature of the revolution has two main aspects. First, it is anti-labor. The law eliminates the fundamental role of labor in the socialist society and replaces it with capital (property) in the dominant role. The role of labor is reduced to a merely subordinate element in the production of capital, regardless of its origin.

Instead of democratization of public property on the path to the participation of the labor collectives in the management of state property and also its realization in the form of full-fledged economic rule by the labor collective, it actually eliminates it.

The worker is separated from the means of production, and his property is reduced to ownership of the work force and wages, which are regulated by capital. The worker's contribution to the property of the enterprise and his receipt of some of the profit, according to the law, is allowed only with the agreement of the owner (Article 4, Point 2). A legal basis is created for parasitism, social inequality, and exploitation.

The second aspect is that it is antisocial. While recognizing, along with private ownership of public associations (organizations), state and municipal ownership, the law limits them to the framework of the performance of the tasks inherent in them (Article 17, Point 1; Article 21, Point 1). To put it more simply, they are reduced to legal and infrastructural support for the functioning of private property. Collective forms of ownership are envisioned mainly in the form of associations of private owners.

This limitation of state and collective property is exacerbated by the fact that preferential conditions are

created for turning public property into private property. Similar conditions are not envisioned by the reverse process. When private property is taken away for various public needs there is to be mandatory compensation to the property owner, but when public property is turned into private property this compensation is not always envisioned.

The law envisions not pluralism and equality for forms of property but an blatant monopoly of private property in relation to other forms. This reinforces not a multistructured economy but a classical homogeneous capitalist economy. It would be more correct to call the law: "On Capitalist Property in the RSFSR."

By extremely limiting the sphere of state and collective property as guarantees of ensuring the socialist nature of the economy, the law shifts the social protection of the workers from a public basis to a private capitalist one. This protection has essentially been reduced merely to treatment for the most undesirable vices of capitalist exploitation—aids for unemployment and the notorious hypocritical bourgeois philanthropy. The items of the law provide for internationalization of ties among domestic and foreign capitalists and making sure that the exploitation of the workers is of an international nature.

Legal Arbitrariness in a Rule-of-Law State

Why is it fair to call the law that has been adopted a revolution? Because this law changes the socioeconomic basis of society. Because of its constitutional nature it should have been adopted not by the RSFSR Supreme Soviet but by the Congress of RSFSR People's Deputies by a qualified majority of the votes. Its adoption by the RSFSR Supreme Soviet according to the procedure for an ordinary law is an attempt to get around constitutional legislation and go against the USSR and RSFSR Constitutions.

A fallacious tactical device was used whereby with the existing constitution a law is applied which contradicts its content, with an unconstitutional procedure, and by an organ that is not authorized for this. And then this adoption is used as a basis to make changes and additions to the constitution. But, after all, in any state, even one bearing the name rule-of-law, if it respects the constitution, the opposite procedure is observed.

Unfortunately, this disdainful attitude toward the constitution and the manipulation of the legislative procedure are becoming a ubiquitous practice. The republics adopt laws that contradict not only the USSR Constitution but also the constitutions of the republics. And the negative social consequences to which this leads for the republics themselves are shown by recent events in various regions of the country. They are trying to establish a rule-of-law state by legal nihilism. And this is being done by people who claim to adhere to democracy and a rule-of-law state.

The law that has been adopted contradicts the USSR Constitution and the RSFSR Constitution, which do not include private ownership of the means of production, and the land and the property of the citizens is linked to the nature of its labor, while the socioeconomic system reinforced by the state structure is characterized as "Soviet" and "socialist."

As was already noted, the law clearly discriminates against public ownership, which also violates the provisions of the USSR and RSFSR Constitutions concerning the equality of the forms of ownership. This also contradicts Article 3, Point 2 of the law itself, which does not allow restrictions or advantages in exercising the right to ownership related to its various forms.

The legal arbitrariness of the content and procedure of the law is augmented by its unscientific nature. The developers of the law deliberately replace scientific political and economic characteristics of property with abstractly legal ones. Lumped together under the property of citizens are personal, private labor, and private capitalist property with various content. In turn, the concept of private property includes both the property of citizens and collective property. It is easier to deceive the people's deputies and citizens this way.

But such a device of ambiguity is a two-edged sword. While producing a certain advantage in disorienting the public, it produces a much greater disadvantage in applying the law. The disparity between the legal formulas and reality inevitably doom the law to inviability and failure, and the people—to more burdens from futile experiments.

The provisions of Article 17 of the law on the property of public associations (organizations), which limit its objects and entrepreneurial activity to the charter tasks, and also Article 7 Point 4, which envisions compulsory elimination of property beyond these limits, are directed primarily against property of the CPSU.

The USSR Constitution is also violated by the decree on the introduction of the law: "On Property in the RSFSR" which abolishes the application of the law: "On Property in the USSR" on the territory of the RSFSR (Point 3).

An Alternative

The arsenal of the procedural battle used by the authors of the law has made it impossible to accept for consideration the alternative draft of the law on property and amendments to the adopted law which were proposed by the "Communists of Russia" group of RSFSR people's deputies. What did the communists propose?

In keeping with the USSR and RSFSR constitutions, which reinforce the socialist nature of society, and the law: "On Property in the USSR," they proposed a socialistically oriented law on property. It is based on providing equality of all forms of property according to principles of social justice, economic freedom, the socialist nature of the economy, and prevention of exploitation.

The complex of property relations included: property of citizens (private and individual-labor); collective (kolkhoz, cooperative, and group) property; public property controlled by the state and labor collectives, and also public property authorized to be managed by the labor collective. Within certain limits and with special regulation there can also be private (both individual and group) property and property owned jointly with foreign citizens and organizations.

This provides for real progress in the development of a diversity of forms of property while preserving its socialist direction. This has made it possible to utilize the reserves that lie with individual-labor and, within certain limits, private capitalist (mainly on the international plane) property. The surmounting of the bureaucratism and excessive centralization of state property (withdrawal of the state) has not been reduced to a unilateral process of transforming state property into private property (privatization). The withdrawal of the state consists primarily in democratization of property, strengthening of the role of labor collectives in managing state property, and also the transfer of part of the state property to the complete economic management of the labor collective.

The law on property proposed by the communists is oriented toward the creation of a mixed economy with a leading role played by the socialist system. This has made it possible to preserve as particular goals of the economy the most complete satisfaction of the needs of all members of society, their comprehensive development, and the participation of the workers in the management of the economy and society. It is possible to preserve and develop the social basis for providing social guarantees: universal employment, free education and medical service, priority payment for housing, and priority regulation of prices for necessities. Strengthening the link between distribution according to labor and its results, the law has raised barriers against unjustified socioeconomic differentiation, unearned incomes, and various forms of parasitism and exploitation.

Respecting the Law and the Voters

The adoption by the RSFSR Supreme Soviet of the law: "On Property in the RSFSR" has a profoundly negative significance in sociopolitical and legal and moral relations.

On the sociopolitical plane, as has already been pointed out, the law changes the socialist social structure into a bourgeois one, in spite of the constitution. Socioeconomic inequality is restored and social tension increases.

In terms of the law, a precedent is created for the RSFSR Supreme Soviet to get around the procedure established for changing the RSFSR Constitution. In the future the same thing can be done with any provision of the constitution.

On the moral plane, the law that was adopted by legalizing changes in the socioeconomic system which were not contained in the election programs of the deputies, it tramples on the rights of the voters, and it ignores the sovereignty of the people.

In this connection, one is troubled by the inaction and helplessness of the organs intended to protect the constitution, above all the USSR Committee for Constitutional Supervision. We do not need a decorative but an effective organ which will not allow the constitution to be openly and illegally flouted.

Moscow's Economic Performance Detailed

914A0597A Moscow MOSKOVSKAYA PRAVDA in Russian 16 Mar 91 p 3

[V. Lisakov report: "Moscow in Three Dimensions"]

[Text]

At a Meeting Where Protests and Appeals Are Heard

"The central party authorities were hoping to smash the democratic Moscow Soviet this winter. Everything possible was done to interrupt supplies to the city. A blockade of Moscow and interruptions in state supplies—these were only part of the plan to discredit Moscow and Russia. Today the results for the year have been summed up and I am able to tell you that the enterprises of Moscow have met 98 percent of their obligations to the consumers. No one is writing about that. No one is writing about who interrupted supplies of meat, cheese, milk, and so forth. But those supplies for us were interrupted by the same oblasts and the same republics in which the posts of party leaders and soviet chairmen are held by the same people."

From the speech by G. Popov at a 10 March Moscow meeting (from the recording of the speech as published in NEZAVISIMAYA GAZETA on 12 March).

In a Summary Report in Which Favorable Figures Evoke Alarm

During January and February the industrial enterprises of the city produced output worth R10.2 billion (in existing prices), and compared with the corresponding period of last year the volume of output in comparable prices rose 0.1 percent.

A total of 83 enterprises and associations (11 percent) failed to meet contractual obligations for output deliveries. A total of 48 enterprises of all-Union subordination, 23 of republic subordination, and 12 under the subordination of the Moscow City Executive Committee committed violations of contract discipline.

The shortfall in deliveries to consumers was R87 million, including R39 million accounted for by enterprises of all-Union subordination, R44 million by enterprises of republic subordination, and R4 million by enterprises subordinated to the Moscow City Executive Committee. Fourteen enterprises in the machine-building complex

failed to meet their contractual obligations, and the shortfall in output here was R9.8 million.

Industrial output rose six percent compared to the period January-February 1990.

During these two months the city's industry produced consumer goods worth R4.6 billion, an increase of 4.1 percent, or R18.1 million, compared to the corresponding period of last year.

With respect to production of the main kind of nonfood goods, of 20 main lines growth was seen in only five compared to last year, namely the output of light cars, washing machines, electric vacuum cleaners, synthetic detergents, and creams.

More than 300 enterprises and associations (one in three) reduced the volume of output by more than R600 million. The main reason for this is interruptions in supplies of raw materials, materials, and subassemblies.

Fifteen light industry enterprises failed to meet contractual obligations, and the shortfall here was R40 million.

Industry in the city produced light industry goods worth R1,253.8 million. Growth was 107.2 percent, and the figure for goods sold at contract prices was R469.7 million. The large increase in these goods in retail prices is explained by the fact that particular ministries (the Russian Ministry of Light Industry and the Russian Soviet Federated Socialist Republic Ministry of the Textile Industry) have still not been brought in line with the departmental enterprises with respect to the method used to recalculate last year's output in comparable prices for 1991.

Expressed in physical terms, production of cotton fabrics fell 13.6 million square meters, while the figures for silk fabrics and woolen fabrics were 6.8 million and 3.1 million square meters respectively, 2.9 million units of hosiery, 1.3 million units of knitted articles, and 316,000 pairs of footwear.

Three enterprises of the Moscow agro-industrial complex failed to meet contractual obligations, failing to deliver output worth R2.7 million. Compared to January-February last year, output volume fell 7.3 percent. Output of foodstuffs was R929.1 million, which is 5.4 percent less than for the same period last year. Output of meat, fat cheeses, whole-milk products, animal and vegetable oils, margarine products, mayonnaise, lump sugar, and confectioner's items declined.

The dynamics of daily production for basic foodstuffs can be described by figures testifying to a decline in production at enterprises in Moscow. During February of this year, compared to last year, with the exception of three lines (sausage items, bread, and bakery products, and also macaroni items), output of foodstuffs declined sharply. For example, meat, including category I by-products, declined 72.2 (!) percent.

Seven enterprises of the Moscow construction committee failed to meet contractual obligations. The output shortfall was R3.2 million.

(From materials from the Moscow City Statistics Committee.)

In Life, Which Refutes the Conclusions and the Position of Staff Speakers at Meetings

This time the preparations by the chairman of the Moscow Soviet for a meeting and the work of the Moscow Statistics Committee coincided in time. They saw the light of day almost simultaneously: when G. Popov was treading the "democratic" boards on Sunday, the editor already had the statistical material to hand. What Gavriil Kharitonov talked about at the meeting was Moscow and the Muscovites. You have an excerpt from it in front you, dear reader.

The meeting on Manezhnaya Square provided a summary outline of the work of the Moscow Soviet, with its new composition, over the past year. Things have got worse for the city and its inhabitants, and that is the result of the situation in the country. But something else is also obvious: Moscow is letting slip obvious opportunities at least to mitigate the lot of the city dwellers. Last year Muscovites obtained 1.2 million square meters of housing less than outlined in the plan by the session of the Moscow Soviet during the previous convocation (and confirmed by the city budget), and 500,000 square meters less than in 1989. There was also total failure in the construction of social and cultural projects. Whereas in 1989 some 27 schools were commissioned, last year the plan was for 40, but only 17 were commissioned. The situation is the same with respect to construction of children's preschool facilities. Just compare: 31 in 1989, 25 in 1990 (with a plan for 52). The situation is also similar in public health: of the 19 new polyclinics planned, only nine were opened, while a year earlier the figure had been 27. The recession continues, and, as the Moscow Statistics Committee shows, on all positions. For example, almost 40 percent less housing was commissioned than during the first two months of last year.

Despite G. Popov's intonation at the meeting, the statistics for the first two months of the year do look depressing: the combination of deficit with the high cost of living is becoming increasingly alarming. And a statement that Moscow, so it is said, has met its contractual obligations 98 percent is the ruse of a meeting, obviously designed to arouse the audience. You made a mistake Gavriil Kharitonov—it was even 99.2 percent. So what!

Whether they went to the meeting or stayed home, people know that the city's consumer market now appears even much more meager, but significantly more expensive than, a year ago. And here we have the mayor of Moscow delivering a damaging blow: You see, he says, it is the central party authorities that are to blame, and the oblasts and republics where the posts of party secretaries and soviet chairmen are held by the same people, that have interrupted deliveries.

Is this so? Let us turn back to the statistics. Last year, in accordance with the contracts, 27,972 tons of meat (that is more than in 1989) should have been delivered to Moscow, but the city received only 18,433 tons. And these are the debtors: Lithuania for 5,634 tons and Moldova for 1,736 tons, while Estonia did not send a gram. From the standpoint of the mayor of Moscow, the regimes in those republics are, I think, the most democratic, and indeed, like Gavriil Popov, many leaders there have no relationship with the CPSU—either it has not been established or they have turned in their party cards.

And Moscow Oblast is also a debtor with respect to milk deliveries. But we must sit down at the negotiating table with it, as we must with our other neighbors, establish business contacts, and conclude mutually profitable contracts. Neither would it do any harm to think about patronage arrangements again, and help from citizens. For the shallows in the milk rivers are the result of dearth of fodder: Muscovites did not help the countryside in preparing the silage and other fodders. Neither do we see any desire to help now, on the eve of the sowing work. It would be rash to hope that the market will in and of itself set everything in its proper place, for tomorrow we have to tighten our belts.

The position of the Moscow Soviet has not changed since the autumn: accusations of a party milk blockade and lack of constructive decisions on cooperation, even in the realistic program put forward by M. Nabatinkov, general director of the Moloko Moscow Production Association.

But the city must be fed. And the Moscow Soviet is solving this problem at the expense of the Muscovites: it is introducing contract prices without any tangible compensation. In his anger against the communists, G. Popov no doubt had in mind the fact that the Moscow Federation of Trade Unions has sent more than one representation to the procurator's office on the subject of the unlawful raising of prices. "The procurator," said the chairman of the Moscow Federation of Trade Unions, M. Shmakov, at a meeting between trade union leaders and Prime Minister V. Pavlov, "recognizes that, yes, prices have been raised unlawfully, but nothing is being done and no one is taking any initiative. The trade unions in the capital have used every form of influence, including talks with the city authorities, but the effect has been zero. One last means remains, although it is extremely undesirable—the strike. A general strike in Moscow."

But at the meetings the speaker selects the subject, and his manner sets the political tone. But this time G. Popov so shifted the emphasis that he distorted not only the socioeconomic situation in the city but even the nature of the mutual relations between the authorities and the people of Moscow.

Tajik Law Issued on Denationalization, Privatization of Property

Text of Law

914A0565A Dushanbe KOMMUNIST TADZHIKISTANA in Russian 6 Mar 91 p 3

[Law of the Tajik Soviet Socialist Republic on: "Denationalization and Privatization of Property in the Tajik SSR," issued February 21, 1991]

[Text]

Article 1. General Provisions on Denationalization and Privatization.

Denationalization refers to the process of establishing a mixed economy, a process that provides for the decentralization of management and privatization through the conversion of state property into other types of property.

Privatization refers to activity that is carried out by the state and that consists in the transfer of the right of ownership to collectives and private individuals and constitutes a necessary precondition for the transition to a market economy and for the encouragement of entrepreneurial activity.

The basic purpose of denationalization and privatization is to create the property relations necessary for a market economy. The implementation of denationalization and privatization of property promotes the formation of an optimal economic structure that provides a foundation for the development of competition and entrepreneurship.

Denationalization should have the result of overcoming the alienation of producers from the means of production and of creating real relations of ownership and use by enterprise employees of the implements, objects, and products of labor.

Article 2. The Tasks of Denationalization and Privatization.

Denationalization and privatization accomplish the following tasks:

- delineation of the functions of state management and the functions of immediate supervision of production and eocnomic activities;
- overcoming of monopolism in the national economy;
- the establishment of conditions for competition and economic accountability among private businessmen;
- the ensuring of economic incentives for entrepreneurial activity by citizens and the creation of possibilities for the fullest possible tapping of their individual potential;
- the creation of conditions for establishment a securities market and other elements of the market infrastructure.

Article 3. Basic Principles of Denationalization and Privatization.

The basic principles of denationalization and privatization are:

- voluntary participation, glasnost, and broad public involvement;
- the economic interest of individual citizens and the labor collectives of enterprises subject to denationalization and privatization;
- a differentiated approach, payment, and preferential terms for labor collectives and individual citizens;
- implementation of denationalization and privatization on the basis of competitive bidding. All subjects that ensure a high return on the material, technical, financial, labor, and other productive resources of the object being privatized may take part in this competitive bidding.
- delineation of the rights of ownership and the functions of management on the basis of noninterference by state administrative agencies in the economic activity of the privatized object;
- ensuring of the integrity of the material, technical, and productive resources of enterprises that are being denationalized and privatized.

Article 4. Objects of Denationalization and Privatization.

Property belonging to state enterprises in industry, agriculture, construction, consumer services, trade, public catering, and production infrastructure; housing stock; and other objects whose denationalization and privatization are not prohibited by legislative acts may be objects of denationalization and privatization.

Subdivisions of state enterprises and technologically integral economic units may also be objects of denationalization and privatization.

Integral property or solitary property (an item) is the object of denationalization and privatization.

Objects that are the exclusive property of the Tajik SSR are not subject to denationalization and privatization; such objects include land, mineral resources, water, and objects of historical and national heritage. In addition, enterprises whose output and services constitute a state monopoly are not subject to privatization; such enterprises include power stations, power grids, other enterprises and organizations making up the power engineering system, railway and air transport, defense enterprises, and communications enterprises.

Most public health, cultural, and public-education objects remain the property of the state, in order that it can carry out the social functions with which it is charged.

Article 5. Subjects of Denationalization and Privatization.

Enterprise labor collectives, lease-holders, cooperatives, joint-stock societies, joint-stock societies with limited liability, commercial banks, joint enterprises and organizations, other legal entities, and citizens of the Tajik SSR may be subjects of denationalization and privatization.

In certain cases, legal entities and physical persons of other union republics and foreign states and citizens may be subjects of denationalization and privatization.

Other conditions being equal, the employees of an enterprise that is being privatized enjoy preference in purchasing its property or in buying out the enterprise as a whole.

All subjects of state or other forms of property enjoy equal rights as they interact in conditions of the single market space.

Article 6. Forms of Denationalization and Privatization.

The following forms of denationalization and privatization may be used:

- the leasing of enterprises and other state property;
- the leasing of enterprises and other state property with the right of subsequent buyout;
- the auctioning of the property of state enterprises;
- the sale, including the sale on an installment basis, of enterprises, production facilities, and other state property to labor collectives, other legal entitities, and citizens;
- the gradual buyout of the property of a state enterprise by its labor collective;
- the transfer of state property without compensation.

In selecting forms of denationalization and privatization, preference is to be given to those forms that achieve the greatest efficiency in each individual case. The decision as to the choice of forms of denationalization and privatization is taken by the majority of the labor collective's members. In the event that a labor collective declines to participate in privatization, the owner or a duly authorized agency has the right to take a decision on the forms of privatization independently, with due regard for the national-economic significance of the enterprise, its level of equipment, the extent of its assets and degree of their wear, the character of the output produced, the number of workers employed, and other factors.

Article 7. Appraising the Value of Property That Is Being Denationalized and Privatized.

The procedure and methods of appraising the value of state property are set forth in appropriate normative documents.

An appraisal of the value of an enterprise's property is made on the basis of the existence and actual state of that property as established by the results of an inventory, actual current prices, and other factors that affect the appraised value.

Appraising the value of fixed assets is carried out in stages on the basis of a successive determination of the original, residual, and replacement value.

If an enterprise is being bought out completely by members of its labor collective, a privatization agency

can take a decision to sell the enterprise's property without a reappraisal of residiual value.

For property being sold by auction, the appraisal value is the originally fixed value.

Article 8. Financial Sources of Denationalization and Privatization.

The following financial sources can be used in denationalization and privatization:

- profit remaining at the disposal of an enterprise's labor collective;
- unused balances in economic incentive funds;
- the personal funds of the labor collectives' members;
- the financial savings of citizens, with due regard for a submitted declaration of income;
- receipts from the sale of shares;
- investments by foreign legal entities and physical persons;
- other financial resources.

Bank credits made available by banks on the basis of agreements that set forth the sides' mutual obligations and responsibilities may be used to buy out enterprises and their property. The bank is paid an interest rate in the established amount for the use of the credit. A preferred loan may be extended for these purposes.

Article 9. Implementation of Denationalization and Privatization.

Denationalization and privatization are implemented by decision of the appropriate Soviet of People's Deputies, with the concurrence of a specially formed agency for carrying out denationalization and privatization.

The sale of integral property may be carried out through public trading, competitive bidding, or auction.

In certain cases, the sale of state enterprises can be carried out on the basis of preferential terms: the transfer without compensation of social and industrial infrastructure facilities, the sale of shares at preferred prices, the sale of shares and means of production on an installment basis, the giving of priority to collectives in purchasing means of production used in the labor process, and others. Depending on actual conditions, a decision to grant preferential terms is taken by the owner or by the agency carrying out privatization.

The transfer without compensation of property to labor collectives is carried out only in exceptional cases with respect to certain types of property.

Special conditions governing the participation of foreign legal entities in the process of buying out state property are set forth in appropriate legislative and normative acts of the Tajik SSR.

Article 10. Transfer of the Right of Ownership to Property That Is Being Privatized.med

A written contract concluded between the owner and the enterprise that is being privatized provides for:

- the moment of transfer of the right of ownership to the subject of denationalization and privatization;
- the execution of economic contracts concluded by the enterprise being privatized and the rights and responsibilities that pass to the subject of denationalization and privatization;
- other obligations of the parties to the contract;
- the liability of the parties for breach of contract.

The right of ownership to the property being privatized arises at the moment of signing of the bill of sale, which is presented following payment of the appropriate sum.

The enterprise subject to denationalization and privatization is obliged to promptly settle accounts with the state and with banks with regard to its obligations, unless the contract specifies otherwise.

Article 11. Termination of a Labor Contract With the Employees of an Enterprise That Is Being Privatized.

A labor contract with the employees of an enterprise that is being privatized can be terminated, if necessary, by the owner in the procedure established by Tajik SSR labor legislation, unless the concluded contract specifies otherwise.

Expenses associated with the termination of a labor contract are borne by the owner of the privatized enterprise.

Article 12. The Use of Proceeds From the Denationalization and Privatization of State Property.

Proceeds from the denationalization and privatization of state property are deposited in a special account. The procedure for using these funds is set forth by legislative acts.

Article 13. Ensuring Legal Protection In Denationalization and Privatization.

The protection of the rights of subjects of denationalization and privatization of state enterprises is carried out in the procedure and under the conditions established by legislative acts of the USSR and the Tajik SSR.

[Signed] Tajik SSR President K. Makhkamov, February 21, 1991, Dushanbe.

Decree on Law's Implementation

914A0565B Dushanbe KOMMUNIST TADZHIKISTANA in Russian 6 Mar 91 p 3

[Decree of the Tajik SSR Supreme Soviet on Implementing the Tajik SSR Law: "On Denationalization and Privatization of Property in the Tajik SSR," issued February 21, 1991]

[Text] The Supreme Soviet of the Tajik Soviet Socialist Republic **resolves:**

1. To put the Tajik SSR Law "On the Denationalization and Privatization of Property in the Tajik SSR" into effect as of the moment of its publication.

2. To instruct the Tajik SSR Cabinet of Ministers:

- to bring decisions of the Tajik SSR government into conformity with the Tajik SSR Law "On Denationalization and Privatization of Property in the Tajik SSR";
- to submit proposals to the Tajik SSR Supreme Soviet:
- on bringing Tajik SSR legislation into conformity with the Tajik SSR Law "On Denationalization and Privatization of Property in the Tajik SSR";
- on establishing a special agency to implement denationalization and privatization;
- on a list of objects and property that are not subject to denationalization and privatization;
- on a procedure for the participation on foreign legal entities in the buying out of state property.

[Signed] K. Aslonov, Chairman of the Tajik SSR Supreme Soviet, February 21, 1991, Dushanbe.

INTERREGIONAL, FOREIGN TRADE

Ukraine Experiencing Difficulties in Meeting Economic Treaty Obligations

914A0592A Kiev PRAVDA UKRAINY in Russian 6 Feb 91 p 2

[Article by T. Mayboroda: "Horizontal Relations"]

[Text] **Horizontal relations are the device by means of which the republic government hopes to stabilize the economic situation.**

The first steps in this direction were taken toward the end of last year, when intergovernmental agreements on economic cooperation were signed with other Union republics. The time has now come to carry out the treaties signed. As a discussion of this problem by the Ukrainian SSR Council of Ministers Presidium revealed, this turned out to be considerably more difficult in reality than it was on paper.

In December 1990, resolutions were adopted by different echelons, including the USSR Council of Ministers and the USSR president, on the need for all participants in economic relations without exception to sign, prior to 1 January 1991, economic contracts for the delivery of products in the first quarter of 1991 in amounts corresponding to the level of quarterly deliveries in 1990. Unfortunately, such efforts have not been completed in our republic to this day. Contracts for only 64.1 percent of the volume of products processed in this manner for the first quarter of last year have been extended. The enterprises and organizations of the Ukrainian SSR Ministry of Construction, Ministry of Assembly and Special Construction, Ministry of Wood Industry, the Ukrainian SSR Agro-Industrial Committee, and other ministries and departments have signed contracts at levels below the republic average.

In part, this situation is due to the fact that the central planning organs have allowed delays to occur in the confirmation of state requisitions, and in processing quotas and import deliveries. However, the failure of direct performers to comply with the interrepublic economic agreements is one of the main reasons why the meeting of the obligations of the Ukraine to its partners has been hampered.

Ministers who spoke at the meeting of the Council of Ministers Presidium cited instances of sectionalist arbitrariness which clearly destabilizes the economic situation in the republic itself and affects interrepublic relations unfavorably. For example, Minister of Trade O.P. Slepichev reported that the Lvov production association Elektron, which last year sold 840,000 TV sets through the channels of state retail, reduced the planned volume of deliveries for this year by a factor of almost 10. Under the circumstances, it is not ruled out that thousands of TV sets, which are in short supply, will not be sold in the domestic market of the Ukraine, and perhaps that of the country, at all.

Minister of Light Industry G.G. Nikitenko also referred to a marked shift in emphasis in the array of forces. He referred to the cases of suppliers hoarding the raw-material resources of the industry; the suppliers are trying to set up their own facilities for processing raw materials, claiming to this end equipment from the quotas of the Ministry of Light Industry, paradoxical as it may be. At the same time, many state enterprises in this industry are idle because of the lack of precisely these raw materials.

A presentation by Minister of Grain Products N.P. Kompanets also sounded alarming. A situation has emerged in the republic whereby wheat is being fed to cattle. A shortage of mixed feed and feed grain is prompting the tapping of "granaries" allocated for table use by the populace. Nor can we reduce the herd of cattle and poultry, because then we will be left without meat. The farms have grain, but so far they have refused to sell it to the state, even if 100 percent of the monetary payments are backed up by coupons.

Under the circumstances, it is not easy to meet treaty obligations to other Union republics contracted horizontally. The original intention to maintain the turnover of products, raw materials, and goods at the level of last year has been defeated so far in this sphere as well. At any rate, statistics quoted at the meeting of the Presidium of the Council of Ministers indicate that this level in percentage terms has declined with regard to almost the entire "product" assortment.

Disproportions which have been allowed to occur in the planned volumes of our deliveries to various republics were repeatedly stressed in a number of presentations and in remarks made by Chairman of the Ukrainian SSR

Council of Ministers V.P. Fokin. There is a reason for granting priority to the RSFSR, but only in part. Considerable distortions in economic ties with any partner of the Ukraine cannot be allowed to occur. We are equally interested in maintaining good business relations with each and every one of them.

As Chairman of the Ukrainian SSR Gossnab [State Committee for Material and Technical Supply] A.K. Minchenko noted, we should be mindful of the fact that at present we ship goods worth 50 billion rubles [R] into our republic, while shipping out only R44 billion worth. If we want our economic partners to be reliable we should not fail them ourselves. In the opinion of the Gossnab chairman, equilibrium in the economy may only be ensured on the condition that the State Requisitions of the Ukraine are the main and priority law-giver in this sphere for all entities located on the territory of the republic. In the process, it is necessary to take advantage of all means and opportunities to reinforce and strictly comply with procedures for contractual deliveries from bottom to top.

The Ukrainian SSR Council of Ministers Presidium concluded that the volumes of interrepublic deliveries of principal items should definitely be at the levels of last year. It was resolved to revisit the issue of confirming these volumes within several days.

The Ukrainian SSR Council of Ministers Presidium also considered the draft laws of the Ukrainian SSR: "On Freedom of Conscience and Religious Organizations" and "On Increasing Penalties for Speculation, Illegal Trade Operations, and Abuses in Trade," and a draft resolution of the Ukrainian SSR Council of Ministers on establishing procedures for the use of special means by special-missions militia personnel, other employees of the organs of internal affairs, and servicemen of the internal troops used for maintaining public order and fighting crime.

Latvian Attempts at Customs Control Thwarted

914D0173A Moscow RABOCHAYA TRIBUNA in Russian 2 Apr 91 p 3

[Article by RABOCHAYA TRIBUNA correspondent V. Proskura: "Politics and Commerce: A Detective Story About Inspector Losberg"]

[Text] Riga—These cases are now the talk of the town in Riga. However, let us start with some information: local authorities have introduced considerable restrictions on the private shipment of goods beyond the borders of the republic. A customs department has been set up at the Latvian Council of Ministers in order to exercise control.

A. Losberg, an inspector of the new department, asked a citizen leaving the capital city airport on a flight from Riga to Tbilisi to produce his gear for inspection. The vigilant customs officer kept an eye on the "guest from the Caucasus" for a reason: he had indeed purchased a good deal of sought-after goods in the shops, and his luggage was impressive.

The guest put his own interpretation on the existing situation, and promptly produced 100 rubles [R] for the inspector. However, instead of exclaiming "May your landing be soft, genatsvale ['friend' in Georgian]," A. Losberg called in a transportation militia employee. "A case of bribing an official" was recorded, and duly processed papers were passed on in order to institute criminal proceedings.

However, a case did not come about; both his R100 bill and the money for the ticket on the flight he missed were returned to the southerner. In the end, the passionate resident of the Caucasus lectured his "captors" angrily, and promised to fly in for goods in short supply yet again.

It turned out as, for example, the newspaper SOVETSKAYA LATVIYA maintains, that "Inspector Losberg just does not exist; there is just an honest person, but not a customs official." Is this a hoax? Not at all.

The citizen from across the Caucasus Range was well-versed in the political situation as well. He explained to local officials in plain terms that their customs department, as well as the Republic of Latvia itself, exists only de-facto. De jure, there is the Latvian SSR [Soviet Socialist Republic] which, in keeping with the existing laws, cannot resolve in its territory issues which fall within the exclusive jurisdiction of the Union, in particular, those of customs. If we were to switch to legalese, the case had to be dropped "for lack of an object of encroachment."

They say that a law of "twin cases" exists in nature unbeknownst to us. As the local press has just reported, it was precisely in front of Inspector Losberg that money ended up on the luggage stand of the airport once again: this time, there were two R100 bills. A resident of Armenia promptly produced them during a customs inspection. A militiaman was called in again, and "a case of attempted bribery" was registered. As the old song goes, everything was repeated from the beginning... the outcome for the violator being the same.

PRICES, BUDGET, FINANCES

Most Lithuanians 'Will Not Oppose' New Price Increases

PM0204132791 Moscow IZVESTIYA in Russian 27 Mar 91 Union Edition p 2

[Correspondent N. Lashkevich report: "Prices Going Up Once Again"]

[Text] Vilnius—By decision of the Lithuanian Government new prices have been set for foodstuffs in the republic as of 26 March.

The prices of food commodities have been increased by an average of 180 percent. The republic's inhabitants will henceforth pay approximately one ruble [R] for one kg of black bread, depending on the quality; R8.30 for doctor's [doktorskiy] sausages; R7.80 for top-grade beef; R6.20 for pork; R8.50 for dressed chickens; R9.90 for butter; and R3.00 for sugar.

In Lithuania, however, this higher level of prices compared with the all-Union level is offset by a higher level of compensation: R85 and R105. True, after all the tax payments, which, once again, are higher than the union rates, a person will be left with only approximately one-half of the compensation money in his hands.

So, new retail prices are being introduced in Lithuania for the second time this year. As is known, the first attempt, which was made 7 January, ended very dramatically for the Lithuanian Government. The more than threefold increase in prices caused a storm of indignation in the population. It cost K. Prunskiene her post as prime minister. Radical deputies made full use of the critical situation which arose by compelling her to resign. This time the new government headed by G. Vagnorius, one of K. Prunskiene's main opponents, has acted more cautiously and flexibly. It announced the upcoming price hike in advance. Starting in February, it began paying compensation to the inhabitants and tied the need for a price hike in with analogous measures by the union government. In short, it has done everything to ensure that people give the new prices a calmer reception. And yet the population's discontent is obvious.

However, this discontent will hardly assume such "revolutionary" forms as it did in January. The present sociopolitical situation in Lithuania, particularly since 13 January, is different. The majority of the population will not oppose the government and the measures it has taken, remembering how the January government crisis ended.

INDUSTRIAL DEVELOPMENT

Lithuanian Machine Tool Manufacturing Experiencing Difficulties

914A0593A Vilnius EKHO LITVY in Russian 2 Mar 91 p 2

[Article by A. Aleksandraviciene: "What Is the Community of Directors Concerned About?"]

[Text] **On 27 February, the government of Lithuania held a conference of the managers of large enterprises and associations which adhere to the Union status. The conference was chaired by Prime Minister G. Vagnorius.**

The situation at the plants of this group varies. Some have already reregistered and found various variants of links and relations with Union industries along vertical and horizontal lines. They now operate under the legislation of the republic. Serious obstacles to taking this step have appeared at other enterprises, including the Pergale Association and the Scientific Research Institute of Radio Metering Instruments. A bilateral agreement between republic and Union organizations is necessary in order to switch from the sphere of a politicized economy to the channels of a normal one.

The status of enterprise affairs varies substantially. VZTA [Vilnius Fuel Equipment Plant] Director A. Didziulis reported tersely that the collective met the January and February quotas. Despite there being no dearth of difficulties with the supply of materials and subcontracted parts at the plant, they make ends meet. The monopolistic position of the plant in the industry helps them: if the VZTA shuts down, so will most tractor plants in the Soviet Union. The position of machine-tool producers is different; competitors are breathing down their necks, and it takes a lot of effort to stay afloat.

The situation is critical in the association of construction and finishing equipment. International cooperation with Hungary, which quite recently was the pride of Lithuania, now poses the threat of a production shutdown for the citizens of Vilnius. While the plant receives assemblies from the Hungarian side and exports machines, it does not control currency profits, and cannot prevail upon the Union ministry and the Bank for Foreign Economic Activities to resolve this aspect of the matter. Economic issues, which have been made into political issues in high echelons and have been exacerbated by sluggishness and a bureaucratic approach in this case, threaten to bring to a halt the production of much-needed machinery.

Against the background of such conflict-ridden and complicated relations, it is all the more gratifying to hear about budding new relations and about overcoming departmental and, at present, regional barriers on occasion. Director of the Komunaras Plant G. Naginskas discussed the first steps taken to set up an interrepublic association of machine-tool producers. Groups of specialists from Russia, Belorussia, the Ukraine, and Armenia came up with this idea, and suggested that related enterprises in Lithuania also join. This is a new endeavor, and there are still many obstacles in its path. However, pooling efforts on the basis of mutually advantageous cooperation on an equal footing makes it possible to expect success.

The issues of paying compensation in conjunction with price increases were the focal point of the discussion. As the directors reported, at a majority of the enterprises the funds needed to this end have been generated. Care will be taken of the financial standing of the employees. However, a number of enterprises have run into difficulties through no fault of their own, which is particularly vexing. They need to be supported by republic organs.

General Director of the Neris Association V. Sumakaris, who had the concerted support of his colleagues, proposed to revise the planks of taxes for employees. The point is that compensation payments now included in

overall wages of the employees boost the amount of tax withholdings which are high to begin with. This reduces the share of compensation itself, which does not make up for the losses of the populace given quite substantial price increases.

Responding to questions and summing up proposals, G. Vagnorius said that in striving to incorporate Union enterprises into the economic complex of Lithuania we do not sever or change relations with the USSR. We are in favor of an Eastern market provided, however, that it takes into account and accommodates bilateral interests.

Plant Seeking Funds To 'Double' Wages

PM0404145991 Moscow Central Television Vostok Program and Orbita Networks in Russian 1530 GMT 2 Apr 91

[From the "Vremya" newscast: Report by Mikhail Klepov, identified by announcer, and cameraman V. Mokhov, identified by caption]

[Text] [Announcer] The quest for funds to provide wage compensation to match the retail price increase is proceeding under difficult conditions at the country's enterprises. Moreover, each enterprise has its own specific difficulties. Here, for instance, are the difficulties encountered by the Perm telephone plant. Our correspondent Mikhail Klepov reports.

[Klepov] The first step toward economic autonomy has been taken here. What is more, every worker has become a co-owner in the plant and is interested in high end results. It is a question of issuing shares.

[V.N. Sadomov, plant director, identified by caption] These are securities—albeit not of state significance—but we think that we have to react somehow in view of the retail price hike. And I think that we must maintain this share's purchasing power during the initial period. Consequently, we must provide some kind of compensation. No more and no less than an additional 400,000 rubles [R] must be found from other sources of funding.

[Klepov] You have a situation where you are unwilling but forced to pick the customer's pocket. Take the prices of manufactured articles. Often they are clearly out of line with the manufacturing costs. The plant is now forced to eliminate this disparity, agreeing newer, higher prices with consumers. In the future it can move on to producing output for which there is little demand. This will have the added effect of reducing the rate of profit tax. There are still not enough funds for compensation. These funds must be hunted out.

[Sadomov] In effect we have to double—I stress, double—each worker's wages. How are we to do that? Say we partially do this by means of some kind of technical, organizational, and other measures to reduce the enterprise's unproductive expenditure. The enterprise is doing this. But this is impossible for the enterprise alone in view of the change in the pricing structure for construction materials and other types of semimanufactures, etc. An enterprise association has been set up to tackle our technological progress. That is, we are developing the level of production specialization—in order to cut production costs—along with our experience of work and joint entrepreneurial activity with foreign firms.

AGRO-ECONOMICS, POLICY, ORGANIZATION

Questions of Land Reform, Ownership Explored

Academicians Debate, Cite Foreign Examples

914B0132A Moscow SOVETSKAYA ROSSIYA in Russian 22 Mar 91 First Edition p 3

[Roundtable discussion by scientists of the Economics of the National Economy Department of the Academy of Social Sciences under the CPSU Central Committee transcribed by A. Gamov: "The Fate of the Land is the People's Fate"]

[Text]

P. D. Polovinkin, doctor of economic sciences, professor: The question of ownership of the land today is a fundamental one in two respects. In the first place the fate of the socialist orientation of perestroyka depends on its solution to a considerable extent. Secondly, land is the main means of agricultural production. For the peasantry and for the entire people it is the mother-wet nurse and, naturally, the form of the ownership of the land in many respects also determines the socio-economic nature of the country. I think that it is precisely from this that we should proceed in evaluating the discussion of the future of our land now going on in society. Especially now, on the eve of the extraordinary Congress of Russian deputies...

I. I. Salnikov, doctor of economic sciences, professor: The decisions of the last extraordinary RSFSR Congress of People's Deputies, if, of course, they are implemented, will have a negative effect on the fate of the peasants, agriculture as a whole and the entire country. The introduction of private ownership of land, the buying and selling and redistribution of it, the unrestricted exiting of every worker of a kolkhoz and sovkhoz with an allotment of landed property—all this vibrates with totally unpredictable consequences.

They invite the country to individual farming. The intention is to create 400,000 to 500,000 peasant farms in the near future by alloting 15-20 million hectares of land for them from the reserve fund. However, neither in the report which the Premier of Russia, I. S. Silayev, gave on this subject at the Congress nor in the other congress documents is there an answer to very important questions. How much output can these farms produce? Will they manage to cover the shortfall which will occur in the kolkhozes and sovkhozes? Will the solution of the food problem be advanced?

It is clear to any agriculture specialist that the potentialities of the peasant farms are being greatly exaggerated. And the widespread opinion that the pre-revolutionary peasantry of Russia allegedly fed not only the country but Europe as well is mistaken. I. S. Silayev also is cunning when he talks about a "surplus of no less than one-third of the chief grains" which Russia ostensibly had even at the height of World War I. This is regarded as the success of the Stolypin reform and free enterprise. However, it is difficult to agree with this.

During the years 1909-1913 which the Russian premier alludes to, the yield of grains amounted to 6.9 centners per hectare on the average and 78 for potatoes. The average annual milk yield per cow was less than 1,000 kilograms. Per capita production was as follows: grain—469 kilograms, potatoes—198, meat—32, butter—2.3 kilograms, eggs—72. If one assumes that all this was consumed within the country, even then the population lived in want. Let's say for comparison that in 1989 more was produced per capita in the USSR than by the peasants on the average in the years 1909-1913: grain—1.6 times, milk—2, meat—2.2, butter—2.7 and eggs—4.1 times. And this is considered by I. S. Silayev as a crisis of the system.

P. D. Polovinkin: It is necessary to emphasize here that 83 percent of the marketable grain in tsarist Russia was produced on prosperous middle peasant and landlord farms. Poor peasant farms, which constituted 65 percent of the peasant households, produced only 17 percent of the marketable grain. And they sold it not because there were surpluses but because one needed to buy the prime necessities.

G. I. Zinchenko, doctor of economic sciences, professor: Indeed, for the ardent advocates of private property and especially those who are in raptures over the Stolypin reform, it is not out of place to recall the condition of the old Russian village. I will cite two facts which it is difficult to refute. The zemstvo doctor, A. I. Shingarev, twice, in 1901 and 1907, investigated the villages Novo-Zhivotinnoye and Makhovatka of Voronezh guberniya. He then published a book under the expressive title "The Dying Village" (S.-Petersburg, 1907). The zemstvo doctor's conclusion was categorical: the Russian village was dying out. In most cases peasant huts were found where even cockroaches could not exist since there was nothing to eat.

In 1913 the Russian Ministry of Internal Affairs published data about the availability of agricultural implements among the peasants. So, here it is: 7.8 million primitive wooden ploughs (sokha), three million wooden ploughs (plug), six million iron ploughs (plug), 6.7 million wooden harrows... And today they want to convince us that this was progress! And they want to contrast this with the present structure of agriculture!

I. I. Salnikov: The kolkhoz-sovkhoz system lately has been subjected to really direct unbridled criticism. Some people do this out of ignorance but nevertheless the pernicious intentions of this criticism are greater. In the report of the same I. S. Silayev there were not even attempts to ascertain the causes which have led to the backwardness of our agriculture.

And, you see, the reasons for this are not at all in the kolkhozes themselves as a form of management. They are rooted in a parasitic attitude toward agriculture, in

the habit of taking everything from it and not thinking about meeting its needs. The shortcoming of the socialist system, in my opinion, shows up only in the fact that it has proven to be incapable of cleansing itself of incompetent leaders. Yes, but this is possible under any form of ownership.

There is not and there cannot be any justification for the violence perpetrated on the peasants in the thirties. But the truth is also that in the years 1937-1940 the production of agricultural output exceeded the base period (1928-1932). And what is more, the country was in second place in the world with respect to the technical equipment level of agriculture. In the pre-war years only two countries had a powerful for that time machine and tractor fleet: USA—1,370,000, USSR—531,000 machines.

In evaluating the viability of the system it is not out of place to remember that in the war years, when a very vast territory was occupied, the kolkhozes and sovkhozes were able, even if not to satiety, to feed the army and the population, for the share of assistance from abroad was insignificantly small.

Another fact. Up to 1970 the country essentially had not purchased foodstuffs from abroad. And what is more, according to data from the Food and Agriculture Organization of the United Nations, the USSR was among the 10 leading countries in the world with respect to the level of per capita consumption of food products—3,443 kilocalories per person per day. During the years 1951-1970 the average annual rate of growth of agricultural output amounted to 4.4 percent in the USSR and 1.5 in the USA. Consequently, the lag in the rates of development and even in the level is characteristic not for the entire time, as the system has confirmed, but for the specific period of the seventies and eighties and especially of the last five years.

And there is no basis at all for blaming the kolkhozes and sovkhozes for the empty counters in the stores when an unprecedented harvest is being grown, as was the case last year. The fact is that 240 million tons of grain were harvested. But how much of it was still left in the field because of the mass idleness of equipment and because of stoppages in the supply of fuel and spare parts! By the way, I. S. Silayev already led the RSFSR Council of Ministers at that time. Therefore, before putting the blame on a system allegedly guilty of the fact that "even with a record harvest in 1990 the Russian Federation alone will have to buy 1,320,000,000 poods of grain," the Russian premier should have looked to his own conscience: what did he himself do so that in "the republic of oil" combines would not stand idle?

Since the RSFSR Supreme Soviet has proposed a transition to private property, including in land, the question of by what means a regenerated peasantry will be built up, whether it will increase food supplies and whether it will improve life, if only one's own, has become extremely important. Unfortunately, the documents of the extraordinary Congress do not reveal the prospects for the development of the individual farms or even that of the kolkhozes and sovkhozes and are silent about how the food problem will be resolved not only in the distant but even in the near future.

G. I. Zinchenko: They allude to the experience of the West. Here, they say, is what private ownership can do. It goes without saying that in the developed countries—the USA, Canada, Sweden—serious successes in food production have been achieved. But is private ownership of land alone the source of growth? Obviously, other factors are also at work here. To begin with, there is the level of development of the productive forces themselves—the saturation of modern equipment, especially small-scale equipment. The latest type of processing enterprises have been created in these countries and special significance is attached to the servicing of agriculture. In the USA, for example, approximately five times more workers are employed in agroservice than in agricultural production.

The basic portion of the food supply in the same USA is produced by large specialized private farms. Having an annual income of more than 250,000 dollars, these farms produce more than half of the entire marketable agricultural output. A remarkable feature of farms of this type is that in them there is no longer classic private ownership of the means of production and land. With respect to its socio-economic nature this ownership is more and more collective in character.

Of course there are small producers but they have to exert a lot of effort to stand their ground in the harsh competitive struggle. Every year thousands of small farmers, having given in to the onslaughts of the monopolists, are ruined. Such is the lot of small enterprises under market economy conditions.

P. D. Polovinkin: Usually the advocates of private ownership of the land also compare the efficiency of land use in the USSR and the USA. In so doing they forget that the bioclimatic potential (soils, climate) of the agriculture of the USA is 2.5 times higher than in the USSR. We lag 4-5 times behind the USA with respect to the capital/worker ratio and the power/worker ratio.

There is also deliberate silence about the fact that 40 percent of the land in the USA is still in the hands of the state. Forty percent of the remaining land fund is leased. Under these conditions only a blind person or a notorious liar can attribute successes solely to the private ownership of land.

G. I. Zinchenko: The example of Poland is especially graphic. In that country 76.5 percent of all land is privately owned and the average size of the land holding is 5.8 hectares. But if one compares the indicators of the yield of Polish peasant farms, let's say, with Czechoslovak cooperatives (many of which, by the way, are operating successfully even now), the comparison will not be in favor of the private farms. The average yield of grains and legumes per hectare in Poland amounted to

29 centners in 1986, 30 in 1987, and 28 centners in 1988. In the Czechoslovak cooperatives these indicators were much higher: 42, 46 and 47 centners per hectare.

I. I. Salnikov: Hungary's experience is also revealing in this respect. The first land reform here (1945), by which the peasants received land in ownership (from three to five hectares per family) did little for the peasantry. During the years 1946-1961 the production of agricultural products in the country increased only seven percent (at the rate of 0.4 percent a year). The yield as well as the productivity of cattle remained low.

The organization of state farms and cooperatives in 1961 began the revival of production. The use of equipment and scientific achievements permitted the grain yield to be raised from 16.8 centners per hectare in 1961 to 47.6 in 1980, or by 30 centners!

So that I. S. Silayev's statement concerning the rapid upsurge of Hungary's agriculture in the years 1979-1985 as a consequence of reform when, according to his words, the increase in net output was allegedly greater than in the previous 30 years, contradicts the statistical data.

By the way, the use of doubtful data and of non-comparable indicators is rather frequent in I. S. Silayev's speeches. In particular, he asserts that as a result of reform per capita consumption of meat in Hungary has reached 161 kilograms. Think it over! This is at the rate of half a kilogram for everyone, starting with infants and ending with the elderly, day after day! Is such a thing possible? In fact, only 66 kilograms is consumed per person per year in the republic.

G. I. Zinchenko: In fighting for the promulgation of private ownership, can one really dismiss the special features of our country, its unique past and even its most recent history? One cannot help taking into consideration the psychological frame of mind of our peasantry, which already from ancient times was linked with the commune (obshchina), with a collective form of economic management. Why cross out and what is more blacken the historical experience accumulated in our country during the years of Soviet power?

There is, finally, one more very important argument against the private ownership of land. This form conflicts with the humanization of social relations, with the right of the equal relation of any citizen to the land. Land, like air, is a gift of nature and therefore every person has equal rights of possession and use of the land.

V. I. Ivankin, candidate of economic sciences, senior lecturer: As has already been said, the agrarian sector of our economy has at all times developed on the residual principle. The structure of the economy has turned out so that the interests of agriculture have been constantly infringed upon. Therefore the improvement of economic relationships, including of the forms of ownership, is impossible without the liquidation of this imbalance, without the development of the material-technical base of agriculture. Among us some fight only for the improvement of economic relationships and others only for the strengthening of the material-technical base. These attempts look as if we had posed the question: on what foot can one more rapidly run a distance—on the left or on the right? But isn't it better to run on both?

I will not conceal that I personally allow for private ownership. However, I am categorically against the buying and selling of land.

S. I. Sdobnov, doctor of economic sciences, professor: In fighting for a multistructural character in the development of the agro-industrial complex we should afford equal opportunities for the formation of different forms of ownership and for their interaction. One should not on any account set off one form of economic management against another.

As regards the question of the introduction of private ownership of land, on the whole it appears to me to be far-fetched. The fact is that private ownership of land was abolished forever by the decreeing of Soviet power. Land was declared the property of the whole people and turned over to the working peasantry for free use. One must proceed from this even today.

G. I. Zinchenko: I think that different ownership alternatives are possible. First of all, land, as a subject of economic management, can be turned over free of charge into the possession of worker collectives. Along with the output produced it ought to become their absolute property. A second form is the joint-stock form, which is a variety of collective possession of land and other means of production. Its special feature is that it permits the member of the collective—the possessor of the shares—to participate directly in the distribution of the income (profit) received by the economic unit.

This, by the way, is one of the important ways of overcoming the alienation of the worker from the results of his labor. Fruitful experience in organizing production on a joint stock-cooperative basis has been accumulated, let's say, in the Zavety Ilicha sovkhoz in the Stupinskiy rayon of Moscow Oblast which has been transformed into a joint-stock company. Finally, one should also not exclude such an important trend in the alteration of land relationships as the buying back by individual collectives of kolkhozes and other enterprises of land from the state lump sum or in installments. In this case the enterprise becomes the people's.

P. D. Polovinkin: In the Fundamental Legislation of the USSR land for the production of agricultural output is given into possession and use for all subjects of economic management: sovkhozes, kolkhozes, peasant farms, etc. However, according to the land reform and other legislative acts of the RSFSR the monopoly of state ownership of land in Russia is being abolished. Thus, public ownership as a means of agricultural production is being legally eliminated.

Under these conditions the President of the USSR has put forward the idea of a land referendum, which the Fourth USSR Congress of People's Deputies has supported. In evaluating this action I want to note that in the final analysis truth is not established by an arithmetical majority of votes. In science there are no truths of the majority or the minority. Economic laws and the laws of social development will operate regardless of the wishes of deputies, publicists and ordinary mortals.

Even with the proclamation of the right of private ownership of the land neither in the RSFSR or in the other republics is there a mechanism for its implementation as yet. Here everything is a dark forest. Take such a problem. The owner of the land becomes automatically the owner of the entire rent (absolute, differential, monopoly). But why precisely is it that he and not the entire peasantry of the country appropriates for himself the superprofit for the fact that he has, let's say, lands that are more productive or are located close to the sales market? Is the peasant or collective who got the worst lands worse than him?

And there are countless multitudes of such problems. One needs to carefully weigh them all in preparing for a referendum which is called upon to decide the fate not only of the land, but also of all the people, which means also the fate of each of us.

Planner Discusses Land Holding Concepts

914B0132B Moscow TRUD in Russian 23 Mar 91 p 2

[Article by V. Talanov, chief specialist of the State Institute for the Designing of the Cities of the RSFSR: "To Whom Did They Return the Land?; Polemical Notes Concerning the Agrarian Reform"]

[Text] **Hope, as they often repeat, is the last to die. This is about you and me. I remember with what impatience we waited for the package of laws from the Russian parliament which proclaimed the demonopolization of state ownership of land and the introduction of a tax on it. It seemed that now the national property would get rid of the syndrome of "not belonging to anyone" and find itself in responsible hands. However, weeks and months are going by and the alluring idea of a land partition is descending too slowly from offices of various heights to the sinful earth. It's the right time to try to understand why the agrarian laws are "skidding." And how to make it so that one can finally feed our unfortunate people with their aid.**

The Struggle for Ownership

By speciality I am a land use surveyor and engineer. I have been working for 30 years on projects for the organization of territories. So that, from a professional point of view, legal documents with respect to the land are poorly adapted to practice.

Strictly speaking, the squabbles that lasted many days at the Russian congress have already shown that, unfortunately, the deputies are not too interested in the economic content of the reform. All were at the mercy of emotional feelings and antipathies toward the slogan "Grant private ownership of the land." As is well known, the fight between the blocs on this question ended in a draw. The Democrats succeeded in introducing private ownership into the law and their opponents in retaining state ownership of the land. I assume that the political implication was: in case food matters worsen the deputies of the "bloc of Ivan" will put the blame on the deputies of the "bloc of Peter" and vice versa. However we, the voters, as a result will be filled only with the noisy discussions at the next forum.

We have already suffered enough under conditions of the state ownership of the land to understand: nothing sensible will come of this in the end. And now, recently, after the introduction of amendments to the Russian constitution, land has become "the property of the peoples living in the corresponding territory." The formula is attractive but in my opinion too diffuse. The vagueness threatens chaos, under which the Soviets and the departments, the kolkhozes and the farmers will stretch the right of ownership like a blanket.

In my view, the land ought to be the property of the Soviets—the subjects of the Federation. Only in this case will the slogan "Power to the Soviets" be suffused with specific content, for it is clear: he who has the land has the power. It would be the first, and quite real, step to the liquidation of state-departmental arbitrariness. The Astrakhan Soviet will be able to resist the gas-chemical complex if it is the owner of the oblast's land. The Yamal-Nenets and Khanty-Mansi Soviets will succeed in saving the remaining portion of the tundra if they become full and equal masters in their own territory. In addition, one needs to consider that responsibility for the solution of the food, housing and ecological problems have today been transferred to precisely this level of power. The land use services and the design institutes, without which sensible land management is inconceivable, are precisely here today.

I want to emphasize that I vote with two hands for all forms of ownership—state, private, municipal, cooperative... However, for land, which was and will remain not only a means of production but also territorial living space—for it there should be a single owner in the person of the Soviet of People's Deputies. Only one should not call the latter's property "state" since an oblast or kray is not a state.

The Tax Fog

According to the agrarian laws approved by last year's Congress of Russian People's Deputies, the "people's property" has ceased to be free. The purport of the introduction of a land tax is understandable and incontrovertible: it is in a position to save our suffering land from being ownerless and to set the emaciated budgets of

the local soviets right. True, having proclaimed the idea of a tax, the republic's parliament and Council of Ministers as yet have said nothing about what should be its approximate norms. As a result there already are lots of examples when a good idea works harm at the will of the local authorities. Thus, a commission of the Moscow City Soviet tried to set taxes of 17 million rubles on the sports complex in Luzhniki, whose annual revenues are several times less.

I think that one could avoid impositions of this type. Waiting while the land reform committees evaluate the location, natural qualities and other land appraisal criteria and submit their proposals is entirely optional. Taking as the basis the experience of Western countries and the character of the land use one can determine an approximate procedure for estimating the tax. Thus, the local private farmers pay on the order of 10 percent of revenue for the land. If one takes into account the yield of our field and the purchase prices for grain, then a merciful tax for an "average" kolkhoz is somewhere in the range of 100 rubles per hectare. This is a basis relative to which it is not difficult to calculate other norms. For general nature reserves, for example, the tax might be 100 times less but, on the other hand, 10 times more for fruit growers and market gardeners. Such a procedure could become the very economic mechanism which would move the land reform from dead center and save the parties from antagonism when land is partitioned.

Judge for yourselves. If the tax from a private plot is several times higher than from a kolkhoz field, then it makes no sense for the local authorites to create red tape with the alloting of land for personal use. On the other hand, if the kolkhozes and sovkhozes knew the tax normatives by the beginning of the year, then by spring they would have given up the "surplus land" in favor of private farmers or market gardeners from the city. They have given it up themselves, without pressure "from above" and conflicts with potential competitors.

Individual Farmers or Market Gardeners

World-wide practice indicates that the labor of individual farmers is far more efficient than labor on the public field. It is no accident that the revival of peasant farms has become the main goal of the laws "On the Land Reform" and "On the Peasant Farm." However, under our conditions this trend has its own economic, social and demographic problems.

The basic cause restraining the creation of individual farms is the age structure of the village work force. There are lots of regions where there is no one to sow and to milk the cows, where lands are overgrown with scrub because of the absence of human beings. One cannot put the neglected lands in order without organizing the resettlement of townspeople wishing to farm independently. Individual farmer faculties need to be opened in agricultural vuzes and technicums. Competent producers who are masters of a set of specialities—machine operator, agronomist, livestock expert, economist—have to be trained. One needs to organize cultural and everyday services in the small holdings (otrub) and to create an essentially new social infrastructure.

There is also another side of the medal. According to government predictions, the intention is to hand over about three million hectares of cultivated lands to individual farmers before the end of the century. There are 130 million hectares of arable land all told in Russia alone. Lances have been broken around the small allotment of land on whose sale a ten-year moratorium has been imposed besides. In short, the controversy between the adherents of the "state" and "private" sectors have pursued not so much economic as political goals. The simplest analysis compels one to acknowledge that the home-grown individual farmers will not solve the food problems in the forseeable future. This is a contribution to the plates of our children and grandchildren.

The question is what we will have in the next few years. It seems to me that the law "On the Land Reform" has left it open. Although one could, for example, envisage the apportionment of part of the kolkhoz-sovkhoz lands for the construction of villages and settlements based on a marked increase of allotments near the farmhouse. One can and one needs to allocate to each household up to a hectare of land in addition to the personal plot. That is as much as a family is able to cultivate with the help of relatives from the city.

According to our calculation, the area of the allotments near the farmhouse can double in a few years and amount to about four percent of Russian arable land. If one considers that one's own vegetable patch is far more productive than the kolkhoz field, the relative share of this output would exceed a third of the total volume. This is the quickest and most practical way to add products to our table and doesn't require state capital investments and remote, unproductive lands besides.

City dwellers also need land. As experience indicates there are more than enough of those wishing to feed themselves. I recently was a witness to how envoys from Miass in a commission of the RSFSR Supreme Soviet asked for help in the apportionment of garden plots for the workers of the city. However the supreme authorities as well as the local ones threw up their hands. All the land, they said, belongs to the kolkhozes and sovkhozes. One must apply to the village soviet and what is more coordinate in the rayon agro-industrial association. But there, of course, they are more preoccupied with the problems of rural inhabitants. It's a dead-end situation. They all put the blame on each other for it is not clear who specifically should decide.

By the way, today allotments are being made to market garden associations (tovarishchestvo) which require much effort and time to develop. If one is guided not by ideological predilections but by common sense, one should locate them on the best lands convenient to transportation. The fact is that these market gardens

usually yield four to five times more output than a neighboring kolkhoz gets from the same area.

To Live According to the Law...

In what, in what but in legal documents concerning the agrarian reform don't we have a shortage. Unfortunately, quantity does not carry over into quality. The laws are often one-sided and repudiate one another. The head of a practising land use surveyor goes round in circles for it is impossible to understand what one is to be guided by. Thus, a year ago the "Fundamentals of All-Union Legislation on Land," which do not work, were adopted. The President recently had to publish a special edict (ukaz) "On the Land Reform" which, however, has not abrogated the Fundamentals. Consequently, they will even further contradict the many more radical land codes of the republics in a number of points. The Russian law "On the Land Reform," devised with an agrarian bias, torpedoes the "Housing-2000" program which no one has cancelled. How to remove land earmarked for construction from the departments, labor collectives or individual farmers who will be the owners is totally vague. But will they be? The decision of the Russian authorities on the legalization of private property is essentially cancelled by the decision of the all-union authorities concerning the referendum on this question.

It is often hard to detect common sense in this "flood of laws." The rush with the referendum referred to is incomprehensible. You see, the republic's Constitution says that buying and selling is not permitted for 10 years and then either a congress or a popular vote will decide this question. So a refendum would be conducted in 10 years, not increasing the already tense political passions.

In my heart, I say openly, there also lives the hope that the time will finally come when legal documents will serve the truth and not the ambitions of political blocs and fractions. One wants to live and work according to precise and logical laws.

Peasants 'Disheartened' by Problems, Taxes

PM0504150991 Moscow Central Television First Program Network in Russian 1800 GMT 3 Apr 91

[From the "Vremya" newscast: Report by M. Ganiyev and S. Ziyamukhamedov, identified by caption]

[Text]

[Announcer] Spring field work has begun in the southern regions of the country. Crop farmers always have problems, but in the report that you will hear peasants say that they lose heart and feel ill at ease during the sowing period as a result of mismanagement. So all society's efforts must now be channeled into resolving peasants' problems—immediate and transitory problems. Think about it. Is it not in the countryside that the foundations are laid for the minimum well-being that will be ours in the near future? Both economic, domestic, and political well-being.

[Reporter] [Caption reads: "Dzhizak Oblast. Cooperative Association named for the 50th anniversary of October"] There are no kolkhozes, sovkhozes [state farms], teams, or links here in Duslikhskiy [as heard] Rayon. Two years ago now the land was handed over to leaseholders long-term. In turn they formed cooperatives and there are now nine associations here instead of sovkhozes. The complexity of the situation in the country notwithstanding, you know, the coming of spring cannot be halted by our problems. The spring is coming, it is pressing on, and peasants have no time for rallies. They have enough worries. All the oblast's farms have already sown potatoes, onions, alfalfa, wheat, straw [as heard], all the early crops. Dzhazil Ergashev's cooperative is finishing with corn on this field. The peasants only have to sow the cotton, and they are ready to do that. They do all this, of course, without fuss or reports; they are working for themselves, for the end result. You cannot hide the fact that last year both spare parts and fuel were swapped for above-plan vegetables, fruit, and melons. This spring leaseholders reduced the area under cotton. It is a profitable crop, but you won't get fat in the countryside now even with a lot of money. The cities don't lay in the vegetables, milk, and meat—they all have to be obtained with ration cards. It is the peasants who have to feed the people. They have to reckon with the new taxes and compensation that have befallen crop farmers. And these total more than seven million rubles in various deductions. In comparison with last year taxes have risen by a factor of almost 17. So, what are peasants to do? How are they to make ends meet? They are becoming disheartened. These questions must be resolved as a matter of urgency. Otherwise, profitable farms and associations will soon just break down.

REGIONAL DEVELOPMENT

RSFSR Peasant Party Discussions, Proceedings Reported

Congress Assembles, Split Appears

914B0126A Moscow SELSKAYA ZHIZN in Russian 19 Mar 91 p 2

[A report by SELSKAYA ZHIZN correspondent R. Vadimov: "The Congress of the Peasant Party"; similar material included in JPRS Report Soviet Union: Economic Affairs, JPRS-UEA-91-010, dated 27 February 1991]

[Text] The first congress of Russia's Peasant Party was held in Moscow for two days, on 16 and 17 March. Our readers know that the party's constituent assembly was held in September of last year. The organizing committee has been busy since then preparing all the required paperwork to make it possible for the new party to be formed. Representatives of 46 regions of the

Russian Federation attended the congress. Two hundred fifty delegates with voting rights were present in the audience.

The congress approved the statutes and the program, and elected governing bodies.

Journalist Yu.D. Chernichenko was elected party chairman out of the two candidates on an alternative basis. As the other candidate, V.F. Vershinin, spoke to the delegates, he said he refused to work together with Chernichenko. According to him, many peasants and intellectuals turned away from the newly formed party because of Chernichenko's extremism.

The notes on the proceedings of the congress will be published.

Peasant Party Congress Proceedings

914B0126B Moscow SELSKAYA ZHIZN in Russian 21 Mar 91 p 3

[Commentary by SELSKAYA ZHIZN correspondent V. Raskin: "Of the Peasants...Without Peasants"]

[Text]

Notes From the Congress of Russia's New Party

The information about this event was published in our newspaper, and the readers know that the first congress of the republic's Peasant Party was held on 16 and 17 March, that the party's program and statutes were approved and that publicist Yu.D. Chernichenko became its chairman. Now more details about all of this.

How many people did the delegates at the congress represent? This is not a simple question. ROSSIYSKAYA GAZETA, for example, gave the number of 273 delegates from 44 oblasts who represented 1,820 members of the new party. NEZAVISIMAYA GAZETA cited different figures: 286 delegates represented 6,000 people from 39 oblasts. This "discrepancy" in numbers is not the fault of my colleagues; it was caused by the lack of accurate information about how many people and whom congress delegates represented. At any rate, my presence at the congress and conversations with many delegates during the breaks enable me to say that there was a lot of wishful thinking at the first congress of the Peasant Party.

I saw a horse's collar hanging over the rostrum as I entered the auditorium where the first congress was scheduled to take place. Naturally, I wondered why it was there.

Yuriy Dmitriyevich Chernichenko dispelled my perplexity, as well as the perplexity of many delegates:

"I was given this harness as a gift in Nizniy Novgorod."

The well-known journalist went on to explain what the collar symbolized. One of the delegates stepped away from the microphone later on and said, causing laughter in the audience:

"Let's take this collar down. Can't we invent new symbols in our new party? For example, an image of a tomtit or a stork in the sky" [a reference to the Russian saying: It is better to have a tomtit in your hand rather than a stork in the sky].

They did not remove the collar until the end of the congress, though. But this is just a detail. Let's turn back to the beginning of the first forum of the Peasant Party. Yu.D. Chernichenko has the floor.

"Muzhiks! [Men] Russian muzhiks!" the chairman opened his speech.

I won't quote him any more. I shall just express some of my other misgivings. I realize that Yuriy Dmitriyevich would have found it awkward to say "Baby" [Women], considering the delicate situation. But there were quite a few women in the audience. Sitting next to me was a homemaker, Tatyana Yurieyvna Petukhova, from the town of Serpukhov near Moscow. We made each other's acquaintance. I asked her how she made it to the congress.

"A party representative came to see us and found himself right in the middle of a session of the land committee. As a woman not too busy, I was offered a mandate to attend the congress."

Yu.D. Chernichenko's 20-minute speech is over (although he admitted that he could have talked for about five hours). He tried to rationalize the establishment of the party, spicing his speech with such witticisms as: "the congress where no one will eat anyone ["eat" and "congress" sound similar], "we respect the policy which is good for the crop" [rhyming of "respect" and "crop"]. Nor did he fail to repeat his pet phrase: "Agrogulag of padded jackets and leather boots." Well, a set of cliches which Chernichenko, a publicist, journalist, and writer, widely used in various newspapers and magazines.

The official speeches by the leaders of the organizing committee are over. The party's economic and political goals have been set. Honorary guests were given an opportunity to take the floor, the way it is done during congresses. A representative of the Ukrainian village party, R.P. Kuzmich, said, sharing his work experience:

"We thought that the peasants would flock to us. Alas. The peasants shy away from the new party as if it were the devil."

But Roman Pavlovich's speech was permeated not only with pessimism. He wished success to his Russian colleagues.

"You party is sowing in spring. This means you will reap a harvest."

A proposal was made to arrange ties between parties. The floor is given to N.I. Travkin, the leader of Russia's Democratic Party:

"I mind my own business when I do not understand something. So, I do not daub in rural issues. We can achieve success if we can act together. Consolidation of forces is when everyone pursues his or her goal."

After Travkin, the floor was taken by S.S. Sulakshin, the leader of the Republican Party:

"Esteemed colleagues, muzhiks, brothers, you have realized where your interest lies..."

The audience was greeted by Academician of the VASKhNiL [All-Union Academy of Agricultural Sciences imeni V.I. Lenin], V.A. Tikhonov, president of the union of USSR united cooperatives:

"It was my dream and that of the people who think alike to re-establish a peasant party."

I must admit that I have never attended a congress where a new party is being formed. I know about such things only from history textbooks, recollections of the first members of Narodnaya Volya [People's Will], and of socialists and Bolsheviks. But there were not many people in the audience either who had any experience in organizing parties. I have already quoted them. They were in the presidium as honorary guests.

But let me go back to the main topic—what is the goal behind establishing the new party and what is it going to be like? I'd rather give the floor to Aleksey Mikhailovich Yemelyanov, another honorary guest, VASKhNiL Academician and USSR people's deputy. I talked with him during the break:

"Are you going to join the Peasant Party?"

[Yemelyanov] I did not quit the CPSU so that I could immediately join another party. It is more important for me now to focus on my work on the committee for agrarian questions and food under the USSR Supreme Soviet.

"What can you say about the first congress of Russia's Peasant Party?"

[Yemelyanov] I can't answer it in a few words. I would emphasize first of all that we need leaders who would not cross the floor. Many parties are being set up today. There is an abundance of them, so to speak. The prestige enjoyed by each new party largely hinges on its leaders. This is not a simple issue. I would like to make just one point as far as the Peasant Party is concerned. To enable peasants, and radically-minded experts and managers, to join the party, one should have among its leaders rural leaders from among collective and state farm managers, those whose names are well-known in the country and command respect—people who have proved their unflinching loyalty to the countryside and have displayed an undaunted spirit with their deeds and who thus have won people's recognition. People believe them and will follow them. People like A.F. Veprev, who dedicated all his life to the protection of the peasants and who established a miracle of a farm under bleak Siberian conditions. One more thing. I cannot get rid of the impression that a state of euphoria was created over the very fact of establishing a peasant party. Not much thinking was done about specific matters.

* * *

A newspaper page is too small to convey all the thoughts expressed by A.M. Yemelyanov. His extensive interview contained quite a few interesting proposals. It is odd that the congress organizers did not draw on the experience of such experts as the congress was being prepared. But let us leave this to their consciences. Let us go back to the conference hall. Each speech made by a farmer or cooperative member was essentially a story about the difficulties which besiege the peasant today. The matters of party activities were put aside, while much prominence was given to the issues of a land reform, allotment of land lots, and social living conditions.

A few appeals were approved during the work of the congress. I shall quote from one of them, addressed to the forthcoming congress of the RSFSR people's deputies:

"Russia's Peasant Party vows its strong support for the policy of B.N. Yeltsin. Good laws on land and peasant economy have been passed; one has only to implement them, overcoming opposition from the reactionaries—one should exercise one's power! We are voicing our peasants' 'Yes' to the course pursued by Yeltsin and a firm 'No' to the perfidy of conspirators. Along with all of the awakened Russia, we shall not allow the congress, imposed upon us by the partocrats, to put an end to our hopes."

Don't you think that these words sound very familiar? Indeed, you are right. The text of the appeal was written by Yuriy Dmitriyevich Chernichenko himself. I shall not quote other appeals. They are also replete with complains against the Communists. I do not want to dwell on this subject, but the amount of mud slung against the CPSU outweighed constructive proposals regarding what the Peasant Party should really be like.

Here is what I would like to say. So many good words were written about the subject of the CPSU's interaction with other political parties and movements and about the forms of such cooperation. It is a great pity that not a single CPSU representative took the floor during the congress of the Peasant Party in the making. Nor was there a single person to clarify all kinds of insinuations. This is not exactly the case, however. Attorney Boris Mikhailovich Orfyonov really gave a hard time in the lobby to those instigator "democrats" who "egged on" the congress delegates. One should have seen how they went almost into a fistfight with Orfyonov initially. His voice resounded more confidently after that, and people

began to heed his words. But the debate was over as soon as the break was up. It is too bad that no debate took place on the floor!

I used words from a saying in the title of these notes, since Yuriy Dmitriyevich is fond of using sayings. Quite a few delegates had some striking words prepared. There was an opportunity to do this. The auditorium had three microphones. But a strange thing happened: as soon as the speakers began to speak in a different vein, afoul of the tune set by the congress organizers, they were either ignored or replaced by other speakers. For example, Gennadiy Aleksandrovich Somov, chairman of the KPR branch in Meghion, left the congress, his message largely ignored. He said as he was leaving:

"I do not want to take part in this comedy."

He turned over his undelivered written speech to me. The speech covered four pages, filled with his small handwriting. He also told me that he would try to establish another peasant party. I also made acquaintance of Aleksey Alekseyevich Sapozhnikov from the village of Malaya Purga, who already established a democratic agrarian party of Udmurtiya. He has his own point of view regarding the image of a party which upholds peasants' economic, social and political interests. We would like to continue our conversation on the pages of our paper, not limiting it to the auditorium where some new political leaders were engaged for two days in establishing a new political party. It is not clear so far in whose interests it was done.

MACHINERY, EQUIPMENT

Changing Prices Disrupt Equipment Support

Ryazan Oblast Leader Interviewed

914B0127A Moscow SELSKAYA ZHIZN in Russian 1 Feb 91 p 2

[Interview with Anatoliy Vladimirovich Kiryushkin, deputy chairman of the Ryazan Oblispolkom, by A. Zholobov: "Prices Are Changing, But the Problems Remain"]

[Text] The telephone in the editorial office has been ringing more frequently in recent days. Calls are coming in from managers of kolkhozes, sovkhozes, and industrial-type poultry farms. There is more or less one topic of conversation: we want help and support from the newspaper. The gist of it is that as the transition is made to the market and new prices are introduced for equipment, manufactured fertilizers, building materials, and other goods indispensable to agriculture the economic condition of the farms is deteriorating. Many kolkhozes and sovkhozes are threatened with ruin. Opportunities are more limited for carrying out social programs. The priority development of agriculture promised by the Government of Russia is hanging in the air and remains an empty sound. The pumping of resources out of agriculture is continuing. Our correspondent A. Zholobov met A.V. Kiryushkin, deputy chairman of the Ryazan Oblispolkom, and together they tried to figure out what this looks like from the example of Ryazan Oblast.

"You know," Anatoliy Vladimirovich said, "we are simply overwhelmed by requests that run along the same lines. A serious situation is really developing, perhaps the most serious one in the last 10 years. It has become practically impossible to plan production. No one knows what awaits us tomorrow, nor how market relations of the kolkhozes and sovkhozes with their partners will evolve. Even now they are stretched to the limit: deliveries of equipment, building materials, and other resources are limited. Barter deals, negotiated prices far higher than wholesale prices, have taken hold."

[Zholobov] But purchase prices have after all risen for meat, milk, grain, and other products. This should improve to some extent the equivalence in trade between city and country?

[Kiryushkin] Yes, purchase prices of agricultural products have changed. But the subsidy allocated to kolkhozes and sovkhozes from state financial sources to cover losses from production of low-profit products has been abolished. Whatever the criticism of that system, it helped many farms to become economically stronger. Now instead of the subsidy the Russian Council of Ministers has introduced a new and zonally differentiated procedure for forming purchase prices of agricultural products and services. They have been set so as to reimburse kolkhozes, sovkhozes, industrial-type poultry farms, and other complexes for the difference that might occur when prices of resources delivered to agriculture rise. Earlier, for instance, the average purchase price per ton of milk with basic fat content was 365 rubles [R] in our oblast; now that same ton, if it comes under the tax in kind, costs R800, but if it comes under the state order, it is R80 more expensive.

It is the same with meat. Now a ton of beef, pork, or poultry is 2-3-fold more expensive than it was up until last September, when the Russian Government made a substantial adjustment in the purchase prices.

[Zholobov] That restructuring must have been advantageous to the kolkhozes and sovkhozes?

[Kiryushkin] At first glance, yes. But in essence, no.

[Zholobov] Why do you think that?

[Kiryushkin] The unequivalent exchange between city and country that has existed for many years and has been quite detrimental to the agricultural economy persists even now. Having made the decision to revive the Russian countryside and accordingly to raise purchase prices of certain products from cropping and animal husbandry, the republic's Council of Ministers was quick to adopt another decree raising wholesale prices of

industrial goods, building materials, and services. As a consequence, kolkhozes and sovkhozes were again far on the losing end.

And if we take into account that the ministries, concerns, that head up the industries producing equipment, gear, spare parts, manufactured fertilizers, building materials, and other resources are continuing to enjoy a monopoly in setting their own prices on all of these things, then the economy of kolkhozes and sovkhozes could end up in a still more difficult condition. Take the beet-harvesting combine as an example. Its wholesale price is R18,000. But the enterprise manufacturing that equipment offers it to farms at R30,000 per combine. Or take the milk truck built on the GAZ-53. It cost R4,200. Its price has now jumped threefold. Grain-harvesting combines, tractors—in short, all equipment has become 1.5-2-fold more expensive.

At the same time, kolkhozes and sovkhozes, as they meet the tax in kind and fill the state order, are required to sell their products only at state purchase prices, which in the given economic situation have turned out to be manifestly low.

That is why the decision made by the Russian Council of Ministers to raise purchase prices of agricultural products is not working today and is making peasants uneasy. To be sure, the republic's government promised to compensate agriculture for the anticipated rise of the prices of its resources. But this was not done to provide full reimbursement. For instance, taking into account the increased prices of equipment and spare parts used in repairs, the Ministry of Agriculture set compensation to the Ryazan APK at R5.2 million. But according to our calculations, the compensation ought to be 11 million. And this discrepancy occurred because Minselkhoz started from last year's wholesale prices, and we made the calculations on the basis of the new list prices, which proved to be considerably higher than those wholesale prices. The difference in the value of construction and installation work proved to be too great; there was a threefold increase over last year's unit prices. As a consequence, our oblast is now short R520 million to carry out the plan for construction work established by the Russian Council of Ministers. Everyone is asking the question: Where are they to come from? What is to happen with fulfillment of the program that has been outlined? Nor do the kolkhozes and sovkhozes and other enterprises of the oblast's APK have such money.

[Zholobov] You will have to go to the bank and take credits.

[Kiryushkin] That luxury is too expensive. Many farms will end up in a still greater difficulty. After all, it is first of all the economically weak farms that need the credits. But the charge for them now is threefold what it was a year ago. And in the oblast as a whole bank interest might represent R70-75 million per year.

Let us go further. The question arises: How to carry on the effort to increase the fertility of fields when without it, as is well-known, we cannot hope for stable operation of cropping nor for achievement of efficient use of the land? Previously, the oblast received a modest sum—R25 million—from the state budget every year just to apply lime and phosphate rock to the soil. Even now the republic's Council of Ministers has allocated us the same amount of money. But a ton of lime on the new price list now costs fourfold more, the charge for it has increased from R3.5 to R13. This means that to carry out the plan of operations to sweeten the soil (and this must absolutely be done) the oblast will need at least R60 million more. Again the problem is where are they to come from?

So, on the basis of preliminary estimates, more than R600 million additional will be needed in our oblast alone for full compensation of the higher prices of resources if the entire range of operations is to be performed under the program for renewal of the Russian countryside. This amount exceeds by 1.5-fold all the profit which our APK has earned over all of last year. The threat of this situation is that many farms may end up with a loss, which in a market economy will result in bankruptcy. Some 57 of our farms, one out of every seven, might be among the first such farms. That is why managers are very worried now about the future destiny of agriculture. They are calling for help.

[Zholobov] Where is the way out?

[Kiryushkin] I think that the governments of both the Union and the republics need to thoroughly analyze the present situation in agriculture once again and grant this sector—in actuality, not just in words—priority development. And erect a reliable barrier to the unrestrained rise of prices of everything agriculture needs for its steady operation and growth of the production of the food so necessary to the entire country.

Pugin Admits Situation Difficult

914B0127B Moscow SELSKAYA ZHIZN in Russian 1 Feb 91 p 2

[Article by N.A. Pugin, USSR minister of automotive and agricultural machinebuilding: "We Share the Alarm of the Peasants"—first paragraph is SELSKAYA ZHIZN introduction]

[Text] *N.A. Pugin, USSR minister of automotive and agricultural machinebuilding, comments on the facts given in the article "We Share the Alarm of the Peasants."*

As a matter of fact, what A.V. Kiryushkin, deputy chairman of the Ryazan Oblispolkom and chairman of the oblagroprom, talks about is one of the most burning problems today. We have been receiving quite a few troubled letters in which farm managers flatly state: You are trying once again to bring agriculture to its knees. Equipment is becoming more expensive literally before our eyes. For my part, I am working constantly with the ministry staff. Our goal is that enterprises in the sector "not get carried away" with high prices. We are after all

perfectly aware that prices are a boomerang that come back to industrial enterprises, I am referring to food prices. But there also needs to be understanding for those who are manufacturing agricultural equipment. The problem is that the materials that go into it are rising like dough. What is more, the increases are fantastic. One plant, for example, which makes tires, raised the prices of its product 11-fold. This naturally is reflected in costs. We have done everything to reach agreement with the Chimkent tire manufacturers, but the issue has not been entirely settled even yet.

I understand that readers of SELSKAYA ZHIZN are disturbed above all by the problem of the rising prices of agricultural equipment. The other day I was visited by the general director of "Rostselmash." The machinebuilders there have a very high level of industrial cooperation. The prices of materials delivered to the enterprise have risen sharply. It is evident even to the naked eye, then, that combines will be more expensive. How is this to be prevented? We are trying to work with our supplier enterprises, arguing that they cannot be carried away with higher prices.

An analysis of the operation of "Rostselmash" shows that the level of profitability there is very low. And if the price mechanism does not take effect, the work collective will end up in a miserable situation. That is why we have decided time and time again to see what can be done at each particular plant supplying parts and equipment for combines. In short, we are trying to do everything so that agricultural workers will have fewer complaints to make against us.

Nevertheless, without subsidies from the state, it will be very difficult to solve the problem. I might also refer to the experience of the Western firm—subsidies are indispensable. Who will they go to? There are two ways to do this. Either grant them to our enterprises to cover those losses which result from materials and components. Or give them to those who are buying our equipment. I would choose the first way. But in any case, there must be only one conclusion. We cannot take the country toward high food prices. That will not do. After all, the entire society as a whole suffers. We need here a dialogue among all the interested parties.

Followup: Enterprises Are Greedy

914B0127C Moscow SELSKAYA ZHIZN in Russian 23 Mar 91 p 1

[Article by N. Chaukov, worker, Khabarovsk: "Prices Are Changing, But the Problems Remain"]

[Text] The main reason for the unrestrained rise of prices is simply that the government has not been setting a firm price ceiling on all products. At present, every enterprise operates this way: "what I want, that is what I will get," and the government does not react to that "what I want." The most terrible thing is that this is bringing about the downfall of our economy.

Rising Prices Threaten Field Work

914B0127D Moscow SELSKAYA ZHIZN in Russian 13 Mar 91 p 1

[Article by S. Kostornoy, SELSKAYA ZHIZN correspondent in Belgorod, Kursk, and Orel Oblasts]

[Excerpts] [passage omitted] This spring, there will not be a sufficient number of seed drills for grain, cultivators, disk harrows, stubble plows, and towing hitches. The suppliers have already issued a warning about this.

But the exceedingly acute shortage is only one side of the medal which the tractor and motor vehicle plants have awarded to field croppers. The disproportionately high prices are the other side. Here are just a few cases out of the great number for the purpose of illustration. The DT-75NS crawler tractor has become 201 percent more expensive, the T-150 K tractor 180 percent, the "Don-1500" combine 151 percent, and the GAZ-5312 truck 247 percent. The prices of diesel fuel have risen 228 percent.

That kind of robbery, to put it figuratively, will cause a sharp deterioration of the economy. For example, in the Belgorod Agroprom expenses this year will increase by 353 million rubles [R]. This kind of price policy will deal an appreciable blow to the future crop.

A commission of the Agriculture Committee of the USSR Supreme Soviet was recently working in Orel Oblast. They were summoned here by representatives of the Kharkov Tractor Plant and the production associations "Gomselmash," "Volgograd Tractor Plant," "Minsk Tractor Plant," and "AvtoVAZ."

"The representatives of enterprises," I was told by A.A. Mikhalev, chairman of the Orel Agropromsoyuz, "unambiguously declared that the country's tractor and agricultural machinebuilding had collapsed. The reason is that the economy is out-of-balance, and this is causing flagrant violations of contract deliveries. Localistic tendencies and clumsy financing are flourishing.... Many good specialists have fled from enterprises to cooperatives." [passage omitted]

Quite recently the question of the country's readiness for the spring fieldwork was raised sharply in a conference of the CPSU Central Committee. Even M.S. Gorbachev expressed uneasiness about the fate of domestic agricultural machinebuilding in his meeting with the workers of the production association "Minsk Tractor Plant." The talks must be followed up with urgent measures by the union and republic governments. For if the spring planting is wrecked, we will find ourselves facing hunger one-on-one.

POLICY, ORGANIZATION

Construction Industry's Problems Assessed

914C0006A Moscow EKONOMIKA I ZHIZN in Russian No 11, Mar 91 pp 12-13

[Article by Doctor of Economic Sciences I. Komarov: "Investments"]

[Text]

Production Potential

The efficiency of capital investment in the country remains low. The technological backwardness of leading sectors of the economy is increasing. Many facilities are being erected according to outmoded plans, and are taking so long to construct that the technology of production, and often even the products envisaged for output, are hopelessly out of date by the time they enter service. The estimated costs are rising, while materials- and labor-intensiveness are effectively not being reduced. The state and society meanwhile are investing 200 billion rubles a year in new construction and the modernization of production facilities, housing and the social sphere.

The projected upgrading of production capital and the transformation of the country's existing industrial potential is being accomplished greatly behind schedule. The investment complex, and especially construction, have proven to be unready for the performance of sweeping modernization work.

The unvaried trend toward large-panel homebuilding in residential construction has completely ruined the original architecture of our cities and swallowed up many billions of rubles. Hundreds of thousands of workers were diverted for the construction and operation of 1,600 homebuilding combines, while millions of citizens are living under uncomfortable conditions. The enterprises in the construction industry, oriented toward the production of prefabricated reinforced-concrete structural elements, have moreover physically exhausted themselves and grown functionally obsolete to a considerable extent. The whole world is taking the route of creating mobile construction bases, intersector production and the supply of efficient structural elements, materials and hardware for construction. We are creating fixed bases "for the ages" for the construction industry, with the production of traditional materials-intensive items. The stagnant nature of technical policy in construction is thus preordained for many years.

The construction industry has an extremely low capital/worker ratio and is not outfitted with contemporary equipment, being especially short of electric-powered tooling and small-scale mechanization equipment. Labor productivity in this sector lags by half or worse behind the level attained in the technically developed countries. Some 13 million people are employed in construction organizations, which is at least 1.5 times the efficient requirements, since one out of five of those working are office personnel, and two out of four are engaged in manual labor.

Capital, and especially industrial, construction is being developed without proper regard for the ecological burdens on the environment. Many billions in spending for the rehabilitation of the ecological equilibrium are required.

All of this has led to the fact that capital construction has been transformed into one of the most backward, unprofitable and unpopular sectors of the national economy. The sector gobbles up 1/5 of national income and up to ⅓ of material resources, while finished construction output with the technical and economic indicators of yesteryear are turned out in exchange.

The Renewal of Capital

The share of expenditures for the modernization and technical refitting of the existing production apparatus in the overall amount of funds for production construction has increased from 39 percent in 1985 to 50 percent in 1990. The projected withdrawal of obsolete fixed production capital could not be accelerated, however.

A slowdown even occurred in the renewal process of the production apparatus. The renewal factor of fixed production capital declined from 7.8 on average for the 11th Five-Year Plan to 6.9 percent in 1986-90.

Technological Structure of Capital Investments
(share in percent)

	1980	1985	1990 (expected)
Construction and installation work	55	51	50
Equipment, tools	36	38	36
Other capital spending	9	11	14

The extent of depreciation of fixed industrial-production capital increased from 36 percent of its total value at the beginning of 1981 to 41 percent at the beginning of 1986, and 45 percent at the beginning of 1990.

A key role in resolving the tasks of renewing the production apparatus belongs to machine building, but that situation is not improving. An acceleration in the increase in sector output was projected for 1986-90, while the actual increase in the growth rate declined versus the prior year. Some 12 billion rubles of capital investment were not spent in this sector over the years of the five-year plan.

There were no material changes in the quality of the machinery being put out. The modernization of the enterprises, on which great hopes were placed and from which a substantial renewal of the production apparatus

and a reduction in the number of jobs was expected, in fact turned into the replacement of the liability portion of fixed capital.

The proportionate share of capital investment in equipment in modernization and technical retooling out of the overall amount declined from 71 percent in 1985 to 67 percent in 1990.

The share of technical retooling for which spending on equipment was substantially higher than for modernization remained virtually unchanged and totaled just 32 percent of the overall spending volume for technical retooling and modernization in 1990.

Capacity Start-Ups

Production capital that is in effect not being used has been accumulated in enormous quantities in the country. Capacity for commodity output is being utilized at less than 70 percent in the machine-building complex. The allocation of investment resources to build production capacity and facilities the country does not need continues, as testified to by the thousands of mothballed and simply abandoned sites. The construction of a plant for non-standard equipment in the city of Kirsanov with an estimated cost of 5.6 million rubles (4.6 million spent) has been halted, for example, as has a timber-processing combine in Surgut with a cost of 8.1 million rubles (5.6 million spent).

The construction of such gigantic enterprises as a plant for the production of machinery for the application of mineral fertilizers to the soil in Saratov Oblast and a forge and foundry in Volgograd Oblast with a total cost of about a billion rubles has been halted. The amount of work already performed at those sites totals 450 million rubles. Construction sites with an estimated cost of 89 billion rubles in all have been mothballed, at which 30 billion rubles have already been spent.

This means that sites have been abandoned for whose completion another 59 billion rubles will have to be spent, while new construction with a cost of 186 billion rubles has been started in the same years.

The chronic growth in incomplete construction, the amount of which has increased by more than 80 billion rubles over the five-year plan and has surpassed 200 billion rubles, has become an unbearable burden for the country's economy. The entire increase in capital investment for 1986-90 was consumed by incomplete construction. The efficiency of capital investments has dropped sharply. The unit expenditures per ruble of increase in commodity output grew from 2 rubles 19 kopecks to almost 4 rubles over the five years.

The late assimilation of new capacity inflicts great harm to the national economy. Much of it reaches design parameters in 3-5 years, in the face of a norm of 12 months. The annual losses due to the late assimilation of capacity that has been put into service total 12-14 billion rubles.

Plan quality remains at an intolerably low level. The substantial increase in the cost of design engineering has not aided growth in quality. Planning operations cost 3.1 billion rubles in 1985 and 7.2 billion in 1990, with relatively small amounts of increase in design engineering. Planning in the USSR, however, is the cheapest in the world, which affects its quality.

Checks of planning and estimate documentation have shown that just one in ten plans corresponds to world standards. State expert analysis in 1989 and 1990 alone left construction of a total of 47 billion rubles out of the plan, due to the poor quality of the plans for major facilities.

Management

The outflow of qualified core personnel from state construction and installation organizations to the construction cooperatives—already numbering some 50,000 large and small formations uniting more than two million cooperative workers—has grown worse. Proceeds from the sale of their output reached about 20 billion rubles in 1990, including 15 billion in construction and installation work. State construction organizations of the same size perform more than 20 billion rubles of construction and installation at significantly lower wages.

The poorly thought-out abolition of existing structures—without their replacement by new ones or suitable tasks for the conversion of the investment sphere onto the rails of a market economy—is inflicting substantial harm to construction.

The supervision of the whole construction complex of the country has also been abolished. This used to be performed by USSR Gosstroy [State Construction Committee], headed by the deputy chairman of the USSR Council of Ministers. USSR Gosstroy was converted into a technical-standards committee as of 1988, and relieved of the duty of supervising the activity of the construction ministries. But economic management methods have not been activated and the manageability of the construction complex has been lost, insofar as new organizational structures corresponding to the conditions of transition to the market have not been created.

The transfer of construction-management issues to the purview of the councils of ministers of the union republics has brought no changes. The lack of preparedness and, in many cases, the incompetence of key personnel in the local areas has had an effect. Elements of parochialism in relation to the building of facilities under state orders have grown stronger. A classic recession ensued after the revival of 1986-87, a precursor of economic crisis and an overall recession in the national economy. The changes implemented during that period, under the influence of radical sentiments, were frequently accepted without any evaluation of the competitive economic situation and were not sufficiently thought out.

Some 50 percent of the projected capacity and facilities were not put into service in timely fashion as a result.

The economic mechanism for the limitation of new construction is not being triggered.

Attempts to surmount the radical shortcomings in capital construction are of a poorly thought-out and spasmodic nature, are contradictory and pertain to the problems of the moment rather than fundamental ones. Construction was converted to calculations using finished commodity output as of 1981. This procedure was abolished in 1986. It was re-instituted in 1989, and has been abolished again in the RSFSR as of 1991.

Analysis of the complex situation that has taken shape in the investment sphere leads to the necessity of decisive steps to alter it. The "Fundamentals of Legislation on Investment Activity in the USSR" that were adopted at the end of last year (EKONOMIKA I ZHIZN No. 52 for 1990) defined the common legal, economic and social conditions for its implementation. But a transitional bridge is still needed toward a practical mechanism for business management in this sphere, and the transformation of the concrete economic ties and relations is essential in order to achieve stabilization and a rise in capital construction.

And What If This is a "Long-Wave Crisis"?

Methods of state regulation of the economy cannot be rejected abruptly and completely, first of all. We must, of course, put an end to the administration by decree, departmental parochialism and willfulness characteristic of former practices for managing the investment complex, and devise new methods for affecting investment activity.

The amounts of resources invested in the development of production and the infrastructure in countries with developed money-exchange relations are determined by the objective economic market situation and the possibility of obtaining higher profits. Decisions on major investments in practice here are made at a higher level proceeding first and foremost from political tasks, as pertains, for example, to the creation of the technical base for heavy industry, the placement of AESs [nuclear power plants], the construction of canals, the BAM and the like.

The amount of capital investment envisaged by separate governmental decrees not connected with the five-year targets had reached one trillion rubles by the beginning of 1985. This amount should have effectively swallowed up all of the country's resource capabilities. There was no mechanism whatsoever that would make it possible to make major decisions proceeding from economic criteria under the formal sway of the planned economy.

Well thought-out and efficient economic strategy has virtually disappeared from centralized planning. This has led, as has already been noted, to arbitrariness in economic development, the appearance of disproportions among sectors, the functional and physical aging of the production apparatus and its poorly thought-out and chaotic renewal, the appearance of a large number of empty jobs and a sharp drop in return on investment and the efficiency of investment.

Such a state of the economy is typical of the structural economic crisis that used to be considered the lot of the capitalist countries. Foreign and Soviet scholars, when describing a structural crisis, note its manifestations when an overall decline in profit standards begins, the functional aging of the predominant technology and organizational forms is underway, investment efficiency declines and a significant under-utilization and surplus of production capacity appears. The Soviet economy is experiencing just such a period today. The country has in essence entered a structural economic crisis. And if the contemporary situation in the economy is regarded as a structural "long-wave crisis," the proposed solutions should arise out of that evaluation.

Impossible to Manage Without State Help

The country's way out of the crisis is today seen in a transition to a market economy. The whole history of the development of states with developed market relations, however, has proven irrefutably that the market was never a remedy against crises, especially structural ones. Only the efficient utilization of experience in planning and state regulation of the economy assisted the Western countries in getting out of the crisis of the 1930s, and markedly eased the effects of the last structural crisis that developed in the 1970s and 1980s.

Even simple common sense suggests that not even the strongest enterprise will be able to make the transition to a new technological level without the aid of the state.

The conversion of the national economy onto a market track with a low level of state influence on the economy under conditions of structural crisis, just what our market extremists are calling for today, could lead to a repeat of the Great Depression of the 1930s, which would plunge the country's economy into even greater chaos.

We can get out of the crisis into which the economy of the USSR has fallen with the least losses, in my opinion, only with the consolidation of tough administrative measures at the state level and the development of competition at the producer level. Competition creates relations of economic compulsion for enterprises to seek out the most efficient ways of investing the limited resources and budgetary financing of the sectors that would provide for a technological breakthrough of the economy to the level of the developed countries.

The U.S. Senate endowed President F. Roosevelt with extraordinary authority in order to overcome the Great Depression. The strict economic policy on the utilization of investments and reductions in the consumption of resources per unit of goods pursued by the government of Japan made it possible to bring that country to a new technological level. The Marshall Plan for the rehabilitation of the economy in the FRG and the technological breakthrough of Korea were analogous situations. The

role of state regulation of the economy increased in those countries, and priority was assigned to expanded reproduction on the basis of profound structural restructuring and the development of the latest technologies.

Everything is being done backwards in our own practice of restructuring the economy. The accumulation fund has dropped to the level of the poorly developed countries. The decentralization of management is underway and its organizational structures are being destroyed, but economic methods of state regulation are not being introduced. This is leading to the loss of management of the economy and anarchy, rather than to the creation of a civilized market.

The contract prices that have been instituted for material and technical resources and the "separatist" increase in the level of planned accumulations in a number of republics will lead to a rise in the costs of construction of 2-2.5 times this year, the consequences of which no one has yet assessed.

Strengthen the System of Supervision

The role of state regulation of the investment flow through economic controls is essential, first and foremost, in order to instill order in the investment complex. The system of state supervision of construction must be strengthened at both the all-union and the republic levels. An all-union contract system for building major facilities on state orders should be created on new principles first of all. Form a state holding firm uniting the joint-stock construction and installation organizations engaged in state-order facilities, for example, based on the organizations of Minmontazhspetsstroy [Ministry of Installation and Special Construction Work] and the general construction organizations at the centers of concentrated industrial construction. Such a firm, holding controlling blocks of stock, could have a reliable impact on ensuring state interests without violating the freedom of business activity of the construction organizations that make it up.

Reproductive Structure of State Capital Investments for Production Facilities *(share in percent)*

	1980	1985	1990 (expected)
Modernization and technical retooling	33	39	52
Expansion of existing enterprises	29	24	19
New construction	38	37	29

It would be expedient to have a unified sector state body, an All-Union Construction Committee. Its functions could include the monitoring of the development and realization of the construction portion of all-union investment programs and construction capacity for the production of output for state needs; the supervision of uniform technological policy in design engineering and construction under conditions of a market economy; and, the coordination of the activity of all-union republics in implementing nationwide investment policy and the development of the production base of the construction complex and construction machine building.

It would be expedient to form a unified scientific center—the Academy of Architecture and Construction Sciences of the USSR—in order to unify the scattered key scientific personnel in construction. More than 50 scientific-research institutes and 84 scientific subdivisions at the design-engineering institutes of USSR Gosstroy and the construction ministries, agencies, concerns and associations are working in the realm of construction. They include 400 doctors of sciences and more than 7,000 candidates of sciences. There are also over 600 doctors and more than 5,000 candidates of sciences pursuing research on a broad circle of issues in construction science and technology in the academic departments of 30 construction and architectural educational institutions and 90 construction departments at polytechnical institutes. Investments in construction science could clearly be higher, in accordance with the contribution of the construction complex in the development of the national economy.

Economic Incentives are Needed

An effective mechanism of state influence for the fulfillment of investment programs should be employed under the conditions of a transition to the market and indicative planning. A system of special taxes and concessions should provide a limitation on excessive investment demand, a vested interest in reducing the duration of construction and the assimilation of new capacity and facilities and the elimination of incomplete construction and stockpiles of equipment above and beyond the standards.

A one-time deposit fee in the amount of the complete estimated cost for newly started production construction from non-centralized funds should be instituted. If a project is completed within the standard time frame, these funds are returned to the customer with interest. If the deadlines are violated, they remain with the state as compensation for the tie-up of resources in incomplete production. Taxes could be reduced on that portion of profits that is expended for the development of the asset portion of fixed productive capital. It would be useful to institute state registration of contract agreements with an evaluation of the reality of the sources of financing.

It would be expedient to create an exchange for the sale of mothballed facilities and industrial sites not needed by the customer that are in incomplete construction. Skilled specialists could provide their conclusions on the efficient utilization of these or those facilities.

The internal funds of enterprises should increase considerably in 1991, which would have a sharp effect on

excessive investment demand and the drain of resources from the most important state-order facilities.

The experience of last year testifies to this. Despite the fact that capital investment in the amount of 174 billion rubles was approved by the USSR Supreme Soviet, it was exceeded by 17 billion rubles using the funds of the enterprises. The unregulated increases in capital investments were not accompanied by an increase in material resources, which led to a further imbalance in construction and a worsening of the construction of facilities under state order. It would also clearly be worth it to involve the uncommitted funds of enterprises with the rights of joint-stock capital to continue the construction of the most important national-economic facilities. The construction of a whole series of production facilities, using imported constituent equipment with a cost of two billion rubles, will not be provided for through budgetary funding in the metallurgical, chemical and timber complexes and the building-materials industry. The losses due to disruptions of capacity start-up will total 24,000 tons of polypropylene film, 200,000 tons of caustic soda, 800,000 cubic meters of particleboard and 1.4 million tons of rolled metal.

The funds of industrial enterprises could be attracted to complete these facilities, counting on the products from the new capacity for the investment of uncommitted funds and solid control for regulating non-centralized sources of financing.

Changes are also essential in the organization of design-estimate work. The departmental subordination of design-engineering institutes should be rejected, and they should be oriented toward the comprehensive development of territories. An expert-information system should be created both within the framework of regional and voluntary organizations and within the framework of state administrative bodies.

The economic responsibility of designers for the achievement of rated capacity in the standard time frames must be established via having the customer back up a portion of the cost as envisaged for the increased quality of the designs. A simple and clear system of assessing the technical level and quality of technical and economic substantiation and the designs themselves is also needed.

HOUSING, PERSONAL SERVICES

Housing Legislation Breaches Reported

914D0175A Moscow IZVESTIYA in Russian 5 Apr 91 Union Edition p 3

[Report on interview with V. Kuchmin, deputy head of the USSR Procuracy administration for legal control and protection of people's rights in social issues, by L. Ivchenko: "There Is Nowhere To Live and Apartments Are Standing Empty"]

[Text] **Our people often learn from their own experience about the numerous irregularities in housing allocation procedure. But now the USSR Procuracy has conducted a check of how housing regulations are observed. Over 16,000 violations were discovered. According to V. Kuchmin, deputy head of the USSR Procuracy administration for the legal control and protection of people's rights in social issues, the housing situation has deteriorated—the apartment waiting list for apartments has grown by almost a million and a half in the last three years.**

[Ivchenko] Is it because of these violations?

[Kuchmin] Not entirely. To begin with, the plan for residential construction has not been fulfilled. Besides, in accordance with government decrees we have expanded the number of people who are given priority in housing allocations. These include Afgantsy [Afghanistan veterans] and servicemen who are returning from the countries which were formerly members of the Warsaw pact. However, our exacerbated shortages require utmost responsibility and order. But what did we find in our check? We saw apartments that have been standing empty for years, we learned about the razing of houses that could have been used for a long time yet, we found apartments that are used for non-residential purposes. Wherever we looked we encountered a negligent, inefficient approach to what housing we do have.

[Ivchenko] Are many apartments standing empty?

[Kuchmin] Hundreds of thousands! Newly-built or vacated apartments stand empty for years, due to lack of control or sometimes to mismanagement by the housing authority officials. Last year we found 5,000 empty apartments in Kazakhstan, 2,400 in Uzbekistan; this is the equivalent of several big apartment buildings! The same is happening in Leningrad with its 1,500 empty apartments. Besides, our people are delayed in occupying about 2.5 million square meters of residential housing in the country each year. In Baku, for instance, about 2,000 apartments were illegally listed as part of the reserve fund—that is almost one out of every five ready for occupation.

[Ivchenko] Empty housing has a provocative touch about it: time and again our press and television inform us about families of "house squatters."

[Kuchmin] One violation brings another. It is often easy to understand these people. Samarkand resident M., for instance, with a family of eight, forcibly occupied an apartment that had stood empty for several years because she could not get any improved living conditions for her large family. Imagine, her "squatting" went unnoticed for over two years. For that reason the rayon prosecutor refused to issue eviction orders and instead he even helped the family legalize their right to the apartment.

Among other things, empty apartments also bring huge losses to the government. In 1989, it lost over 300 million rubles in unpaid rent and that is with our budget deficit! Other material losses add up to these as empty housing is not taken care of, it gets damaged, the fixtures get stolen. We consider it a vicious practice if the housing authorities let people into a building only after 70 to 80 percent of residential permits are issued; this is another source of losses.

[Ivchenko] Actually, you have done an inventory of housing in certain locations...

[Kuchmin] Though taken separately it is not our job. But during our audit we even discovered certain apartments that have been prohibited to rent.

[Ivchenko] What do you mean?

[Kuchmin] Unfortunately, the tragic consequences of the earthquakes in Armenia and other republics have not taught our builders anything; some of them continue defective construction. We have found flagrant design and GOST [state standard specifications] violations affecting their structural strength in houses that are being built in Nebit Dag, Turkmen SSR [Soviet Socialist Republic]. The State Committee for Standards prohibited any further construction and installation work there but they still allowed people to live in these buildings. The procuracy has started legal action.

[Ivchenko] Are the measures taken after your check efficient?

[Kuchmin] We, prosecutors, are often powerless when we encounter social injustice. Sometimes it is impossible to correct what has been done. In Volgograd, for instance, in 1989-90 we uncovered over 40 incidents of protectionism in apartment distribution. The guilty were punished but, as they say, it happened on an empty track—they would not vacate their apartments, as the statute of limitations had already expired. So, our actions may often serve more as a warning. We started action to declare void a number of apartment permits that were given to a group of high officials of the Kirov CPSU Obkom [oblast party committee] and Oblispolkom [oblast soviet executive committee]. Similar cases of nomenclature officials grabbing apartments were uncovered in many cities. Similar violations in Moscow, Dnepropetrovsk, Karaganda, etc. led to mass citizens' protests and disclosures in our press.

[Ivchenko] A few words about those who are entitled to certain privileges.

[Kuchmin] People are often denied registration for no reason; in other cities they have virtually not even started to provide separate apartments for single war participants who still live in "communal" apartments. Things are even worse concerning improved living conditions for the Afgantsy. The housing allocated for privileged groups often "disappears into the wings." For instance, in the city of Bataysk, Rostov Oblast, only 11 apartments were given to war veterans and family members of those killed in the war—and that is out of 40 apartments set aside for such people. The Kiev City Soviet decided to give foreign firms three buildings that had been assigned for war veterans, family members of those killed in the war, Afgantsy, and families with many children. This violation was corrected only after the Afgantsy started a hunger strike and the procuracy got involved. In 1989, 4,370 officials were punished throughout the country for violating housing distribution regulations.

[Ivchenko] What conclusions have you derived from your check?

[Kuchmin] Among other things I have already mentioned the need to use sensibly what we already have. The local procuracy organs should keep a closer eye on this. What kind of bungling is it when they raze entire subdivisions of good houses, together with their orchards and vegetable gardens? In Chernigov, for instance, they razed over 21,000 square meters of housing which is four times the allowed norm. In spite of the owners' protests, they destroyed 367 houses. This, naturally, only worsened the housing situation; instead of shortening the waiting list by a minimum of 367 families they increased it probably by a much larger number.

[Ivchenko] During your check you noticed an irregular use of apartments for various offices, organizations, and services. That frequently happens in Moscow also.

[Kuchmin] Every year about two million square meters of housing are given away for non-residential premises. We have to deal with that because there is practically no control over it. We have talked many times about the need to set up corresponding oversight organs but we still do not have them.

ELECTRIC POWER GENERATION

Press Conference Held at Chernobyl AES

PM0404080991 Moscow Central Television Vostok Program and Orbita Networks in Russian 1530 GMT 1 Apr 91

[From the "Vremya" newscast: Report by V. Lyaskalo and V. Sulima, identified by caption, on Chernobyl AES]

[Text]

[Announcer] A news conference for Soviet and foreign journalists has been held at the Chernobyl nuclear electric power station [AES] devoted to the grim anniversary of the accident there.

[Lyaskalo] The news conference was organized by the USSR Ministry of Nuclear Power Generation. So it is possible to say that those who addressed the journalists were the flower of our nuclear power generation, as both science and industry.

Yet from the start of the news conference a kind of invisible wall of mistrust and suspicion arose between the journalistic fraternity and the people on the rostrum.

Here is how Georgiy Fedorovich Lepin, representative of the "Soyuz Chernobyl" social organization, sought to explain it.

[Lepin] What happens when people stop believing the scientists who provide them with information and so forth? Why do they stop believing them? Perhaps it is because this information is somewhat obsolete, because it does not correspond to reality very closely. If this is the case, then the lack of trust is entirely logical, no doubt.

[Lyaskalo] Now M.P. Umanets, director of the Chernobyl AES, has the floor.

[Umanets] I would very much like an atmosphere of candor, of mutual respect, and goodwill to reign in this hall from now on.

[Lyaskalo] The press conference lasted two days. It began at the Zelenyy Mys settlement and ended at the station itself. Participants heard dozens of reports and statements and interviewed hundreds of people along the way. Journalists visited installations in the 30-km zone and the station's operational No. 2 power unit, they inspected the No. 4 unit sarcophagus, and drove through Pripyat city. The organizers did not decline or refuse anything, so that on this occasion readers, viewers, and listeners will obtain fuller and more authentic information than ever before.

It appears that everyone has now understood that only the utmost openness and glasnost can restore people's trust in nuclear power generation.

'Tough Restrictions' Put on Electricity Use in Arkhangelsk

LD0404101691 Moscow All-Union Radio Mayak Network in Russian 2200 GMT 3 Apr 91

[Text] We have received this alarming report from Arkhangelsk. Tough restrictions have been put on the use of electricity and heating by industrial enterprises and the municipal economy of Arkhangelsk Oblast. The temperature of the water for heating apartments in major cities in the oblast has been reduced. The reason is the systematic interruption of deliveries of fuel oil and recently of coal, too.

Vladimir Somodov, leader of Arkhenergo, told our correspondent that for practically a week now, Inta has not been unloading coal for the Severodvinsk TETs-1 [heat and electric power station], one of the largest in the region. Two boilers have been shut down in the station, and two turbines have stopped producing electricity. The station may be shut down completely unless coal comes from Inta in the next few days, and as a result the work of a whole major group of industrial enterprises of the kray, and the base of the North Sea Shipping Line, may be violated.

Temperatures are still below freezing in the north, even during the day, and the interruption in the delivery of coal is creating a dangerous situation.

Effects of Miners' Strikes

Report From Raspadskaya

914F0179A Moscow SOVETSKAYA ROSSIYA in Russian 30 Mar 91 p 3

[Yu. Belyayev report: "Dissipation of Energy: How Can It Be Stored by Unity?"]

[Text] Mezhdurechensk, Kemerovo Oblast—The Raspadskaya mine in the Kuzbass is a coal colossus. Its mighty stature involuntarily calls to mind the legendary images of Gulliver, Prometheus, and Ilya Muromets. And the most dramatic moments of their lives. A Gulliver, but pinned to the earth by Lilliputians from the offices of petty officials. A Prometheus, but with his liver being pecked away by an administrative command eagle. An Ilya Muromets, but still not having drunk of the vessel given him by the wandering minstrels.

"Or perhaps a Solovey the Robber?" V. Proskurnya, the mine's deputy director in charge of economics, interrupted my litany. "And in such company, his whistling will shake the whole country?"

Yes, today Raspadskaya is also on strike. The energy of the giant has been dissipated through the empty galleries, dispersed through the smoking rooms, scattered about at meetings. At the mine dispatcher's control board, usually illuminated with lamps like a city during a holiday, modest lamps burn, as if at the bed of a seriously ill patient. Only half the previous number of people are going down into the mine—mainly to maintain the viability of the enterprise. Resuscitation procedures, one might say. And there is some coal recovery, at the level of 10 percent of previous volumes. Some is for export, some for the metalworkers and power engineers, for whom this niggardly amount is no better than a medicine dropper to revive a patient.

What could have stopped the mine from striking? Patience? But that ran out long ago. But still the mine showed restraint until last month, waiting in vain for an answer to the economic demands that, in accordance with the law "On Procedure for Resolving Labor Disputes (Conflicts)" were sent to seven levels of authority, including the USSR Ministry of Coal Industry, the USSR Council of Ministers, and the Russian Soviet Federated Socialist Republic [RSFSR] Council of Ministers. The demands sank from sight like a stone in a quicksand.

There is no party committee to do anything. The party committee at the mine was liquidated, banished from the territory of the enterprise, and the party organization itself has lost perhaps two-thirds of its members. The mine is considered depoliticized. Although one can see here, for example, people with Social Democratic Party of Russia [SDPR] badges on their lapels, and indeed, the strike itself is now taking place under political slogans. And the calls of "Put the Communists on trial" at the meetings are among the loudest. That is the kind of selective depoliticization it is.

The strongest means today is the lease. Could it have kept the mine from striking? For a boss does not go on strike. But no matter with whom I spoke, the conclusion was the same: Leasing has become like a rope used for a hanging. Only it is longer and the noose is better soaped. As a result, the Council of Leaseholders, which drew up the above-mentioned list of demands, has assumed the function of strike coordinator.

This is how V. Proskurnya comments on the present situation:

"The initial premise for the strike was the economic situation in the collective. Even though the mine has been operating for a year on a lease, its independence is declarative rather than real. The earlier mechanism for calculated prices, which provides incentive for the collective not to make savings but to build up spending, has been retained. A number of decisions adopted by the Union Government place restrictions on the consumption fund, and this prevents wages increases. For example, over the past year the mine has insured 100-percent fulfillment of all indicators. By reducing material costs, improving the quality of the coal, and selling it at contract prices, we have been able to allocate an additional R3 million for wages. These are the opportunities that leasing offers! But the 1991 USSR Law on the State Budget says that assets used for wages can be spent only in line with increase or decrease in volumes of commercial output. But if it remains at an earlier level, even if we improve the quality of the coal and reduce material costs, then we cannot allocate even one single ruble for wages since they are limited by last years consumption funds. The miner sees no sense in building up the collective share of ownership. The enterprise is linked to a 95-percent state order, price confusion associated with barter deals, and fixed prices for coal, while the resources acquired are becoming increasingly expensive and sharply outrunning any increases in the wholesale prices for coal. This is more than enough to understand that for us leasing has led to impasse. So that the dominant factor in the strike is economic."

The coal colossus is barely breathing today, just a meager dribble of coal is being brought up. But the river of losses is in full flood. Each day means another loss of R600,000 of income, another R100,000 for the wages fund, and another R300,000 in penalties for failing to meet deliveries. A total of R1 million each day. Not into the cash register, but out of it.

"It is senseless to continue the strike," Valentin Vasilyevich believes. "We waited with impatience for the opening of the RSFSR Congress of People's Deputies. I believe that the Russian Government is obligated to call for an end to the strike. Even if Russia is 100-percent right in its conflict with the center, it is too damaging to the people to defend its case at the price of the collapse of the national economy. And the miners must also make

a reciprocal move. They are still feeling the force of the shockwave that rolled out to the periphery and is now coming back to the epicenter from the sectors that it harmed."

In the strike headquarters, which operates round the clock to monitor the overall situation, I was regaled with the news from the capital by the cochairman of the Council of Leaseholders, A. Kunts. A meeting had taken place between representatives of the works committees and the chairman of the RSFSR Council of Ministers, I.S. Silayev. The following topics were reviewed: Creating a coal-supply committee made up of representatives of the works committee and the Russian Government. It was proposed that together with American experts measures be devised to extricate the RSFSR coal industry from crisis. There is to be a review of the agreement on overseas markets and imports of goods into the RSFSR, and their sale for rubles. It was promised that documents will be drawn up to remove enterprises from Union subordination and transfer them to the jurisdiction of the RSFSR. As members of the future joint-stock company, on the advice of I.S. Silayev, experts from the Raspadskaya mine should themselves decide what degree of freedom to offer the enterprise. The government of the RSFSR asked enterprises not to insist on the fines required from the strikers.

In short, Aleksandr Aleksandrovich had good reason for optimism. Perhaps because he is much more inclined to ultimatum than is Proskurnya. I.S. Silayev visited the Raspadskaya mine recently, and sort of proposed a program to extricate Russia from crisis. But if the congress "dumps" Silayev, then it is Proskurnya's opinion that the miners will go to extremes and shut down the mine totally. And they have no intention of talking with the government's "Pavlov" commission.

I am writing these lines to the accompaniment of the latest town meeting, complete with full amplification. The old anathema is being proclaimed against the Communists, but there is something new—warm support for Silayev's program, which, however, no one has actually seen or analyzed. I have been unable to find out why there is such blind support for it.

And during these minutes, back in Moscow an RSFSR Extraordinary congress of the RSFSR Supreme Soviet is under way. And the atmosphere on the square is like the atmosphere in the foyer during the world chess championship. Each fan and commentator knows what piece to move and what piece to sacrifice. But the meetings do not recognize the grand-master pluralism.

Report From Severnaya

914F0179B Moscow RABOCHAYA TRIBUNA in Russian 30 Mar 91 pp 1-2

[Tamara Voynova report: "A Difficult March at the Severnaya Mine":]

[Text] Vorkuta—**On Tuesday the USSR Supreme Soviet issued a decree on halting the strikes at coal industry enterprises. What was the miners' response to this?**

Speaking on 27 March on Central Television, Mikhail Sergeyevich Gorbachev said that a meeting of the USSR Cabinet of Ministers with representatives of the mining collectives is planned for 2 April, and later perhaps a meeting with the president. In this way the essential dialogue between the government and the workers will be established. And is it not time for mutual concessions? Perhaps we may suggest that following adoption of the USSR Supreme Soviet decree, the strike movement will hardly stop immediately, in a friendly manner. Events in the Kuzbass and the Donbass convince us of this. And also in Vorkuta, way above the Arctic Circle, from where I have just returned. Getting to know the various people and their various fates helped me to see the strike and the ways to end from an unexpected angle.

The department apartment of one of the tunnelers at the Vorkuta Tsentralnaya mine, Valeriy Pechko, has become one of the local sights. Guests visit often, because Valeriy lives at a bus station. It is written there in his documents: registration—the bus station. One-half of it is the bus station itself, the other half the living accommodation. It is late March, and in Vorkuta the frost is hard—down to 30 degrees below. A stove provides heat. During the day, Valeriy is at home; his mine, the Tsentralnaya, is on strike. And Valeriy was one of the majority of miners who voted to strike.

"I see no other way to change our situation," Pechko assured us. "What did I get from the mine? This hovel on the road? As a tunneler, in six years I have been ill once and been injured twice in accidents. Twice I recuperated in our own medical facility; I could not even think of getting travel authorization to go south. The easy money is also a fairy tale for the ignorant; I have been able to put no more money into my savings pass book. What have I given the mine? Two children for the 'big country,' for grandpa and grandma, who I cannot bring here, you understand. Incidentally, I did not have an apartment there either, nowhere to go. How can you live without your own place?"

And that is the fate of hundreds, thousands. When you learn about them you understand the justice in the anger of the miners. Moreover, when you look at the opposition, it is an opposition that we have ourselves been creating for decades. We fostered irresponsibility and waste and a neglectful attitude toward the individual, and we forced him to work in intolerable conditions. So now the unity of the miners is wreaking its revenge on us with the implacable desire to defend its rights to the last. Come what may! On 22 March losses at the Vorkutaugol Associations topped R30 million. The situation in the city is extraordinary: there is no money to pay the physicians, the teachers. Of the 13 mines, seven are on strike, and three are operating with the permission of the strike committee only for the needs of the city.

However, there are three mines in Vorkuta that are not on strike. And by their own choice. Why? For the people there live and work no better and earn no more, but they have not participated in the strikes. They have been encouraged to, but they are providing coal for the country! A complicated situation, particularly at the Severnaya mine. What is going on there?

Only a few kilometers separate the striking Tsentralnaya mine, from where Valeriy Pechko comes, from the Severnaya mine. No, they are not satisfied at Severnaya, and the collective and, to the point, the administration at the mine are convinced of the need for changes in the socioeconomic conditions of life. But as they say here, it "goes on strike" while observing all the legal standards set by the government. It is perhaps the first mine in the country that is operating in accordance with the USSR law on procedure for resolving collective labor disputes (conflicts). Because war with the government is not what it wants, and after that war you reap the generous harvest of fines resulting from sanctions.

With the help of the law and sober-minded economics, even before Gorbachev's announcement on the upcoming talks, at Severnaya they were reckoning on engaging the government in dialogue. They spent five months preparing the necessary economic report on the activity at the mine. The demands include higher wages, abolition of the progressive tax, the conclusion of contracts with firm prices for each ton of coal extracted and meter of tunnel dug, and much else. The first stage was a reconciliation commission, and this coincided with the start of the strike in Vorkuta and produced no results because, naturally, many of the demands did not fall within the competence of the mine administration. The second stage was labor arbitration, and if after seven days spent on this, the differences cannot be resolved, then the Severnaya mine has the right to declare a strike, and that strike will be deemed lawful. That is the procedure.

The mine is operating in a tense and explosive atmosphere in the mining town of Vorkuta, and is essentially going against the opinion of the majority. It is all the more difficult when your own comrades with whom you shared bread and the hardships of the summer strikes the year before last call you a strikebreaker. Both in the city itself and in the mining settlements notices have been displayed whose words strike at the most important thing—the sense of worker solidarity. Let me cite one word for word: "The strike notwithstanding, coal from Vorkuta is moving in an uninterrupted flow outside the city. And this is all thanks to the 'paternal' concern of mines such as the flagship of the coal sector, the Vorgashorskaya mine, (whose collective regards itself as a leader of the workers' movement), and also the Severnaya and Khalmer-Yu mines, which dispatch coal at rates greatly in excess of the daily norms.

"The collectives of the striking mines wish the Vorgashorskaya collective success in building 'communism' at particular enterprises at the expense of their comrades in the difficult labor of mining. The Raspadskaya striking mine sends greetings to its twin—the strikebreakers at the Vorgashorskaya mine."

In many ways the position of the Severnaya people seems treacherous, but they do not consider themselves so here. Their goal is the same as all the miners; it is simply that the mine has moved along its own path.

It is difficult when the pioneers of the strike movement now number you among the traitors. Then, in 1989, it was precisely the Khalmer-Yu mine that was the first to strike, and it was supported by the Vorgashorskaya, and then the Severnaya. But back in March of the same year, the workers at Severnaya had declared a hunger strike, while the Vorgashorskaya was the only one of the Vorkuta mines to strike to the last, demanding independence. It lasted almost 40 days on its own. And it won. Now, in the voting on the strike the majority was only 20 votes. Mining foreman Vladimir Andreyevich Kutyaykin explained it like this:

"Independence decided everything, and to some extent we became the owners, and the miners understood that a strike would be their own loss."

Form of ownership—that is what determines the position of Vorgashorskaya. The Severnaya also sustained major losses from the strike the year before last: 173,000 tons—that was the loss in coal recovery, and the loss in profit was more than R5 million, while the fines amounted to more than R1 million. Just the payment of the fines made the mine a pauper. What would it get from actions in accordance with the law?

"I think that a new spiral for the workers' movement is beginning with this," says V.A. Tareyev, who heads the labor collective council at the mine, "a new awareness on the part of the workers and of the old problems."

That is what the "first striker in Vorkuta," as Viktor Alekseyevich calls himself, thinks. He has been closely associated with the mines all his life. One might say that he is bound to them by death. His mother died in 1943 in a mine flood. His father was awarded an Order of Lenin and other decorations; in 1932 a mine took him also. The young Viktor Tareyev was the only one left in the light. He did not disappear. He stayed with what he knew and graduated from mining school, then the Moscow Mining Institute. He is old now, but has never acquired many blessings. He lives in a decrepit "wood hut" as they call the two-storied wooden houses here—just like barracks, with no comforts. On Vorkuta they all look alike, like twins.

Tareyev has great experience in strikes. It was he who led the first city strike committee. He remembers the feverish days and nights in "Little Smolnyy"—the miners' palace of culture—where the strike committee met and maintained communications with the entire country, organizing the strike and defining its economic and political demands. By a majority of votes of the members of the strike committee at that they did not

make political demands, saying that we had no business in politics. Now the situation has changed sharply, for the basis of the strike is political demands.

To be honest, given our collapsing economic links and structures and the thriving shadow economy, we can scarcely gainsay the opinion of the majority of the miners. The reality of life is more convincing than words. Valya Frolkova, the wife of Viktor Frolkov and a tunneler at the Komsomolskaya mine, showed me a shriveled yellow carrot that she had bought in the store: "It's edible." I could not agree! Then I thought: one cannot live like this. Even though on Rucheynaya Street in the mining settlement everyone lives like this. A former Stalinist barracks stands there, slewed over to one side, and so the floors inside slope the same way. The building was damaged in a storm and there it has remained, like a listing ship.

Vorkuta is a former Stalinist concentration camp. It lives to extract coal. Without the mines there is no need for the city, and so they call them their benefactors. They benefit the country, and should also benefit those who work there. You want coal? Then let's see your money. This is what the miners are demanding. And the money is there all right! According to Resolution No. 608, the coal industry has been receiving an annual subsidy of R1 billion.

"The Vorkutaugol Production Association alone has acquired an additional R50 million," Aleksandr Aleksandrovich Tsurupa, the association director for economic matters, tells us. "But where have our millions and the other billions gone? For the night differentials and time taken to walk to the coal face, and additional payments for the rayon coefficient. Not one kopek has been used for labor incentive. And the proportion of wages paid directly for the production of output or production work by a worker is only 20 to 24 percent of the total additions. The amount of coal being recovered is declining. But here is the paradox: We have larger allocations from the state budget but extraction is falling."

Aleksandr Aleksandrovich cited a curious figure: if you take the net time that a miner works rather than preparing for work, it turns out that we pay more for those minutes than the Americans. On average, at the Vorkutaugol Production Association a miner does no work on 220 days of the year. They are days off, and sick days.

"And he has no desire to work well for the money he is paid," says Gennadiy Andreyevich Dyakonov, leading mine engineer at the striking Promyshlennaya mine. "This is undoubtedly also why labor discipline is deteriorating."

Yes, the old economic problems remain, as Tareyev said, and they will stay around for a long time that is if state policy is not changed with respect to the entire sector. The possibilities of the spontaneous strike have been exhausted, and what is needed is some attempt to reach mutual understanding with the government with the help of a legal mechanism. That is how I would describe the position today at the Severnaya mine.

I attended an arbitration meeting where there was calm discussion of what can be done at the city level and what can be resolved only by the USSR Cabinet of Ministers.

And then I fell to thinking. We have recently become accustomed to painting the striking miners only in black because, people say, they are just self-seekers, trying to get things only for themselves, victims of political intrigue. And those not on strike are painted in white: highly-aware angels with wings. True, in the so-called alternative press these definitions are switched around. But such comparisons disparage the miners and oversimplify the situation. Today it is a strong workers' movement, organized and producing powerful leaders. And that same Severnaya mine tunneler V. Maksimov is a USSR people's deputy. Here at this mine a new level of relations may be born—the ability to consider matters in economic terms, and, that means, to be involved in production management, and not just in words.

It was precisely in this ability and a growing legal standard among the miners that I saw the embryo of a new kind of work thinking which, I am convinced, may save the country from the "infinite strikes" that many are predicting.

Strike in Lvov Coal Field

914F0183A Moscow RABOCHAYA TRIBUNA in Russian 3 Apr 91 p 1

[Article by RABOCHAYA TRIBUNA staff correspondent Alim Lycyuk: "The Arithmetic and the Algebra of a Strike"]

[Text] Lvov—**Lvov mines produce about one percent of the national coal output. Their coal is also of very high quality. Perhaps, it was this circumstance that somehow left the local strike in the shadow of public opinion.**

It was announced in the center of Lvov-Volyn coal basin, the city of Chervonograd, on 11 March. That is, two days after B. Yeltsin, speaking before the Democratic Russia aktiv, said: "It is time for us to go on an offensive. Democracy is in danger! Miners call on us to do that. They are doing in practice what needs to be done now. In practice!"

On 12 March the Chervonograd strike committee adopted an appeal "To Miners and All Democratic Forces in the World!" in which it announced its intent to strike "until full victory is achieved."

Calculations made by specialists on the Lvov group of mines show that 262,000 rubles [R] in fines were being taken out of miners' pockets daily for unfulfilled deliveries.

In two weeks the "minus" reached R7 million. But this is not all. If one takes into account that in the beginning of the year eight out of 12 mines overspent their material

incentives and social development funds by R2 million, it will become clear by how much the financing will be reduced for, let us say, day-care facilities that are on the balance sheets of these mines. As a result of losses and fines, in two weeks R3.3 million in payments to all level budgets was lost. Lvov Oblast will be about R1 million short.

This is the arithmetic of the strike.

Where is its algebra?

It is interesting that Lvov "democrats" came to power by means of, among other things, the wave of strikes orchestrated by them, and now are against them, since they know the destructive potential of this "weapon of the proletariat." "The strike is not in the interests of the Ukraine and Galitsia, and is not in the interests of the miners themselves. It may bring the oblast economy to the brink of a catastrophe, leaving our entire region without energy supply, without heat and light." This is what the Lvov Oblast Soviet said during the first days of the strike in its appeal to the miners. Then, remembering well their own political handwriting and recognizing it now in the actions of other leaders, it warned: "Miners! Do not allow shortsighted politicians to play on the sacred laws of workers' solidarity!"

Alas, pressure from the right, and the refusal to cooperate with the Communists reduced the weight of the "democrats'" preaching. Having sensed that they can no longer manage the workers, and being afraid, in the words of the oblast soviet chairman, V. Chernovil, of "being called retrogrades," the current session of the oblast soviet at the end of March adopted an appeal that was different in tone, in which it "values highly the political maturity of the miners in the Lvov-Volyn basin, and their constant readiness for struggle and sacrifice."

What kind of political maturity can one seriously talk about if the miners still overlooked something and let the "shortsighted politicians play on the sacred laws of workers solidarity,"—just as the oblast soviet "warned" them against in its first appeal?

This is where the true "algebra of the strike" comes through—the subject that is of special interest to people far removed from the true concerns of the miners.

Report on Documents From Talks With Miners

914F0184A Moscow RABOCHAYA TRIBUNA in Russian 5 Apr 91 p 2

[TASS report: "Following a Dialogue With Miners: Documents of the USSR Cabinet of Ministers"]

[Text] A number of resolutions and instructions of the USSR Cabinet of Ministers were adopted on 3 April based on the results of negotiations between representatives of the mining collectives and the government of the country.

Resolution No. 138 established subsidies for every ton of mined (processed) coal (shale) set at such a level that, given the fulfillment of plans adopted by the enterprises mining and processing coal (shale) as of 1 April 1991, the labor remuneration fund for the employees of these enterprises will grow in stages, compared to the corresponding periods of the previous year: in April through June 1991—by 25 percent; in July through September 1991—by 50 percent; in October through December 1991—by 75 percent; in January through March 1992—by 100 percent.

The USSR Cabinet of Ministers also resolved (Resolution No. 137) that compensation in conjunction with increased prices for goods and services will be paid to the employees of the enterprises and construction projects of the coal (shale) industry at differentiated rates, as follows: to those working underground—105 rubles [R]; to those engaged in open mining operations at coal (shale) strip mines—R100; to those [employed] in the surface operations of mines and strip mines (on the production line), in the main shops of dressing and briquetting plants (installations), as well as the employees of in-plant motor-vehicle and railway transportation and paramilitary mining-rescue units which serve coal and shale mines—R80; in other jobs—R60.

A special resolution (No. 135) authorizes enterprises, offices, and organizations located in the regions of the Far North and localities equated with them to pay the cost of traveling to the location where the leave is spent and back once in three years for two members of employee families (spouses, children), in addition to paying for the travel of the employees themselves.

This resolution also applies to the enterprises of the coal industry located in the rayons of the Buryat ASSR [Autonomous Soviet Socialist Republic], Maritime and Khabarovsk Krays, and Amur and Chita Oblasts, which do not appear on the list of regions of the Far North and localities equated with the regions of the Far North.

Instruction No. 257 authorized the enterprises of the coal industry to sell in the domestic and foreign markets, at contract prices, up to seven percent of the steam coal and up to five percent of the coking coal, based on the overall volume of actually mined (sold) coal.

One more resolution, No. 136, instructed that the following professions be added to Point 1 of the list of jobs and professions which give a title to retirement benefits regardless of age after no fewer than 25 years of tenure in these professions: operators of underground installations; electric locomotive operators (underground); onsetters (underground); operators of lifting equipment (underground); underground miners; electrician fitters (underground); explosive distributors; miners repairing mine workings engaged in work not envisaged by USSR Council of Ministers Resolution No. 51 dated 19 January 1991; chiefs of underground sections, their deputies, and assistants; mechanics of underground sections, their deputies and assistants; mining foremen of underground sections.

By Cabinet Instruction No. 256r, the USSR State Planning Committee and the USSR State Committee for Material and Technical Supply were instructed to allocate additional material and technical resources, as specified in the annex, to the USSR Ministry of the Coal Industry in 1991 in order to build residential houses and sociocultural facilities in mining cities and settlements in keeping with the assignments set forth in Resolution No. 608 of the USSR Council of Ministers dated 3 August 1989.

With a view to providing incentives for the workers of the leading professions of the coal (shale) industry to considerably increase labor productivity, the Cabinet of Ministers resolved (No. 134) to make a special-purpose allocation of R15 million from the reserve fund of the USSR Cabinet of Ministers in order to increase the wages of the workers of leading professions in 1991 with a view to offsetting progressive taxation on the amounts of wages of up to R1,400 a month.

It was deemed necessary (Instruction No. 255r) to sign in the first half of 1991 an agreement on pay rates for the coal (shale) industry and mine construction for 1992.

The pay-rate agreement will provide for: including bonuses and payments of a compensation type in the pay rates; differentiating wages by territory with the inclusion of payments by virtue of regional coefficients in the pay rates; canceling restrictions on the amount of wages to which regional coefficients apply.

The instruction also directs that procedures for, and rates of indexing employee incomes be considered in the course of concluding the pay-rate agreement.

It was deemed necessary to embark on a broad-scale reform of remunerations for labor in 1992 in the coal (shale) industry, mining construction, and in-plant motor-vehicle and railway transportation, with a view to providing incentives and stimuli for labor aimed at increasing the output and improving the quality of coal, and increasing the minimal state-guaranteed levels of remunerations for labor in effect (pay rates and salaries) by a factor of two by means of a corresponding increase of calculated prices for coal products.

The USSR Ministry of Economics and Forecasting, the USSR Ministry of Labor and Social Issues, the USSR Ministry of the Coal Industry, and the USSR Ministry of Finance were instructed to develop, within three months, proposals for reinforcing the interconnection between the increase of wages to the extent indicated, and an increase in coal production to 711 million tons of coal in 1992 by the USSR Ministry of the Coal Industry as a whole.

The composition of commissions was confirmed for preparing and coordinating the pay-rates agreement between the USSR Ministry of the Coal Industry and the trade unions of the coal industry employees, and for preparing decisions based on the results of the meeting on 2 and 3 March with representatives of the labor collectives of the coal industry enterprises and organizations.

Leasing System Possible Solution for Mines

914F0180A Moscow RABOCHAYA TRIBUNA in Russian 2 Apr 91 pp 1-2

[Article by RABOCHAYA TRIBUNA special correspondents Mefodiy Martynov and Vladimir Chuprin: "They Gave Us Wings, But They Clipped Them..."

[Text] Donetsk—***This time around, the militia were too late as well. When two majors in blue uniforms jumped out of a UAZ car, miners from the Glubokaya mine in Donetsk were already lying on the rails. An engineer from a diesel locomotive stood next to them and blinked in confusion, as if asking the "reinforcements" that had made it there: What am I supposed to do? He was ordered to load coal onto his train; there was a special agreement to this end with the director of Glubokaya. But on site there was this row—try as he might, the miners would not give him fuel.***

Eventually, the engineer of a diesel locomotive and the two majors left the loading ramp on the spur line of Glubokaya empty-handed. On the very next day, chairman of the strike committee of the mine, team leader of stope miners G. Sosnovikov, eagerly gave TV interviews, to be sure, without having quite figured out whether it was Ukrainian or Canadian TV

In short, this is the story. Glubokaya held out for a long time, not knowing whether to join the current strike or not. Finally, on 18 March alarmed voices rumbled in the work-assignment rooms of the mine: "Are we strikebreakers or what?" "We are fed up with slaving for four hundred rubles [R]!" By a majority vote, the miners decided not to go to work. It is known what their economic and political demands were.

It appeared that there was nothing unusual, the scenario was familiar. In addition, two sections, 12 and 14, stuck to their guns. They were doing just great, and on the average each stope miner drew R1,300 a month. If they shut down the stope for a week, the longwall would "play tricks" for half a year after that. In this case, getting the money and fulfilling the plan would be out of the question...

They failed to arrive at any common ground at Glubokaya. Sections 12 and 14 continue to work but, in essence, for free: since picketers prevent the loading of coal it is not sold, and there is no profit. The militia also decided "to wash its hands" of them—sort it out yourselves, they said.

Gennadiy Ivanovich told journalists: "They are setting us against each other and trying to split us. However, we will not allow this to happen."

The camera whirred, and a huge heap of rock smoked behind the back of Sosnovikov. Coal gleaming in the sun

made our eyes hurt: A storage facility holding 10,000 tons was bursting "at the seams."

From time to time, rumors about mine closures begin to circulate in the Donbass. This message is spread by word of mouth without any optimism, meaning that this is a done deal. Do we have to mention the panic this spreads in the collectives of miners? The work of miners may not be very attractive, but a majority of them are afraid to lose their jobs: there is nothing else to do in mining settlements.

Fortunately, these "most authentic" rumors are not confirmed, and all mines continue operations. At any rate, not a single one has been closed in the past decade and a half. However, where there is smoke there is fire: there are reasons for serious apprehensions, and quite substantive at that. Many mines in the Donbass are unprofitable. There are mines in which the producer cost of the coal mined comes to R200 per ton. The economists cannot help having doubts: Would it not be better to close such mines, and to ship in the amount of coal needed from the east—the Kuzbass, Ekibastuz, and the KATEK [Kansk-Achinsk Fuel and Energy Complex]—where producing it costs R3 to R5 per ton?

The forthcoming transition to a market economy and the latest strike of miners have caused a new wave of "liquidationist" sentiments. They have even named specific mines that will allegedly be closed in the immediate future.

Ways to defend the people against this adversity are being discussed by the Donetsk strike committee in earnest. Strike committee member V. Shumyatskiy was distressed: "It is crystal-clear that they will close my native Mushketovskaya. Where are we to go and what are we to do if thousands of miners find themselves 'out in the cold?'"

Well, we may understand Viktor's apprehensions. It looks like the old Mushketovskaya mine has come to the end of the road: they produce coal at this mine at great depths, and equipment breaks down increasingly often.

The leaders of the miners are 100-percent convinced: supposedly, the liquidation of unprofitable enterprises is yet another dirty trick by government officials, yet another attempt on their part to strangle the previously mentioned strike committees in particular, and the workers' movement in general.

We had a conversation concerning this quite sensitive topic with the director of the Krasnoarmeyskugol Association for Economics, V. Glebskiy. Vladimir Vasilyevich is a proponent of closing down unprofitable mines.

He explained: "This year, the Ukrainian Government allocated R12 billion to the Donbass. Does it make any sense to distribute this delightful pie among many 'eaters?' It would be better to earmark the funds for those who will be able to manage them and generate profits. I am convinced that even in our Krasnoarmeyskugol, which has only six mines, the closure of one of the mines will not affect the gross output of fuel. Please understand that it is very costly for the state to maintain a sort of Pharaoh's cows which devour others but remain lean in the process..."

We happened to hear similar opinions from other economists in the city echelon. Never mind them, but perhaps in the Minugleprom [Ministry of the Coal Industry] itself they would gladly get rid of the ballast. However... What are they to do with the miners? Are new jobs to be created? This will take years if not decades.

Meanwhile, it is not at all necessary to close down poor mines. Life has shown that there are, as they put it, alternative scenarios in this matter. One of us happened to visit Mayskaya Mine of the Sverdlovskantratsit Association. For a long time the enterprise was a millstone around the association's neck: given a nominal output of 400,000 tons, the mine collective managed to accumulate arrears to the tune of 0.5 million tons of coal in the 11th Five-Year Plan. Losses exceeded the plan by hundreds of thousands of rubles.

Changes began in 1986, when N. Shiyanov became director. The mine began to boost its output year after year, and achieved a stable mark of 600,000 tons. By now, they have forgotten what losses are. The enterprise has become one of the healthiest economically. What is the reason for this miraculous transformation?

N. Shiyanov answered succinctly: "Leasing is. It was specifically leasing that helped us get out of the hole."

V. Popova, chief economist of the mine, told us in detail about the introduction of lease arrangements at the mine:

"Mechanic I. Tokarev, who headed Section 3, which trailed the worst, started it all. He convinced miners to give up the old system of labor remuneration, for which all kinds of bonuses were the mainspring, and to switch to remunerations based solely on the tons of fuel mined. The people were sold on the simplicity of the system: the more coal you produce the more you earn. Results were not long in coming: in the very first year, the output of the section increased by one-half.

"This figure did a better job of winning the people over for this innovation than any speeches or articles. Following Section 3, two more sections switched to leasing.

"Later, the miners of Mayskaya decided to have the entire mine switch to leasing. It turned out there was 'no way': Mines appear on the list of enterprises leasing, which is not allowed. Why? We have been unable to get a coherent answer to this question anywhere. Could it be because a good number of 'boss's pets' 'straddle the shovel' of the miner—those who do not go underground but draw the same salary and underground tenure? For their part, lessees will not tolerate hangers-on. Under

leasing arrangements, the excessively bloated management structure will also have to be 'pared down' considerably. However, the main point is that lease collectives become genuine masters of enterprises rather than masters in a manner of speaking. They cannot be bossed about or given commands; this is why the bureaucratic apparatus is dead-set against leasing."

Fine, if a mine cannot be leased to its collective, why not use intramine leasing, following the example of Mayskaya?

V. Glebskiy explains: "Lessees strive to work for themselves only, and do not want to take the interests of the entire mine into account."

In other words, it is the same reason: the desire of the lessees to be independent. One cannot take some of the output of such a collective and hand it over to another collective, as is done by and large, assign to it materials that have been used for God knows what, and maintain "boss's pets." In a word, lessees are a breed that is inconvenient for the command system. They even structure their relationship with the management based on hard cash: if you fail to meet your obligations you pay. Who would like this? Let us note that in its time the brigade contract, propagated long and hard, "did not catch on." The administrative command system built a perimeter defense and successfully beat back the brigade contract.

Meanwhile, leasing not only improves economic performance abruptly but it also changes the social climate in a labor collective. It is no accident that the aforementioned Mayskaya mine has not taken part in all strikes. N. Shiyanov asked: "Does it make sense for the master to strike?"

Incidentally, leasing is not the only way to rescue trailing mines. For example, there is the Oblkemerovougol association which does not belong to the Minugleprom. Few people outside the coal basin know that this prosperous association consists for the most part of primitive mines with small output which the miners call "digs." In their time, they were condemned to be closed. They probably would have disappeared had the local fuel industry not taken them over. By organizing production on the basis of cooperatives and leasing, they have managed to breathe a new life into the mines. The miners here earn wages that are twice as high as at the large Minugleprom mines. Social issues are solved successfully. This is why the collectives of these mines likewise have not taken part in all strikes, restricting themselves to expressions of support for their striking neighbors.

To our mind, this shows quite convincingly that we should be discussing merely a change in the form of ownership and methods of economic operation rather than closing down the unprofitable mines.

Incidentally, the miners themselves understand this full well. The prospect of changing masters and escaping from under the wing of the ministry to another department does not scare them at all. Do you remember V. Shumyatskiy from Mushketovskaya mine? Well, local miners agreed to set up a consortium together with coke-chemistry workers. This would be mutually advantageous. However, the Minugleprom did not cede the Mushketovskaya to the new master.

It is a pity. Let us recall the cement industry. At one point, they also decided to close old plants producing small volumes. However, collective-farm construction personnel prevented their scrapping, and took care of the plants. These written-off enterprises have operated superbly for many years now, providing materials that are in short supply for rural construction projects.

Undoubtedly, those wishing to purchase unprofitable mines will come along. It is not ruled out that joint enterprises or foreign companies will want to buy them or operate them under long-term leases. What is so bad about this? Jobs will be saved. This is quite significant, given the advent of the market.

Still, are we going to live hoping for changes, or will we do something for these hopes to be realized, after all? The current strikes and job actions by miners, which have shot pain through the economic organism of the entire country, say more graphically than all other considerations: the crisis in the industry will not be overcome unless the market and economic independence become a prospect for the miners. Pharaoh's cows will devour all of us. [Begin boxed passage]

Should We Strike or Work?

Talks between the Union Government and representatives of the striking collectives of miners will begin in Moscow tomorrow. We contacted by telephone the Independent Trade Union of Miners and the Central Council of the Trade Union of Coal Industry Workers, asking them to indicate issues on which a compromise could be achieved with the greatest ease. At the NPG [Independent Trade Union of Miners], we were told:

—Pavlov will most likely agree to partially resolve economic issues. However, most mines will hardly discontinue the strike if our political demands are not met. Are we afraid that this will exacerbate the energy crisis in our country? No. We will continue to ship coal for heating cities.

Chairman of the Central Council of the Trade Union of Coal Industry Workers Vladimir Lunev thinks:

—I believe that the Donbass will withdraw from the strike if economic demands are met, as well as many mines in the Kuzbass and Vorkuta. Participation in the political game is beginning to sicken the miners themselves. After all, we should recall that they criticized the official trade union primarily for becoming excessively politicized as it became a transmission belt for the Communist Party. The question is: How is the Independent Union of Miners, whose leaders make no secret of their political sympathies, better? Their intolerance hurts the cause. For example, they rejected our proposal to work out a joint program of demands on the eve of negotiations, which is not going to be good from the standpoint of coordinating our actions in the Kremlin.

CIVIL AVIATION

Aeroflot's Moscow-Lagos Flights Cut, Financial Problems Cited

91P50153A Moscow RABOCHAYA TRIBUNA in Russian 9 Apr 91 p 3

[Article by TASS correspondent Nikolay Shartse: "Aeroflot has Already Been 'Restructured'"]

[Text] More than 2,000 Soviet citizens working and living in Nigeria have been put in a difficult position after Aeroflot's decision to temporarily suspend flights to Lagos. Nigerians studying or working in the USSR also have to search for other routes.

In the past few days, for the first time in many years a scheduled flight from Moscow did not arrive in Lagos. Aeroflot's decision was dictated by economic considerations. The Moscow-Lagos-Moscow route became unprofitable because the majority of passenges buy tickets for rubles, but fuel and technical and commercial services for the airliner in the Nigerian capital have to be paid for in hard currency. This situation was unacceptable under the conditions of the changeover to a market economy.

The "temporary" suspension of flights, which may stretch out indefinitely, has turned into "Robinson Crusoes" many of the members of one of the largest colonies of Soviet citizens in Africa—specialists, working on the construction of the continent's largest metallurgical combine in Adjaokuta, as well as fishermen and workers at joint enterprises, in the embassy, and in the trade representation office. The regular "ruble" flights have been taken for granted, and only now can their need and convenience be really evaluated. Now, Soviet citizens working in Nigeria either have to buy tickets on another airline for hard currency, or travel to a neighboring country where Aeroflot still flies.

The decision of our airline has shown once again the fallacy of the practice in which our organizations and institutions engage in shifting abstract "hard currency rubles" from one state pocket to another. Overseas, no matter how lamentable, you cannot pay with rubles. It can only be hoped that Aeroflot and the organizations whose representatives are working in Nigeria can reach some mutually acceptable solution. If not, expenditures, including the cost of tickets on foreign airlines, will have to be commensurate with reality.

Ukrainian Civil Aviation Chief Interviewed On Reorganization

914H0130A Moscow VOZDUSHNYY TRANSPORT in Russian No 14, Apr 91 p 6

[Interview with V. Rashchuk, chief of administration, by special correspondent V. Tishchenko: "Ukrainian Airline: The First Step"]

[Text] The order calling for the reorganization of the Ukrainian administration into the "Ukrainian Airline" Association has been signed by the USSR Minister of Civil Aviation. The purpose of this measure—to satisfy more completely the needs of residents and organizations for the various types of shipments and other national economic operations and to raise the level of flight safety and service. It is expected that the future of this large aviation region will be built upon a new foundation—a high level of independence for enterprises, the formation of efficient structures and an expansion in competitive cababilities. How is this work being carried out and what are the first steps associated with the creation of the association—our correspondent addressed these and other questions to V. Rashchuk, the chief of administration, who commenced the discussion as follows:

[Rashchuk] As you can see, the old sign still hangs on the official building despite the fact that some time has passed since the order was signed. However, the reorganization has commenced, it is proceeding at a normal tempo and a number of problems are awaiting solutions. What has already been accomplished? The participants have been defined—those desiring to become enterprises or structural units. Only the Borispol collective has been authorized to proceed independently and yet it is not breaking its contacts with colleagues.

[Tishchenko] Does it not seem to you Vladimir Semenovich, that the new cake is being made with old yeast? The start—with an order from a higher organization, just as during the recent "good times."

[Rashchuk] I will allow a counter question: How can we divide up property acquired with the aid of the MGA [Ministry of Civil Aviation] over the course of a decade? How and with whom can we solve the problems concerned with a state order or the certification of aircraft and airports? It must be understood that we cannot ignore the coordination organs, the country or the republic. A constituent agreement governing the acceptance and transfer of property must be signed with our branch ministry. A portion will be transferred to us for complete economic handling while, for example, 1st and 2d class aircraft will remain under the jurisdiction of the MGA. The command functions of the ministry are no longer as severe today and it is felt that they truly are weaker than they once were. What will the result be from a sharp disruption in former contacts or the senseless destruction of centralization? One can contemplate the empty shelves in stores—an inevitable day of reckoning!

[Tishchenko] Former aviation enterprises and their attached airports have selected a different status. What brought about this decision?

[Rashchuk] The majority of the air squadrons were given the status of enterprises. The natural desire of these collectives was to have more rights in their economic operations, although in the process their responsibility for results would be raised. They will live for the most

part based upon their own efforts and thinking and will not be able to rely upon a higher organization for special assistance. With the appearance of the new laws—on USSR enterprises, property and so forth—there will be a natural desire to realize high profitability under market conditions.

No support was provided at the start. The Zhitomir attached subunit wished to have the status of enterprise—if you please. There the specialists are thoughtful and energetic. Judging by the first practical steps taken, they are proceeding in the right direction. In short, there is no returning to the past; the bridges have been burned down.

[Tishchenko] Why did Borispol decide to take that unusual step? They are the only one that intends to travel the unbeaten path.

[Rashchuk] I find nothing shameful in this. What were they counting upon? Upon the available wealth. Indeed, for many years conditions in the enterprise had been better than those in the branch. But the thoughts of a certain portion of the collective were described as illusory. We now recall the existing laws and those which logically will be adopted in the Ukraine for the dividing up of property. However hard they might wish to, the residents of Borispol, by virtue of their own decision, are simply unable to retain all of their existing property out of fear of treating other regions of the republic unfairly. In the majority of the republic organs, the decision by the largest airport is finding no support today.

[Tishchenko] And it bears mentioning that there is no intention of placing the 1st and 2d class MGA aircraft under the jurisdiction of enterprises only.

[Rashchuk] Precisely so. Further, attention must necessarily be focused on one delicate aspect that has arisen unexpectedly. The desire on the part of Borispol residents to operate independently of others has stimulated the collectives into reflecting upon the consequences of monopolism. In short, they asked a logical question: Would it not be better in the future to introduce another enterprise into the economy. For example, the TU-154M aircraft are appearing and to whom should they be given?

Many Borispol workers and leaders are aware of the approaching complications—such was the opinion I drew from the discussions. There should be a conference for the enterprise, with all pressure for resolving the problem removed. The personnel should handle the situation themselves. Thus the last point in the reorganization is still missing.

[Tishchenko] It would be interesting to know who wished to remain in the role of structural units?

[Rashchuk] There are only five such collecives. The Chernigov and Sumy aviation enterprises, the "Polet" preventive maintenance facility, the "Strela" UVD [flight control] Zonal Center and the NOT [scientific organization of labor] Zonal Center. The financial situation dictated a conclusion for them: it would be more advantageous and more reliable to remain under the association's umbrella as structural units. Certainly, this does not mean that a generous uncle will appear who will provide an endless supply of resources. No. Thought must be given jointly to a cloudy future and all effort must be devoted to achieving financial stability.

[Tishchenko] Is it not true that success in carrying out this movement will depend upon whose hands control the rudder? And thus, in comparing the system's operations, for example the former administration and the declared growth in the independent economic activity of enterprises and the functions of the association's new administration, some aviation workers are wary regarding future dictatorial policy. With the rudder in the hands of the administration, which way will it be turned and who will decide?

[Rashchuk] You obviously have not considered the sharp change in accents in the new structures. True, the administration will develop a strategy for distributing the aviation equipment, for ensuring flight safety, for raising the culture of services, for defining the priorities in the areas of economic, scientific-technical and social development and others. But all of this is within the framework of the authority delegated to it. And the conference is becoming the highest organ of the association—it serves as a guarantee against dictatorial policy and strong methods of coercion.

[Tishchenko] Nevertheless the administration is retaining its control functions, despite that fact that not all of the enterprises desire them.

[Rashchuk] It is impossible to proceed without them. An entire range of problems dictates such a reaction by the future structures for administration and coordination. Let us take an inspection. Is this organ needed in the association? I believe that there is an extreme need for it, since in aviation, especially in the area of flight safety, there must be uniform and strong standards. We recently viewed the Yak-58 aircraft on the "Vremya" Program. It is considerably larger off-screen—for the era of private aircraft, which are being acquired by various organizations and cooperatives. And should each individual be allowed to fly as he wishes? We must guard against misfortunes and victims. Therefore, movement in air space, in all of its stages, must be controlled and coordinated.

A threat from independence hangs over us even today. Consider the time when the Lvov Aviation Club began carrying out commercial flights in the absence of coordinated requisitions and with flight plan violations. And this occurred in the zone of the large Lvov Airport, where there were intensive movements by large passenger aircraft, including foreign ones! There is a definite need for an inspection.

[Tishchenko] In addition to this organ, there obviously will be a need for other organs with authoritative functions. Where will the funds required for maintaining them come from?

[Rashchuk] The minister's order provides a specific response to this question: "The executive board of the Ukrainian Airline Association is maintained based upon an estimate of the expenses approved by the administration, using funds obtained from the use of all-union property placed under the full economic jurisdiction of the association. There is also a second source—funds allocated by enterprises in conformity with agreements. These statutes are set forth in the association's regulations.

[Tishchenko] For decades we have waged a campaign against inflated system structures and yet they are multiplying. Is it not possible that the future structure of the association's system will exceed the existing structure of the present administration?

[Rashchuk] As far as I am aware, there is no state that lacks coordination organs. Although I am in agreement with you that in our state there are only those who are "spoonfed" to an excessive degree. However, let us look more closely. Recently I visited the U.S.A. as a member of a delegation. It goes without saying that we became acquainted with the administrative structures of aviation companies and it bears mentioning that their tables of organization were not small. As a result of discussions with the Americans and after analyzing certain figures, we drew a conclusion: the system is a combination of considered and reasonable requirements together with a desire to economize in the use of resources.

Recently, certain hotheads advocated elimination of the engineering-aviation service. They maintain that the aircraft are flying and that this is the result of work performed by the local ATB's [air technical bases] of aviation enterprises. Yes, the engineers and technicians are deserving of praise. However, we recall the degree of fatigue in our equiopment and how much physical and mental effort is needed merely to extend its service life. Who is capable of carrying out this work? Only the IAS [Engineer Aviation Service] with its analytical potential. With regard to other services of the system, their numerical composition must derive from efficient operations and, certainly, from economies in the use of resources.

[Tishchenko] At the present time, more and more enterprises are entering the foreign market or aiming in that direction. The republic's aviation collectives are no exception, as we have learned from certain articles that have appeared in VOZDUSHNYY TRANSPORT. How does the Ukrainian Airline propose to carry out such work, in view of the fact that it is not caught up in the medium of monopolists and those who bake currency "pies" and do not have currency crumbs?

[Rashchuk] International activity has collapsed on us in the manner of an avalanche. Negotiations are being carried out with foreign partners with results and without them—it must obviously be this way. And nobody is forbidden to enter the foreign market, as has been done by Borispol, Lvov, Simferopol and Odessa. The crews of small aircraft and helicopters have operated for two seasons in Egypt.

On the other hand, if we are to avoid being laughed at, then we must not act in haste in carrying out this rather complicated work. This could have happened in the case of Dnepropetrovsk officials who attempted to sign a contract with Americans for the use of Yak-40 aircraft for a ridiculously low price. A true dumping of prices is forbidden in the west. Zavodskiy aviators wished to accomplish roughly the same with MI-8 helicopters in Bulgaria.

What can be said regarding foreign economic relations if within the republic we still have not learned about commerce and its culture? Zavodskiy works with a customer and receives 400 rubles for an hour of helicopter flight time. And suddenly the Poltava Aviation Enterprises bursts into the zone, directs attention to the same customer and offers the same service but for only 250 rubles. The association's system can and must respond to such confusion, squandering and ungentlemanly behavior.

[Tishchenko] On the other hand, there is a strong attraction towards foreign business contacts and on the other, a lack of experience. And why should not full advantage be taken of the experience acquired by foreign specialists in the handling of such chances?

[Rashchuk] We are not overlooking them. Lack of knowledge of the western market and a lack of coordination in the actions of soviet partners often place us in the position of being commercial inferiors. Here is such an example. Hasidic believers come from all ends of the earth to worship in sacred areas of the Ukraine. Business-like people on all continents immediately recognized the importance of this work and its prospects for the future. They are borne almost to our borders by aircraft and the believers are brought to the territory of the Ukraine aboard ground transport. In summary, almost the entire amount falls into the pockets of western businessmen, with only a miserly amount remaining for us. It turns out that control over our market is relinquished instead of handling the matter ourselves. The leaders of tourist organizations in Uman, Chernovtsy, Khmelnitskiy and others operate in an uncoordinated manner. And thus we are losing out.

[Tishchenko] Thus there is a need for cooperation and not only for the aviation organizations.

[Rashchuk] Initially, we must cooperate within our own house. We must abandon monopolistic structures and initiate mutually profitable relationships which will benefit everyone. This must be done in an intelligent manner and with nobody being offended. Thus the association will soon receive the Tu-154M aircraft and together with them new possibilities both for the domestic and the foreign markets. How will the new

machines be handled? Logically their place is in Borispol, where there is a developed base, experienced specialists and airlines. But we hear what the leaders in Lugansk Oblast are saying: "If you give this equipment to us, we will build a hangar, an apartment building for the young specialists and a service facility. And we will install a fuel line from Lisichansk. As you can see, the distribution of equipment is becoming a matter of internal policy for the association. And in order not to offend Borispol, Lugansk, Simferopol or Odessa in this private work, the association's administration will consider all factors in a very thorough manner.

There are also other stern aspects which serve to confirm the need for coordination. Consider for a moment who can afford to acquire a Tu-204 aircraft if its price is 40 million rubles.

[Tischenko] Thank you, Vladimir Semenovich, for the discussion. In conclusion, could you please tell us just how aircraft of the Ukrainian Airline will be distinguished from other aircraft?

[Rashchuk] The symbols on the fuselages are not that important and indeed we will refer to Aeroflot in our official and contractual relationships. We will strive to improve our passenger compartments. A passenger will go there where the best service is to be found and in the final analysis this rule will become a reality on our routes.

RAIL SYSTEMS

Clogged Port, Rail Operations Scored

914H0131A Moscow GUDOK in Russian 20 Mar 91 p 2

[Article by V. Martynov, Nakhodka-Vostochnaya: "The Port Requires Support"]

[Text] When you move out onto a pier at Vostochnyy Port, you see ships flying the flags of many states throughout the world, you hear various languages being spoken and you sense that you are at the crossroads of business relationships between our country and the outer world. Complexes are in operation at this port which have completely automated and computerized systems for processing information and freight. Specialized ships, line container and timber carriers and motor ships for transporting loose cargoes are tied up to these complexes. Today the importance of this port, the country's best deep water and most modern port from the standpoint of equipment and technology, is defined by its increasing international trade contacts and emergence upon the international market.

Alongside this giant port, the capabilities of which are increasing by twofold during this current five-year plan, we find the Nakhodka-Vostochnaya Railroad Station, which is called upon and yet is still not capable today of "handling" a tremendous flow of freight. And what will the situation be like tomorrow?

In April of last year, the station's workers wrote to the ministry:

"The station's principal capabilities were built practically simultaneously with the placing in operation of the port's first phase, in the late 1970's. Since that time, the port has mastered the second phase and has increased the volume of transshipped foreign trade goods by a factor of 2.5. At the same time, the station has not grown, despite the fact that there is a general plan for its development and also planning documentation. The introduction of new facilities into operation at the port will again increase the flow of freight cars by twofold and this will paralyze all subunits of the Far Eastern Railroad and disrupt the obligations of the USSR with respect to deliveries of export goods."

A year has passed and there has been no improvements. The station is operating at its maximum potential. Is there any hope for improvement? What do the dockers and sailors think about this? It is recalled how during the summer the chief of the port, RSFSR people's deputy G. Zhebelev, advanced the ideal, calling for the creation of an association of transport workers for the purpose of alleviating the overworked terminal in this region. Gennadiy Prokofyevich willingly discussed the plans:

"In my opinion, the abandoned trains, the traffic congestion at the stations and the disruptions in the rhythm of movements—are all the fault of the leaders of the MPS [Ministry of Railways], who were unable to prove in a well reasoned manner at the USSR Council of Ministers level that more funds must be invested in the branch. The fact of the matter is that Vostochnyy Port surpassed Nakhodka-Vostochnaya in its development. This is one detail. We note that the rail economy is becoming unfit for use, the locomotive pool is slipping owing to a shortage of repair capabilities and that there is a shortage of rolling stock. Slogans of the 'give-give' type are not replacing the economic stimuli. At selective conferences, we weekly give off the appearance that measures are being undertaken. Neither money nor intellectual effort are being invested in railroad transport. As a result, we are faced with this lamentable situation. Further delay in strengthening the branch can lead to paralysis of the country's economy.

"Assisted by the Cabinet of Ministers and the republic's Council of Ministers, the railroad transport specialists must develop and implement a purposeful program for renovating the network.

"We must clearly be aware of the fact that the railroads, station development, the locomotive economy and the rolling stock by no means conform to the level of foreign trade prevailing at the present time in the Far East. I am thoroughly convinced that the interests of Russia and the Soviet Union require maximum development of export-import operations and yet no improvement can be expected here so long as funds are not being invested in the development of the railroads. Hence a need has arisen for looking 'upward' for assistance.

"We expressed our ideas to B.N. Yeltsin during a visit by him to the port and we appealed to N.S. Konarev who also visited us, but to no avail. It is patently clear that the country requires development of the Far Eastern Railroad, which has become a restraining factor, since it transships freight from the Trans-Baykal and Eastern Siberian mainlines to maritime ports along the Pacific Coast. Therefore, we submitted a recommendation calling for the organization of a joint-stock company. The Far Eastern Railroad itself is not capable of solving the problems concerned with station development, since millions of rubles' worth of expenditures are required.

"The first step in the creation of a joint-stock company has been accomplished. A meeting of founders, including a number of coal experts from Kemerovo, the Yakut ASSR and the Kuznets Basin and representatives of oblast executive committees and some large mines, was held recently. We were able to convince them that approximately 170 million rubles must be found for developing the Nakhodka-Vostochnaya Station and for installing new sorting gravity yards, spur track and equipment pools for the processing of freight cars before being turned over to the port. All of this will make it possible to increase the capabilities of the port station by a factor of one and a half compared to the existing capabilities. The protocol of the meeting was signed by the participants and they are prepared to invest money in the development of the station. However, it is emphasized that this represents only the first small step.

"As chief of the port, I had to display initiative in the creation of the association in view of the fact that the MPS, the railroad and the branch are waiting for action to be taken. Thus the decision was made to take action ourselves.

"But there is still the chief question: in order to create a joint-stock company, the railroad administration and the MPS must confer upon the port station full economic status and the same degree of independence possessed by Vostochnyy Port and enterprises of other national economic branches. Then, within the framework of the joint-stock company, the station will be able to conclude economic agreements with us, develop its own joint-stock forms and plan dividends by means of an increase in the transshipping of goods.

"The joint-stock company can be created based upon the availability of accurate and stable computations of that which the investor has at his disposal. While investing capital in the development of the station, we still do not have this data available. There is only a verbal assurance that such a computation has been carried out.

"I emphasize that the investors are prepared to invest money in developing the railroad, but they must have a clear understanding of the schedules for dividends to be assigned to them, dividends which will allow them to return the funds invested. Any foreign firm, when preparing to invest their own money in the endeavor, requires a volume of work and planning documentation, which they are ready to examine. And we will hold no further discussions, while indicating that our partners are unreliable.

"There are realistic opportunities for relations with countries of the Asian and Pacific Ocean region and we have products to export. The railroads can also become a source for acquiring currency, but good will must be displayed by the MPS. The chief question at the present time is who, in behalf of the MPS, will step forward as the owner of Nakhodka-Vostochnaya Station, such that we will be able to conclude a specific agreement with them in connection with the creation of the association.

"We requested the railroad's administration to provide us with computations and we created a working committee for preparing the key questions, including the work of the branch, the railroad's administration and Vostochnyy Port. In reply there was only silence.

"A meeting is needed with the leaders of Glavbamstroy—a potential contractor, who is actually carrying out our plans. Indeed, it is not enough to simply have money. A need also exists for resources, construction equipment and mechanisms for installing additional track and so forth.

I would like to complete this appeal with the statement made by the USSR Minister of the Maritime Fleet Yu. Volmer, who visited the port and the station:

'Nowhere in the world will you find a system which allows freight to remain in a port for a period of six months. It is constantly in movement. And thus a picture that is dear to the heart of a newspaper photographer, involving piles of different colored containers, is viewed as nothing more than mismanagement. We make every attempt to ensure that the freight does not accumulate in the ports. But other elements of the transport conveyor system are seriously holding back the sailors of the maritime fleet. In the Maritime Region, it is the railroad economy. We have already devoted some thought to this: if in the near future the MPS is unable to build the second phase of the Nakhodka-Vostochnaya Station, then the Far Eastern Steamship Agency will purchase a plan and, jointly with the interested organizations, continue this work. It makes no sense to lose orders that could be profitable for the state and enterprises as a result of sluggishness in the sphere of transport services.'

"And what do they have to say in this regard in the branch's headquarters?"

Railway Collegium on Improving Container Transport

914H0132A Moscow GUDOK in Russian 27 Mar 91 p 2

[Article by A. Loginov under the rubric "Notes From the Collegium of the Ministry of Railways": "A Container With 'Ribbons'"]

[Text] One cannot help but speak of what worries one. It was impossible to depart from this well-known and time-tested principle for conducting conferences and meetings of all scales this time either. True, when opening the joint meeting of the collegium, G. Fadeyev, first deputy minister, warned of the need to focus on the main question so the speeches would not consist of accounts of the activities of individuals. However, he added that this is generally unavoidable.

Later, when the reports of V. Logunov, chief of the Container Transport and Commercial Work Main Administration, and I. Khaba, chief of the Railcars Main Administration, on measures to improve organization and to increase the efficiency of transport container were over, discussion between representatives of the railroads began; and especially after an interesting and emotional speech by V. Butko, deputy minister, I began to get two very different impressions from the conversation taking place. However, I will speak of that later.

There were two other official reports: I. Levshin, first deputy chief of the Moscow Railroad, talked about his experience in the development of cargo management, the creation of container terminals and areas, and the introduction of an ASU [automated control system] at the capital junction; G. Ryabtsev, chief of the Omsk City Goods Station, talked about innovations and nontraditional approaches to transportation and dispatch servicing of senders and receivers of cargo. In short, the issues were of one sort: they related to the scale of the network and to the level of the railroads in terms of experience and problems. The conversation was undoubtedly necessary, in some measure summarizing everything that we have managed to achieve in the 12th Five-Year Plan. Nonetheless, why did it give me two different impressions?

The cause, perhaps, is in the two approaches to the theme of the conversation. Gennadiy Matveyevich Fadeyev warned that there would be no accounts of the activities of individuals, although there would also be no avoiding it. Valeriy Nikolayevich Butko, capably describing the general picture, declared that he was hearing accounts of the activities of individuals and that there was not enough analysis and, most importantly, there was no clear strategy and tactics in the development of container transport. This reproach was addressed at Logunov, chief of a main administration: "You, Viktor Martynovich, studied these problems in the United States, and you know how business is handled abroad."

Listening to the impassioned speech of Valeriy Nikolayevich, I thought, if only they could conduct a conversation on such a level as this! Why has it not happened? I made a note in my notebook: "Organize a GUDOK 'roundtable' conversation with Comrades Butko and Logunov." I also wrote a third name, that of A. Kalinin—chief engineer of container service of the Moscow Railroad. Back at the end of last year when "barricades" of containers that had not been taken away by drivers appeared at the stations of the capital junction, Anatoliy Sergeyevich said that this work was handled efficiently abroad, particularly in Hamburg where he had the opportunity to acquaint himself with the experience of his German colleagues. Perhaps it really is necessary to set up a conversation comparing our experience and foreign experience.

We have many problems in this area. And while the pace of growth of the total numbers of containers over the last five-year period is impressive—25.8 percent, and more than four-fifths of them fall into the category of large-tonnage containers—as it turns out, even this is not so very much. Out of 1.242 million containers existing in the network, only 172,000 are 20-ton cars, and the rest are three- and five-ton containers. The latter are split evenly, a little over 500,000 each.

In the reports and speeches there were appeals to increase the volumes of transportation in specialized containers for loose substance—fertilizers, cement, etc. On the other hand, there was concern over faults in planning and insufficient deliveries by industry of these advanced means for transporting cargo.

An article, "One Lid for Twenty Pots," published in GUDOK on 12 April 1990 told how at Abakanvagonmash [Ababakan railcar works] many hundreds of 20-ton containers accumulated, which are "lying idle" for two reasons. On the one hand, a portion of them do not have floors because of a shortage of saw timber. On the other hand, even the ready ones cannot be put into operation in a timely fashion because of a lack of special platforms equipped with fittings, which incidentally are manufactured at that same enterprise, but in miserly quantities.

A paradox arises: containers which can simply be set on a special platform usually must be secured with braces and tiedowns made of thick wire when being loaded. When the containers are received, these metal "ribbons" are broken using a chisel or cut with an oxyacetylene welder, and dozens of tons of costly wire are thrown out. It is truly a labor of Sisyphus.

If only these were the sole examples. Unfortunately, they are not. Our ministry presented its accounts to Gosplan [State Planning Committee]: the sector must deliver 6,000 platforms equipped with fittings annually. The country's industry can only provide for one-third of the demand (last year 1,980 such platforms were delivered, and this year even less than that is promised). There are few hopes to purchase them abroad—hard currency is needed. One can only count, as I. Khaba reports, on the fact that in the reconstruction of the floorless platforms it was decided to equip 10,000 of them with fittings.

Directly connected with the availability of special rolling stock is the solution of another strategic question—organization of express container trains that could run according to a strict schedule, bypassing "marshaling," for example, between Moscow and Leningrad, ports, border stations, and large industrial centers. But even here one can stumble over the current lack of balance of

ties between sectors and the lack of coordination of plans and capabilities between departments. After all, even now when there is no such organized flow, at the large stations there arise container "bottlenecks" now and then. And the search for "saboteurs" begins: in some cases these turn out to be the drivers, who are not ensuring centralized transportation, and in other cases it is the clients, who are only accepting loads by day.

But it turns out that even this fairly widespread problem can be resolved. One example of this is the experience of the Omsk railway men. About five years ago they too had congestion: with a quota of 680 containers, up to 1,500 and more often accumulated. Each day they were short 50-60 vehicles for taking them away.

Then a group of railway men with initiative, together with the drivers, researched cargo recipients to find out which of them could accept containers in three shifts. They conducted an experiment. It offered an unexpected and curious result: a portion of the clients refused the three-shift arrangement in favor of one—the night shift! It was more peaceful than during the day, they said. This also suited the drivers: the city streets are free by night, there is no congestion at crossroads, and delivery takes place according to a strict schedule, without idle time. And they provided the vehicles with changeable trailers. Presently they cart off up to 50 percent of a day's norms of containers at night using only 5-7 "KamAZ" vehicles.

Another example from the same place: some 14 trucks and 54 specialized trailers were used to haul away large-tonnage containers. The vehicles were equipped with radios, and the driver (he is also a forwarding agent) does not wait for the container to be unloaded (or loaded) but, having surrendered it, collects a free trailer there or elsewhere on his journey. If necessary, the dispatcher will help him over the radio. This method of organizing work enabled them to refuse six trucks designated for this purpose and reduce the overall idle time of a 20-ton container last year by four hours in comparison with the norm. And this is despite an almost 25-percent increase in the volume of transportation compared with when they began.

Many interesting things can also be said about the Moscow junction as well (this was the subject of a special conversation). I will only cite the following features: over the last 10 years the capacity of the container terminals in the capital increased by a factor of four, and their processing capability by a factor of six! As they say, a great ship requires deep waters.

A great amount of work has been done. But I wish to speak of something else in these short notes. About 10 years ago GUDOK talked about one of the freight stations of the capital which was beginning to master an ASU freight station system. Today nine such stations and the container areas and terminals adjoining them are equipped with computers. A tenth is underway—the Moscow-Paveletskiy freight station. They are tied together by the ASU of the capital junction.

Another system—on a computerized level!—for organizing work is coming into being, and it is already being requested at many junctions of the Moscow and other railroads. It is also one of the strategic lines. But will we "bring it out" soon? At present they have mastered one junction and they plan to create a school of advanced experience. But, having acquainted ourselves with this experience and with foreign experience, we will only scratch our heads: "And where will we get hold of the computer equipment?" And then we will come back down to earth and hasten to dispatch containers with "ribbons" on patched platforms.

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