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Editorial—Political Vanguard of Society

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[Text] In the spring of 1921 the land of the soviets took a sharp turn toward the new economic policy. A difficult transition was under way from the "military-order" methods, made necessary by the civil war and the destruction, to the use of more "regular" and flexible management instruments, based on a consideration of the economic interests of the multi-million strong toiling masses and the long-term development of socialism. At that time, in a resolution on problems of party building, the 10th RKP(b) Congress emphasized that "the party of revolutionary Marxism radically rejects the search for an absolutely correct form of party organization and of methods for its work, applicable on all levels of the revolutionary process. Conversely, the form of organization and work methods must be entirely determined by the characteristics of the specific historical situation and the tasks directly stemming from this situation."

The problem of changing work forms and methods, above all among the masses, and of the party's reinterpretation of its role as the political vanguard of society has come up at each point in our socialist history when qualitatively new problems faced the people, and when social and spiritual progress had to be raised to a higher level. It was then that the means applied in approaching the masses and the extent of democracy and centralism in internal party life and in the practice of managing the state and society changed. There were both important gains and grave errors along that road. The party was not always able to "catch up" with the changes which had become pressing in society. Regardless how difficult this may have been, however, the party did not lose the historical initiative. It was through its political will and courage that the renovation of social practices at critical points in our history took place. Under the present circumstances of the comprehensive restructuring of Soviet society as well, the party has assumed the initiative in the search for new approaches and new methods for solving pressing problems which appear in the course of democratization, radical economic reform and mastery of the new economic mechanism.

What should change now in the ways, means and methods of party activities in order to make them consistent with the new requirements? What are the ways to be followed in upgrading the role of the CPSU at the present stage of restructuring and what are the specific ways to be followed in the democratization of intraparty and social life as a whole? These are the most important problems which assume priority in the course of the preparations for a forthcoming landmark in party life: the 19th All-Union CPSU Conference.

The party is part of the working class, of the entire people. It is part of society. In the words of the founders of scientific communism, it is the most initiative-minded part of society, "which keeps urging it forward." Acting as the organized vanguard, armed with the progressive ideas of revolutionary change, for all that is "alive and honest" in the people (Lenin), the Communist Party became the political leader of the broadest possible toiling masses in the organization of social life.

The party was and remains precisely **a part** of society. It is "flesh of the flesh" of the people. It encompasses their best and healthiest forces. That is why, in speaking of the interaction between the party and society, it would be absolutely un-Marxist and undialectical to consider the vanguard of the people as some kind of strict hierarchical power which "issues" directives and commands all social undertakings. This is precisely a question of **interaction and reciprocal influence** between party and society, i.e., of a live multidimensional process, which is not free from natural contradictions and problems.

Yes, our party headed the changes which had become imminent in the country and its political will is the most important factor and guarantor of the initiated restructuring. At the same time, however, the party itself changes under the influence of the social reorganizations which it initiated; its internal development assumes a new quality in the vivifying oxygen of democratization and glasnost; the social atmosphere is becoming cleaner. Before our very eyes, in the past 2-3 years, particularly after the 27th CPSU Congress and the January 1987 Central Committee Plenum, noticeable changes have taken place in the style of activities of party committees and in the approaches to the solution of "traditional" and new economic and social problems. The style and methods of ideological, cadre and organizational work of party organizations are changing. The problems which arise here are actively and interestedly discussed by participants in party committee plenums and party meetings at which elected authorities report on their work in managing restructuring.

Today the party acts above all as the **intellectual leader of society.** The strategy and concept of acceleration of the country's socioeconomic development, formulated by the CPSU as its leading nucleus, and the all-round revolutionary restructuring have become the foundation for specific practical action and for economic and political reforms and for sharply enhancing the spiritual life of the people. On party initiative and thanks to its intensive efforts customary priorities are being changed. A new political thinking is being asserted as the only contemporary form of social awareness. On the theoretical level a substantial background has been created for future progress in the formulation of pioneering and strategic directions in the development of socialism. Under current circumstances the role of CPSU theoretical activities and of an innovative search in the area of social thought increases sharply.

Today the party acts as the **political leader of society.** A firm political will, consistency and persistence in implementing plans are needed in order to implement radical changes. We must ensure the unity of the comprehensive and varied interests of social groups and a huge number of people, considering their needs, requirements and unique features. The party must combine this entire variety of interests, defining and structuring the vector of the national interest which leads us to our great and humane objective, to the creation of superior forms of social organization and to a new quality status of society, stimulating and directing democratization processes on all levels and developing the activities of the masses and self-government by the people. Restructuring is simply impossible without painstaking and steady efforts on the part of the party and without the daily efforts of its committees, primary cells and individual party members for the implementation of the set tasks, for no automatic renovation of society is ever possible. It is only active participation in organizational work and the responsibility and discipline of every party member that could guarantee the successful implementation of planned changes. This explains the great importance of maintaining firm party ranks and the ability of party cadres to organize united high-quality work on all social levels.

Today the party acts also as the **moral leader of society.** We are well familiar with Lenin's statements on qualities such as honesty and conscience, which have always been inherent in the party members. Unfortunately, it sometimes happens that the party cards on which these words are printed, are carried by people who have lost the moral features of communists and who, through their behavior and way of life, undermine the moral authority of the status of party member and, therefore, the party itself. The great cleansing significance of the April Plenum is to a great extent precisely the fact that it marked the beginning of a moral renovation in the society and in party ranks, and the fact that the party intensified its concern for its moral authority.

The most important structural component of the interaction between the party and society is CPSU activities in the socioeconomic area. It is clear that under the conditions of restructuring the ways and means of party leadership of the economy necessarily change. In the discussion of such problems we frequently come across two extremes: first, the underestimating of the interconnection between politics and economics and views on the universal effectiveness of cost accounting management instruments and, second, efforts to preserve the previous system of petty supervision and administrative interference by party authorities in the daily activities of economic managers. Clearly, both approaches suffer from one-sidedness and are unacceptable. It is also clear that without strengthening the party's influence it would be simply impossible to make radical changes in the economy and to apply new economic management methods.

The role of the party authorities in economic management is particularly difficult and responsible at the present transitional stage, when the old and new mechanisms of economic management will inevitably "coexist" for a while. Naturally, it is not a question of party committee personnel to act as "pushers," "extract" freight cars and "procure" cement or nails, as was frequently the case in the recent past and is frequently encountered in the current practices of local (and even higher) party authorities. The assertion of the new economic management methods demands of them during this "transitional period" to display firm political willpower and political persistence and high awareness and a sense of party duty. Delegates to many plenums and party meetings currently being held emphasize that the people must be helped to learn how to work skillfully under conditions of full cost accounting, self-support and self-financing. Every working person must be familiar with "his own maneuver," and skillfully solve the problems which face him and the collective. In short, the party committees are called upon to direct and intensify the process of radical economic reform.

Reality will indicate the nature of the steps which will be taken and forms of party influence on economic practices under the new conditions. This is no simple matter. It is only in the real course of restructuring that specific answers to it may be found. We hope that in letters to the editors we may find bits of direct experience, suggestions and ideas on the way the readers conceive of the mechanism of party leadership of the economy under the new circumstances created by the economic reform.

Today there is no more important task for the primary party organizations working in material production and economic management and science than the creation of the most favorable conditions for the successful implementation of the Law on the State Enterprise (Association), which became effective on 1 January 1988, and the full organization of the cost accounting mechanism, including its most important parts.

Today it is also a question of eliminating later deformations and encrustations on the basis of the Leninist concepts and, to a certain extent, restructuring the system of relations between the party and the state and the other social institutions. Turning back to V.I. Lenin and, relying on his ideas, and learning from his lessons, we must go forth in the development of the Soviet political system. Today this means for the party above all entirely to abandon, in Lenin's words, the practice of "communist decreeing." The CPSU is a ruling party. It provides political leadership in all areas of life in socialist society, implementing its decisions, as was mandated by the 8th RKP(b) Congress through the soviet authorities, **within the framework of the Soviet Constitution.**

This is not merely a wish addressed to the ruling party. It is our present constitutional principle. It makes it incumbent upon all party committees and all party organizations and all of its members to be truly concerned with the legality and constitutionality of decisions and actions.

In our country the party is truly responsible for everything. It is precisely for this reason that it is important, under the conditions of restructuring, to be concerned with giving reliable support to the "division of labor" within the framework of the Soviet political system among the party, the soviets, the trade unions, the Komsomol and the other public organizations, so that the functions, areas of competence and limits of autonomy and independence of all institutions, units and structures within that system may be clearly and precisely outlined and supported with corresponding democratic procedures.

In Lenin's words, the live creativity of the masses is the fundamental factor of the new social system which is being developed currently. The entire people, as was noted at a CPSU Central Committee conference in November 1987, are joining in the movement for restructuring which reflects the interests of all population strata, uniting them in the struggle for a new society. Under these circumstances, to be in the vanguard and to work in a new fashion means for the party, as M.S. Gorbachev emphasized, not only to undertake the direct solution of problems but also to set itself the more difficult task of directing, coordinating and uniting, to provide an impetus for the social activities of the masses through the party organizations and the cadres, through party control and the creation of a healthy and energetic atmosphere in cities, rayons and collectives. This is currently the responsibility of the party committees and the party at large.

In describing the "model" of a party organization, which developed during the harsh conditions of the civil war, the 10th RKP(b) Congress noted a number of contradictions of development, that were growing on historical grounds which were fraught with contradiction at that time: there was an increasing trend toward bureaucratizing the legitimate centralization needed in party structuring and guiding activities, which alienated the masses; the "system of combat orders frequently assumed distorted aspects of unnecessary pressure; necessary privileges were becoming grounds for a variety of abuses; the necessary reduction in the number of party agencies led to a weakening of party spiritual life...."

Despite all essential differences in the historical situation and the levels reached in the development of the country and the party itself, today we can see a certain similarity in the tasks of changing the forms of party activities. It is a question, above all, of a key problem both then and now: the approach to the masses, the forms of work with the people, upgrading the role of the human factor and specific methods for directing the various areas of social life. During those distant years the necessary answer was found: **democracy.** It was precisely this that the party congress especially emphasized during the difficult year of 1921, stating that the work methods must be "above all methods involving broad discussions of all most important problems, discussions held with total freedom of internal party criticism, and methods of collective formulation of general party decisions before general mandatory party decisions had been adopted on a given matter." It was precisely this that in a period of sharp ideological struggle against factionalism that the 10th Congress included in its resolution on the unity of the party the mandatory prerequisite of struggling "by all possible means against bureaucratism and increasing democracy and independence...." Today even more so the party cannot conceive of its work without such an approach and without responsibility for the expansion and development of democracy.

For the time being, some cadres find the burden of such responsibility heavy and unaccustomed. The processes of democratization and radical economic reform are only beginning to gather strength and to develop suitably. However, we have already come across guardians of the "public calm" who try to frighten others with the concept of "unnecessary democracy" in our life. However, democracy is never unnecessary, for it means progress in intensifying self-government by the people and strengthening true democratic rule and the increased participation of the working people in the affairs of the government, the society and their collective. In following Lenin's behests, the party is following precisely this way, for the progress of socialism is inseparable from the broadening of democracy.

Under contemporary conditions it becomes both easier and more difficult to work. It becomes more difficult above all for those who have been unable as yet to abandon their old prejudices related to dogmatic concepts of socialism or "command" management methods. One can confidently say that amateurs of a tranquil life will not have it in the future as well. Conversely, the party and ideological cadres will have to develop an immeasurably greater skill in persuading, debating and implementing party views and not only take into consideration but also mold public opinion. However, the study of democracy, as was confirmed by the experience of post-April changes, is a difficult science to master. It demands of our cadres readiness and ability to learn. It is precisely the mastery of this science that includes in the activities of party committees and organizations, state establishments, economic management authorities and all public organizations without exception a constructive **dialogue with the masses,** helping them to take into consideration the true feelings of the various collectives and population groups and to find efficient and, above all, **democratic** means of influencing such moods, means which would exclude the syndrome of prohibitions or administrative pressure. Nonetheless, the party organizations cannot, have no right to distance themselves from the ideological confrontation with bearers of views alien to socialism. Every party member must offer a principle-minded rebuff to any manifestations of social and nationalistic demagogy.

The party conceives of the democratization of developing socialism in broad terms, including in this process both its own organizations and society as a whole. In

implementing the role of political vanguard, to begin with, the CPSU will continue to provide conditions for the comprehensive participation of the people not only in the discussion and adoption of socially significant decisions on the party, state and local levels, but also in their direct implementation. Second, it will always keep in sight problems of organizing systematic control by the public over the activities of state power and administrative authorities. Third, the party will pay unabated attention to simplifying and perfecting relations between the state apparatus and the population in order to facilitate citizens' access to authorities and officials who can solve a given problem. Finally, our party is displaying and will continue to display particular concern for social safeguards and human rights and for strengthening their guarantees.

It is clear that not one of these problems can be solved without the most extensive development of glasnost. A great deal has been done in this area. However, here, as well, so far not everything is running smoothly. Under contemporary conditions glasnost excludes any kind of monopoly on truth. It shapes and develops socialist pluralism, which presumes a variety of viewpoints and opinions, which alone make the ideological and political unity within society possible. Such unity has nothing in common with barracks "like-mindedness."

Truth teaches us harsh lessons. Conservatism of the mind hinders and makes very painful the rejection of past theoretical prejudices. This is felt particularly sharply in ideological work. Dogmatism and scholasticism in ideology, despite their extensive verbal inventiveness are one-dimensional and restricted in their views on the inexhaustible creative wealth and variety of the socialist world and intolerant, in a sectorial way, of anything new developed in the theory and practice of building socialism. If words addressed to the masses absolutize accomplishments and embellish reality and try to justify and whitewash within it anything that should be condemned and uprooted, if ideological workers fumble in their creative searches or remain passive in the face of ideologically immature people, who speculate on real difficulties and contradictions within reality, the result is a tremendous harm caused to restructuring. It hinders positive processes and preserves prejudices in their various forms which, as Lenin noted, are farther from the truth than ignorance.

A basic problem in the development of the party is that of party membership and the purity of party ranks. This is a problem of exceptional importance in the process of CPSU democratization. The type of people who are joining the Leninist party will determine the party's present and future and its ability to be the true political vanguard of society. It is important comprehensively to perfect the practice of the selection of CPSU members and the strengthening of the party's structure, giving priority to frontranking workers. The efficient solution of the problem of qualitatively improving the party reinforcements has nothing in common with a mechanical control over the process. The most important criterion in granting party membership must be the attitude of the individual toward restructuring, glasnost, criticism and self-criticism and the process of the intensification of democracy and, above all, practical participation in their implementation. The party needs politically active people with communist convictions, morally pure and courageous fighters for the renovation of socialism, for which reason today the party ranks must be reinforced above all with those who are at the cutting edge of restructuring, in the manner in which rank-and-file soldiers and commanders were accepted into the party during the Great Patriotic War: on the battlefield, at the front end of the historically unparalleled battle for socialism.

The search and development of ways and means of action, consistent with the new requirements, which would enable the CPSU successfully to implement, under circumstances marked by profound revolutionary changes, the role of political vanguard of society, is a difficult and contradictory process. Efficient ways, means and tools which would ensure the true self-cleansing and promotion of the party and the strengthening of its vanguard role in society could be found and tested in practice only on the basis of the steady expansion of intraparty democracy, the development of glasnost, criticism and self-criticism and the strict observance of collectivism in the work.

The primary party organizations must become the main unit in the renovation of party work and creative laboratories which would engage in the search for and practical testing of the new approaches to the work and will formulate anew the impetus in the development of intraparty democracy. Such difficult research must be headed by elected party authorities which must decisively reject inertia, conservatism and excessive organization. Each party committee must become truly involved with life, so that the people will look at this party authority as their own family and share with it their joys and concerns.

In the context of the present tasks related to the restructuring of party work and the further democratization of the party and society, the appeal persistently recurring in Lenin's articles and speeches in the post-October period "for the broad nonparty masses to check all governmental affairs and learn how to govern themselves," and for "making our systems 'work' even more extensively, further and faster and better, an even greater number of workers and toiling peasants must be involved in the management of industry and the national economy in general," and for "nonparty people to check the work of party members..." sounds quite relevant ("*Poln. Sobr. Soch.*", vol 40, pp 128, 143; vol 44, p 81).

These tasks demand that once again we consider most closely the experience of the first socialist changes. In his last works, Lenin considered the lessons to be learned

from them with inordinate concentration. He was profoundly concerned with finding efficient means of strengthening the unity and purity of party ranks, upgrading the capability of party organizations and committees, formulating firm guarantees for democracy and collectivism in their work, creating instruments for an efficient struggle against bureaucracy, including the one within the party apparatus, strengthening relations between the party and the state and perfecting the structure of the leading party agencies.

We can clearly hear the echo in the suggestions submitted today at plenums and meetings where the level and ways and means of activities in managing restructuring by elective authorities are discussed of such Leninist considerations and lessons. The party members are seeking specific means of upgrading their participation in the collective formulation of decisions and their implementation by the entire elected party aktiv, for it would be unfit for its members to act, as is still frequently the case, in the role of "parade soldiers." It is also time to abandon the establishment of party agencies based on "position." Suggestions are being heard on improving the structure of party committees in order to free them from the influence of nefarious departmentalism and on the formulation of additional democratic guarantees, which would make impossible for unsuitable people to hold leading positions, as well as any abuse of power, and to protect party work from formalism and excessive organization.

The Leninist principles governing the selection, placement and training of cadres are the foundation of contemporary cadre policy as well. Its main tasks under the conditions of restructuring were formulated at the January CPSU Central Committee Plenum, which emphasized the need for systematically asserting in party work the principle of the electivity of managers on all levels, their accountability to the collectives they head and the need for being held strictly accountable for their assignments, and ensuring their successful training and upbringing.

At the present stage of restructuring, under the circumstances of growing democracy within the party and society, it would be particularly undesirable in the area of cadre selection to overemphasize the administrative aspect of the matter, which had made Lenin understandably concerned. However, demand for the ability of the manager to "attract people," which Vladimir Ilich valued so highly, increases sharply.

In emphasizing the importance of the strict discipline of collective labor as a necessary prerequisite for the normal functioning of socialist society as a most important prerequisite for its broadest possible democracy, Lenin spoke of it as a comradely discipline, a discipline of total respect, independence and initiative in the struggle. This doubly applies to party discipline, the strengthening of which is inseparably related to the development of intraparty democracy. Practicing true democracy, rather than playing at it is, in Lenin's view, part of the overall concept of party comradeship (see op cit., vol 6, p 142). Learning from Lenin's lessons, the party members must patiently and persistently shape and cultivate today within their ranks an atmosphere of such comradeship, which would exclude any manifestation of the "leader principle," servility and respect for rank, developing within every member of the organization firm ideological and moral qualities, starting with a feeling of one's own dignity and human decency. Party comradeship makes natural the observance of a standard of responsibility on the part of all members for the party as a whole and the responsibility for the member by the entire party. This is a guarantee for democracy in internal party life, discipline and efficiency within its ranks.

Our Leninist Party is the party of revolution, the party of restructuring. This is not simply an accurate and meaningful metaphor which characterizes the role of the CPSU in contemporary society. It is a working assignment of each primary party organization and party committee and every party member, which obligates them to participate most actively in revolutionary changes which allow socialism to acquire a new quality.

How is this "assignment" being implemented and what are the reasons for breakdowns and difficulties in the work? What feeds the inertia of the old approaches to the solution of new problems? What are the practical ways for its fastest possible elimination? These and many other questions born of live practical activities, are being answered by the party members at the currently held party committee plenums and party meetings, at which the reports of elected authorities on their activities in guiding restructuring are being discussed. The sober and constructive study of accomplishments and a specific program for further action will become major steps in the preparations for the 19th All- Union Party Congress.

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Restructuring and Party Management of the Economy

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[Article by Nikolay Nikitovich Slyunkov, member of the CPSU Central Committee Politburo and CPSU Central Committee secretary]

[Text] Our country welcomed the 70th anniversary of the Great October Revolution at a turning point in its history. The party and the people were able to reinterpret, profoundly and comprehensively, the long road covered during that time and to feel even more strongly the unbreakable continuity which links our present with the objectives and ideals of the first socialist revolution in the world. The people clearly saw the historical scale

and positive meaning of the project initiated by the party in April 1985: restructuring and renovating the socialist society established in the USSR.

In his speech at the ceremonial session on the occasion of the October Revolution anniversary, M.S. Gorbachev emphasized that "restructuring means not only getting rid of the stagnation and conservatism of the preceding period and the correction of the errors which were made but also surmounting the historically limited and now obsolete features of a type of social organization and work methods. It means giving socialism the most advanced forms consistent with the conditions and needs of the scientific and technical revolution and the intellectual progress of Soviet society." Restructuring appears as a relatively lengthy process, governed by its own logic and stages, in the course of which our social system will systematically change and transform itself, qualitatively renovating its appearance and bringing into action new powerful sources of development.

It is entirely natural that such a systematic and purposeful process of restructuring is neither determined nor guaranteed in advance. It can be achieved only through the conscious and systematic efforts of millions of people. Under these circumstances the responsibility which is assumed by the party, as the leading force in building socialism and the political and ideological vanguard of our society, becomes even greater. The current responsible and exceptionally rich period is characterized by intensive theoretical and practical activities by the CPSU and the formulation and implementation of a strategy and tactics of renovation of all areas of social life, including the main one, economics.

The concept of restructuring and the party policy on which it is based are undergoing today a most difficult and strict test, a test of viability, of consistency among the profound needs governing the development of the country, the expectations of the people and the realities of our time. It is no accident, therefore, that in the entire range of tasks defined with the course of socioeconomic acceleration priority was given to two most important ones: **the further democratization of social life, the state and the party, and the radical economic reform.**

The gravity of this period is determined by the fact that the administrative-pressure style of activities of party committees and their substituting of economic authorities, which could largely be explained by the need to compensate for the imperfection of the economic mechanism, have outlived their usefulness. The new style of party leadership, dictated by the tasks of restructuring, is still being sought and defined. The party committees and party organizations are facing the difficult problem of how practically to guide the implementation of the tasks of restructuring, tasks which, as they are implemented, change the conditions and nature of leadership itself.

The implementation of the party's vanguard role requires the efficient answer to this radical question, which must be understood by all cadres and party members. The disparity between the requirements of reality and the standard of work of a number of party committees and between the growing activeness of the masses and the surviving bureaucratic way of thinking and acting was already noted at the June 1987 CPSU Central Committee Plenum. Reorientation toward new methods in the area of the party's guidance of the economy is not easy. It requires the persistent search for innovative approaches in this area, the elimination of obsolete stereotypes and the dissemination of the best experience.

That is why in the course of the preparations for the 19th All-Union CPSU Conference, the attention which must be paid to this area of party activities must be doubled and tripled, for this will largely determine the success of restructuring. Today V.I. Lenin's words become particularly relevant: "...Economic tasks and the economic front again and again appear in front of us as the most important and fundamental" ("*Poln. Sobr. Soch.*" [Complete Collected Works], vol 42, p 137).

I. Features of the Party's Contemporary Economic Policy

The new and stricter requirements concerning economic management have been reflected in the party's economic strategy which was formulated in the post-April period and is being implemented in practical work. It is based on the Leninist concepts of politics as the concentrated expression of economics, the unity between political and economic leadership and the essential significance of a political approach to the solution of economic and social problems. Hence the most important features of the party's economic policy.

Having critically analyzed the situation which developed in the 1970s and beginning of the 1980s in the national economy and the reasons for the difficulties and roots of the problems which faced the country, the party drew two fundamental conclusions:

First. The elimination of such difficulties and solving problems, both those we have inherited from the past as well as present and future ones, is conceivable only by decisively accelerating the country's socioeconomic development, and ensuring a new quality of economic growth. No alternatives to this course are possible.

Second. The attractiveness of socialism and its historical future depend, to a tremendous extent, on the ability of our society substantially to enhance its efficiency within a relatively short historical period, and ensure a true scope for the blossoming of the individual, the manifestation of all talents and gifts and the satisfaction of the sensible needs of the people.

It is precisely these conclusions that predetermined an essential feature of the party approach to economics, such as the mandatory and accurate consideration of the objective requirements of economic development, **economic interest** which, in Lenin's words, determine "the deepest roots of domestic and foreign policy" (op cit., vol 36, p 327). In the final account, the internal mechanism of restructuring, which we must organize, consists of taking into consideration and influencing interests, controlling them and managing with their help. We need a constant collective search of ways and means of combining individual with collective and national interests within each labor cell and production unit.

A constructive solution of problems of bringing interests closer to each other presumes the profound elaboration of the theoretical and practical aspects of the **development of ownership relations,** and ways and means of surmounting the still extant alienation of the worker from socialized means of production. The reorganization of socialist ownership relations is essentially aimed at turning the broad toiling masses into the true owners of state and cooperative means of production and goods. One cannot be the master of the country without being the true master of his own plant, kolkhoz, shop or livestock farm. This is the crux of the matter.

The party has restored and is creatively applying the **Leninist ideas on the cooperative.** Until recently the realm of cooperative ownership, which was being steadily restricted, was limited merely to kolkhozes and consumer (trade essentially) cooperatives. The sterility of this approach was proved by reality itself. The cooperative forms of ownership have a great future in industry, housing construction, public catering, trade and consumer services. It is true that in this case we must bear in mind that the cooperative forms themselves must be steadily developed and enriched.

The substantiation of the ways and means **surmounting the contradiction between the requirements governing the development of production forces and obsolete economic forms** is the concentrated expression of the new vision concerning the problem of motive forces in the economy. The point is that production relations under socialism perform their role as motive forces of the accelerated growth of production forces and enhancement of efficiency only if they are systematically improved. Otherwise, having lost their stimulating function, they inevitably become a hindrance. It is precisely now that production relations need not a slow evolution but a revolutionary change, radical transformations. This made necessary a radical economic reform, which is one of the broadest political and economic measures taken in the history of building socialism.

Achieving a **new quality of economic growth** must be the result of revolutionary changes in the system of production relations. This is an essential party stipulation. Its determining factors must include an efficient structure of the economy, production intensification and acceleration of scientific and technical progress. The party committees on all levels must ensure the type of situation which would enable us to bring into action to the fullest extent components of a qualitative economic growth such as higher labor productivity and capital returns, a lowering of material and power consumption in industry, and improved quality of output and services. This task is economic, social, educational and, in the final account, political.

The contemporary economic policy of the party is aimed at increasing the **role of the consumer,** and expanding his influence on all aspects of the country's economic life. It is precisely the consumer who, on behalf of society, grants a specific commodity the right to life. It is the consumer who must largely determine the justification of outlays for the production of such a commodity. All of this reformulates many problems of the economic competition for the consumer, the extensive development of the socialist market, wholesale trade in means of production, enhancing the stimulating role of prices and their flexibility, and rationally combining supply with demand.

The overall mechanism of economic restructuring and acceleration of scientific and technical progress must organically include the active development of **external economic and scientific and technical relations,** and participation in the international division of labor. The party proceeds from the fact that all-round cooperation and economic integration with CEMA members is for us a priority. To this effect forms of economic relations with our foreign partners are being radically restructured. We are creating joint enterprises and developing direct relations with them. In this area nonstandard approaches must be displayed which would enable us to take a firm step toward converting the foreign economic factor into a modern and powerful instrument for the acceleration of qualitative structural changes in the country's national economic complex.

Both in terms of essence and form the party's leadership of the economy is distinct from economic management. The formulation of a well-planned economic strategy is insufficient. We must also develop daily painstaking organizational and ideological-educational work in order to ensure the implementation of the stipulations relative to economic and social development. Managing the economy today means not issuing orders or assigning an endless number of auditors and representatives but persuading skillfully and patiently and directing the people, teaching them how to work in accordance with the new requirements and constantly checking the course of implementation of economic tasks with the party's political line.

The reorganization of the national economy in the next 2 to 3 years, which will be the most important and difficult, will take place under the conditions of the

remaining stagnation phenomena and unsolved problems. The party organizations must show particular concern for the difficulties in the restructuring process, which put obstacles on its way, does not originate in managers of all levels, including party workers, the syndrome of power pressure and personnel shuffling. The impatient aspiration to solve with one stroke of the pen problems which have taken many years to accumulate in our economy and in its management, the lack of system in the work and the absence of practicality are fraught with recurrences of political adventurism, which are dangerous to the future of restructuring. Extremism is harmful in any area of human activities and is even less admissible in party work.

Nonetheless, as authorities in charge of political leadership, the party committees must mount a firm struggle against conservatism and against any effort at reducing restructuring to petty improvements. Naturally, this does not mean in the least ignoring modest suggestions aimed at improving matters in even the smallest area of public production. Furthermore, the struggle against conservatism, bureaucratism and red tape presumes developing in every participant in restructuring a certain standard of daily work, the ability not to rest on accomplishments and display an interested attitude toward local initiative and enterprise.

Lenin emphasized that "the minds of tens of millions of creative people create something immeasurably greater than even the greatest and most brilliant foresight" (op cit., vol 35, p 281). Achieving this is the most important task of the party's economic leadership. Resolving this problem means fully restoring in practice Lenin's concept of socialism as the live creativity of the masses, as a system which ensures the unquestionable priority of the working person, and bringing to light the tremendous material and intellectual resources of socialism.

To solve this problem means to make the working people feel that the party committees are their own homes, where they willingly go to share their joys and misfortunes, concerns and suggestions and results of their thoughts on how to improve matters. It is only together with the people, only by constantly consulting with them, relying on them and checking their plans and actions with real life that the party committees will be able to become true generators of new daring ideas and of the energy of restructuring, as well as its skilled and authoritative headquarters.

II. The Economy at a Turning Point

The party's line of acceleration of the socioeconomic development of the country found a specific embodiment in an entire set of strategic decisions on reorganizing the most important areas of the national economy. Broad programs were formulated for structural changes in the economy, accelerated renovation in machine building, the construction complex, ferrous and nonferrous metallurgy, the chemical industry, the agroindustrial complex and, above all, its processing sectors.

The characteristics of the contemporary situation and the real contradiction at the current stage of restructuring are that the economy is at a turning point, when steps for its improved efficiency do not always yield results and visible returns. This must be taken into consideration in all party work—political, organizational and ideological.

This makes even more valuable the fact that the new party approaches to economic management at the very first stage of restructuring have truly revived the work and are helping us to make changes for the better. The growth rates of the produced national income in the first 2 years of the 5-year period reached 6.7 percent. For the national economy as a whole public labor productivity has increased by 6.5 percent and that of industry by 8.8 percent. Agriculture, livestock breeding in particular, is developing at a more stable pace than in the past. In the last 2 years the average annual volume of meat production (in slaughtered weight) increased by 13 percent and that of milk by 9 percent compared with the 11th 5-year period; the average annual grain production exceeded 210 million tons as compared to 180.3 million.

There have been particularly important qualitative changes in the national economy and in the growth of its efficiency. During the second year of the 5-year period, for the first time in the past 20 years, virtually the entire increase in the national income was the result of higher labor productivity. The decline in capital returns in industry has slowed and, for the first time in many years, it has even somewhat increased in agriculture and construction. Greater thrift contributed to the fact that production costs of industrial output dropped at more than twice the speed of that during the preceding 5-year period. The initiated improvements in the economy made it possible to accelerate positive changes in the social area.

The long-term changes in the **material and technical base** of the national economy and progressive structural changes within it are being implemented on a broad scope. Radical changes are being made in investment policy. The share of technical retooling and reconstruction of working enterprises has reached 46 percent of the overall volume of construction output, compared with 35.6 percent in the 11th 5-year period. Sectors which ensure the technical reconstruction of the national economy are developing at a faster pace.

Machine building plays a key role in the renovation of the country's material and technical base. Whereas the main battlefield of reconstruction is the economy, metaphorically speaking, the weapons which alone can ensure victory are hammered out by the machine builders. The party's Central Committee and the government have formulated an essentially revolutionary program

for updating machine building. Its purpose is to attain the highest world standard in the next 6 to 7 years for most items. This is a program for energetic practical action.

Noticeable changes are already visible in machine building: in the first 2 years of this 5-year period the growth of output has equaled the growth averaged during the first 3 years of the previous period. The share of the most important commodities matching global technical standards reached 48 percent between January and September 1987 compared with 23 percent in 1985. The pace of renovation of commodities is doubling. However, we must point out that not everything is running smoothly in machine building. Furthermore, the situation in the sector has triggered grave concern. There are extensive failures in the implementation of plans. Production quality is improving sluggishly. No proper reorientation on the part of enterprises toward the production of progressive equipment exists. All of this cannot fail to affect improvements in the structure and pace of economic modernization.

The CPSU Central Committee analyzed the state of affairs in the machine building complex. The situation became stabilized recently. However, the solution of the problems facing machine building will require the extreme harnessing of forces and possibilities, total dedication and strict observance of all governmental priorities.

The most important feature today in the activities of party committees is to create in the labor collectives an atmosphere of profound concern and consistency in the implementation of resolutions on the acceleration of technical restructuring. It is important now not to stop halfway or be limited to half measures or else sink into the mire of unfinished projects.

Unfortunately, such a danger does exist. Full cost accounting and self- financing presume that each sector, association and enterprise will formulate long-term plans for production updating on the basis of modern equipment and technology and review existing plans. Each labor collective must have a clear picture of the future aspect of the production process. Corresponding resolutions have been adopted on this subject. Recently the USSR Promstroybank analyzed some 1,500 plans of the nearly 5,000 which had already been reviewed by ministries and departments. It turned out that only 10 percent of these plans could be considered equal to superior world standards.

In carrying out the reconstruction we must not concentrate on simple consumerism, ordering ever new equipment. Naturally, in some cases we are short of progressive technological equipment. However, quite frequently even the existing equipment is run on a one-shift basis, and sometimes even an incomplete one.

The party has formulated a basic approach to the solution of this vital problem. The CPSU Central Committee Politburo approved the initiative of the Leningrad Oblast Party Organization on converting to two- of three-shift work. The people of Kharkov, Ulyanovsk and Minsk have actively undertaken the implementation of such an initiative. Many others, however, are still dragging their feet; yet this problem can be efficiently solved only on the regional level. It is precisely the local authorities which must take up the organization of this project. It is particularly important for party kraykoms, obkoms, gorkoms and raykoms to show their political face in this area and to use all available means of political guidance.

The greatest confusion has developed on the subject of the **problem of quality.** Its reasons are largely related to the situation which had developed in the past, when the role of the consumer had been reduced. Until recently one out of two and, in light industry, 65 percent of all enterprises produced commodities which were inconsistent with demand. The annual losses caused by defective industrial goods exceeded 1 billion rubles. The question of quality assumed a most pressing political significance. Quality in everything means both prestige for the country and a better life for the people.

Today the struggle for quality has been mounted on a wide front. In 1987 enterprises with state inspectors stopped the shipping out or further processing of substandard goods worth 10 billion rubles. State inspection literally crushed a number of obsolete stereotypes and existing prejudices on the inevitability of low quality. It became a powerful factor in molding a new mentality in the people and strengthened their confidence that one can and must work in a new fashion.

The experience of collectives in which timely and thorough preparations were made for the introduction of state inspection convincingly proves that to a large extent the hopes related to it were justified. A characteristic example is that of the KamAZ Association. Six months after the introduction of state inspection the cost of satisfying complaints related to motor vehicles dropped by two-thirds. This benefited the state, for now trucks require 500 grams less fuel per 100 kilometers. On an annual basis, the production of such motor vehicles will save 23,000 tons of fuel.

The most important task is involving anyone on whom the enhancement of technical standards and quality of output depend, starting with researchers and designers and ending with the makers and users of the objects. It has been decided that a special law will be passed to codify state policy related to quality.

The successful implementation of intensification tasks depends to a tremendous extent on restructuring of our **science,** and addressing it to meet the needs of the production process. Today the emphasis is for most of the scientific potential in material production sectors to

be included in the structure of production and scientific-production associations: in machine building, for example, this already includes 75 percent of scientific research institutes and design bureaus.

This step will enable us to involve many institutes in real practical work and make their work efficient. Available data indicate that in 1986 7.6 percent of all topics completed by scientific research institutes and design bureaus in machine building ministries were of superior quality compared to the best domestic and foreign achievements. Only 26 percent of all completed projects dealt with inventions.

The party ascribes tremendous significance in surmounting such shortcomings to the conversion of science to full cost accounting. As early as 1988, 2,500 organizations will convert to the new conditions. Instead of the customary guaranteed budget financing, these collectives will now have to prove with specific results their usefulness and the fact that they are needed by society. It is important for the party committees of ministries and departments and local party organizations to approach not formally but creatively and to convert them to real cost accounting. In this case one must not allow an indiscriminate approach and automatic analogies with the application of cost accounting relations in industry.

Cost accounting in science must go hand in hand with further salary improvements in this area. This must be pointed out, for scientific and engineering collectives and their managers are still not showing sufficient interest in exercising their rights. This reminds us, once again, of the major role which the primary party organizations must play in the struggle against conservatism, inertia and stagnation and against those who would prefer to have everything remain as in it was, no one to feel hurt, to avoid the appearance of obvious leaders and the development of true talent in the labor collective and for everyone to be, as the saying goes, like everyone else....

The steps taken in the country to accelerate scientific and technical progress and to restructure the economy are aimed at achieving a change in the intensification of the national economy and enhancing economic management efficiency to a new level. Let me recall that according to the resolutions of the 27th CPSU Congress, between 1991 and the year 2000, compared with the 12th 5-year period, the average annual growth rates of labor productivity must be increased by a factor of 1.5-1.7. The regularly diminishing (by an average of 3 percent annually) capital returns must be stabilized during the 13th 5-year period and, subsequently, show a steady increase.

This 5-year period 60 to 65 percent of the increased requirements of the national economy for fuel, raw materials and materials must be met through **thrift.** For the time being, the solution of this problem remains difficult. The implementation of resource-conservation steps is being delayed in a number of areas. This is one of the main reasons for breakdowns in the implementation of the 1987 plan which called for ensuring the growth of output essentially through the better utilization of resources. Particularly valuable today are the already achieved successes of labor collectives in organizing resource- conservation work. Noteworthy experience has been acquired by the collectives of Minudobreniya Production Association in Voskresensk, the Kislorodmash NPO in Odessa, the Moscow Petroleum Refinery and other progressive enterprises. The party organizations have the duty to make their experience available to all.

III. Man Is the Main Feature of Restructuring

The confident progress of our society requires not simply a scientifically tested and energizing but also a socially strong economic strategy. Restructuring means giving priority to the development of the social area, constant concern for the spiritual wealth and standards of every person and society as a whole, and the ability to combine the solution of broad major problems with that of current matters which affect the most vital and immediate interests of the people.

The social dimension of restructuring is of essential importance and a focal point of party committees and party members. We must eliminate the tradition of the past according to which the party cadres were concerned above all with increasing the volume of output and the utilization of capital investments. Although remaining deeply concerned with economic development, it is important to see the way production indicators are correlated with real life and the work of the people, and the way they affect their well-being, moods and spiritual world, and the moral climate and social feelings.

Today we have state programs and plans covering the key areas of social policy, aimed at solving the most important problems in the social area: food, housing, ensuring the population with high quality goods and services, education, health care, and ecology. Huge resources are being channeled into these areas; the implementation of these programs will enable us significantly to improve quality parameters in the socialist way of life and, in the most important areas, to achieve efficient and scientifically substantiated norms of population consumption of basic social goods. The speed at which we shall progress depends to a decisive extent on the work of individual Soviet people. Our social programs further stipulate that the bulk of what the national economy will produce above the plan will be invested in them.

The labor collectives become the competent and active units in the implementation of social policy. They now have the possibility of earning funds with which to solve many social problems, including providing their personnel with housing, children's institutions, sanatoriums, rest homes and prophylactic establishments. It is no secret that many economic managers have become accustomed to extract, by hook or by crook, more funds

from superior organizations for building housing and kindergartens. A kind of stereotype has already been developed of the "successful" manager: someone who breaks through, who can obtain things from his superiors, etc.

The situation now changes substantially. The labor collective must establish its economic incentive funds on the basis of its own cost accounting income. The better the collective works the more funds and the more social benefits it will have for improving the working and living conditions of the workers. Today it is precisely the labor collectives and their councils and the party and trade union organizations that must organize things in such a way as to exercise their rights of owners and managers of public property and to ensure social justice in distribution: those who work better must also live better.

This assigns new tasks to the party committees and party members in labor collectives. The accountability reports submitted by economic managers include the consideration of problems of production and social life based on the new requirements. Experience is being acquired in organizing construction with enterprise forces and developing consumer services at enterprises. Generally speaking, the party committees now have greater concerns which, however, are legitimate.

The party has singled out the urgent social measures. Above all, we must solve the **housing problem** more efficiently, energetically and radically. The 5-year plan for housing construction, which is being overfulfilled, has been increased by 35 million square meters. In the first 2 years of the 5-year period 250 million square meters of housing have been completed. These successes are greatly related to the fact that actual steps are being taken to surmount the residual principle of appropriating resources for housing and sociocultural construction.

The construction of housing built with enterprise and organization funds is increasing. Possibilities for this are sharply increasing as they convert to full cost accounting. As early as 1988 the scale of this form of housing construction will be increased by a factor of 3.4. So far cooperative and individual housing construction is developing sluggishly, although an increasing number of people would like to join housing cooperatives. The local party and soviet authorities bear direct responsibility for this project. More active use must be made of the positive experience acquired in the Ukraine and Tatariya, in Moscow, Sverdlovsk and Chelyabinsk Oblasts, and in many cities and rural rayons in Kazakhstan.

Another problem which the party includes in its priorities, is the steady supply of the population with **food.** Practical experience indicates that changes for the better will be significant in areas in which the party committees have assumed leadership in the energetic restructuring of kolkhozes and sovkhozes and are dealing specifically with this task and not ignoring the possibilities of the collective and private auxiliary farms, and in areas where a more reliable way of storing products from fields and livestock farms has been achieved. The party committees must formulate an efficient system of steps and mobilize labor collectives to increase within a short time the production of agricultural commodities and to improve their quality. A great deal of experience in this area has been acquired in the Baltic Republics, in Omsk Oblast and other areas.

Particular concern must be shown to surmount the lag in material and technical facilities in the transportation, storing and processing of agricultural commodities. This has become the main hindrance in solving the food problem. This matter was especially discussed at the October 1987 CPSU Central Committee Conference. The implementation of the steps which were formulated will enable us to obtain additionally almost 40 billion rubles' worth of a variety of goods between 1988 and 1995.

A procedure which was welcomed with satisfaction in oblasts, krays and republics was enacted relatively recently: new principles were set governing the organization of food stocks to meet local needs. The firm (5-year) plans for centralized union and republic stocks give a free hand to the local authorities in improving population procurements by increasing their own output. This will make it more difficult for the local party committees and economic authorities to hide behind the broad back of the centers which have customarily not left the people in the lurch but ensure supplies and procurements. Furthermore, the people now have gained an additional opportunity to assess the activities of the local authorities.

A tense situation has developed on the market for **industrial consumer goods.** Uzbekistan, Azerbaijan and Tajikistan are not coping with their planned assignments; the situation in many other areas is improving sluggishly. We are particularly concerned with the small variety and inadequate satisfaction of population demand. The Soviet people justifiably and extensively complain of the low quality of household and consumer goods. One out of three television sets and one out of four tape recorders break down and must be repaired during the period covered by the guarantee. This situation is intolerable. The Soviet people lose more than 10 billion hours annually on consumer services and waiting for services. This is a totally irrecoverable time taken out of their working and leisure time.

We are greatly relying on the conversion to a new system of economic management by light industry and trade enterprises, the purpose of which will be to ensure a close economic interconnection between them. One year has passed and the situation has somewhat improved in both industry and trade. Quality has improved slightly and so has the variety of goods. Nonetheless, radical changes in this area have not been made, for the proper struggle for consumers and for serving them is not being waged.

What are the reasons for this? The main one is that restructuring is taking place timidly in the central and local areas. A number of economic instruments included in the system, such as the new procedure for price setting, the use of markups for improved quality goods, bonuses, a system for providing incentives for goods for children, profit distribution and others, have not been properly put to work. The time has come to take to task economic and party managers responsible for these sectors.

The local party committees and the soviet authorities must pay greater attention to problems of strengthening the material and technical base of trade, expanding the network of stores and cafeterias, improving their work system and developing forms of marketing goods convenient to the population. Riga has been able to achieve a great deal in creating the necessary social conditions for the working people at the work place. Pervouralsk and Dnepropetrovsk have been successful in industrializing public catering on the basis of the centrally organizing preparation of semi-finished meals; Voroshilovgrad and Klaypeda have achieved comprehensive improvements in trade.

Accelerating the **growth of services** plays an important role in the system of steps aimed at satisfying the growing needs of the population. This is a long-term step and its implementation must become the task of all ministries and departments, regardless of their specialization. Here as well it is important to use all positive experience. Particularly noteworthy in this respect is the practical experience of the Ulyanovsk Oblast Party Organization.

The cooperative movement is a major independent area of development. It has currently become revived: there are more than 10,000 cooperatives in the country with a membership of more than 100,000 people. In the 6 months since the enactment of the USSR Law on Individual Labor Activity, the number of people officially involved in such activities has more than quadrupled. However, the dissemination of cooperative and individual forms of labor activity is being developed sluggishly in some areas. As a rule, the reason is the lack of proper attention paid by the executive committees of local soviets, which are not helping citizens and cooperatives to acquire raw materials, tools and equipment, to find work premises and transportation facilities and in organizing the marketing of their goods.

Of late our society has legitimately increased its attention to problems of **ecology.** Naturally, the nature of ecological problems is such that measures implemented on the national scale are necessary, and such measures are being formulated. Nonetheless, radical improvements in the ecological situation greatly depends on the republic, kray, oblast and city authorities operating in their "subordinate" areas. Nature can no longer be considered a simple source of raw materials.

IV. Key Task of the Present

The radical restructuring in economic management, which is the key task of the present, is based on a profound and objective study of the socioeconomic situation of the country and the experimental testing of new approaches and solutions. It has entered the stage of extensive practical development and is being aggressively applied in all economic sectors, encompassing all aspects of management and the economic mechanism: planning, organizational structures, material and technical supplies, finances and credit, price setting, wages and labor incentives and statistics.

It is particularly important that the focal point of such transformations is that of changes in the system of economic management **in the basic economic unit—the enterprise,** where all material goods are created. The party has formulated as a strategic trend in this area the conversion of enterprises and organizations to full cost accounting and self-financing. The USSR Law on the State Enterprise (Association) was adopted and enacted. This approach is not accidental, for the enterprise is not simply the basic economic unit but also the starting point in management reform, the point in which successes and shortcomings of the reform are concentrated. We can say that restructuring in enterprise management is a prerequisite for the efficient implementation of any reform.

In this case a double problem must be solved. First, we must structure an integral economic management system which will promote the interest and responsibility of labor collectives for upgrading end work results consistent with national economic objectives. Second, we must create the best possible conditions for the fruitful activities of enterprises. The enterprises must have the necessary material resources and the possibility to choose their suppliers and consumers and to coordinate with them specific requirements relative to goods procured and marketed, and to have means of influencing suppliers.

Initial experience gained from work under the new conditions indicates that positive changes are taking place in the activities of labor collectives. Order and organization have improved; planning and contractual discipline has become stricter; and production efficiency is being steadily upgraded. The indicators at enterprises of five industrial ministries operating on the basis of full cost accounting and self-financing as of 1 January 1987 have been better than in industry as a whole in contract fulfillment, higher profits and others. Whereas between January and October 1987 profits in machine building as a whole increased by 5.6 percent, in the sectors working under the new conditions, they increased by almost 13 percent.

Cost accounting and self-financing motivated many enterprises to make a realistic assessment of their needs for equipment and immediately brought to light substantial errors in planning. On the one hand, it turned out

that planning the increased production of some commodities was unnecessary. Based on demand, for example, the production of some models of combines is being reduced. On the other, possibilities were found for the additional production of goods needed by the consumers. As a result, an additional 32,000 motor vehicles will be produced over a 3-year period. The AvtoVAZ Association alone is planning to increase its output by 115 million rubles.

Since the beginning of this year the scale at which the new conditions are being applied has been broadened significantly: enterprises accounting for more than 60 percent of industrial output, the entire transportation system and a significant part of the construction industry, the agroindustrial complex and other economic sectors have converted to full cost accounting and self-financing. Total conversion to full cost accounting and self-financing will be completed next year. As was pointed out, the situation under which restructuring is taking place must be taken into consideration in the activities of ministries, departments, party committees and economic and soviet agencies. The difficulty is that essentially we are undergoing a transitional period from the old to the new mechanism. In the next 2 to 3 years a number of the elements of the old system will remain operational in planning, procurements and financing. However, the new methods and new forms and approaches will play an increasing role in the entire economic management system.

Under these circumstances ministries, departments and economic and soviet agencies face an extremely difficult task. They must strengthen the new economic mechanism, give scope to the initiative of enterprises and organizations and ensure the application of progressive experience persistently and systematically, step-by-step. This must be mentioned, for the central economic authorities and sectorial headquarters are still finding it difficult to abandon the old work methods and are lethargically deleting numerous obsolete instructions. Here again we come across a phenomenon noted and criticized by Lenin according to which "in social life the greatest leap forward is combined with monstrous timidity in the face of even the slightest change" (op cit., vol 45, p 400).

Naturally, these are growing pains, the pains of novel developments. However, the political maturity of the party committees and the management of ministries and departments rests precisely in their ability skillfully and promptly to direct their system and all cadres toward restructuring their work methods and mastering economic management methods. Work in this area is a virgin field. Suffice it to say that with the enactment of the Law on the Enterprise more than 1,200 governmental and more than 30,000 departmental regulations which restricted enterprise activities have been abolished.

The party organizations and local party committees must adopt a new work style. In recent years they had increasingly taken over the functions of economic management and the solution of specific economic problems, frequently acting for the respective economic authorities. This is triggering justified criticism, for the party committees are not implementing their specific assignments and at the same time are neglecting instruments which they alone can use.

The new economic mechanism presumes not only new foundations for planning and economic control of the production process but also restructuring in direct economic management in the local areas. The main production and economic management will be centered in krays and oblasts. More extensive use must be made of economic methods relative to enterprises and entire areas. Therefore, everything must find its proper place. Under these circumstances, the role of the party committees is, using the cadres and applying political methods of work with the masses, collectives and economic managers, to ensure the implementation of party and government resolutions on the efficient development of the national economy.

A kray, oblast or city cannot be managed without having a precise knowledge of the factors which improve economic activities, finances and credit, monetary circulation and the efficiency of the regional economy as a live and integral economic organism. The local authorities have the right actively to influence the formulation of enterprise plans for social development and the production of consumer goods. This right must be actively exercised. The social well-being of an oblast, city or rayon is now closely related to the efficiency of economic management of enterprises located on their territory.

What problems in the implementation of the economic reform objectively require the prime attention of heads of ministries, departments, associations, enterprises, party committees and party organizations?

This mainly applies to the **financial condition** of enterprises, which is not always stable. About one out of four enterprises in the country is in difficulty. Many enterprises which have converted to the new economic management method are operating at a loss. The petrochemical and light industries are not meeting their assignments on payments based on profits.

Not all economic managers have become aware of the gravity of the situation in which the collectives of such enterprises may find themselves after converting to a calendar schedule of payments in accordance with the Law on the Enterprise. This procedure is strict and wages are directly related to the results of enterprise work and financial condition. The CPSU Central Committee has most urgently drawn the attention of managers of ministries and departments concerning their responsibility for improving financial conditions in their sectors.

Another basic problem of the reform is the **democratization of planning,** which depends, above all, on the practice of issuing state orders and concluding contracts. In accordance with the intention of the reform, state orders must apply to the production of the most important commodities for the country; enterprise programs must be totally shaped by contracts. So far, however, for many enterprises state orders account for the entire volume of output. Frequently they includes commodities which are entirely used within the sector or the enterprise. This fetters the initiative of the collective. Another trend may be found as well: the managers of many enterprises, looking for a peaceful life, themselves ask that a wide variety of items be included in the state orders.

Naturally, such phenomena will be eliminated. The USSR Gosplan and Gossnab must accelerate the drafting of a regulation on the state order. They must clearly define, in accordance with the Law on the Enterprise, the procedure for issuing state orders and responsibilities of the parties. At the same time, the labor collectives must understand the new methods governing the formulation of the plan, and the contemporary requirements and conditions of economic management.

The contractual campaign is an important fundamental stage in the new procedure of planning, for which reason its timely and efficient implementation is a most important prerequisite for stable enterprise work. However, we cannot fail to notice that many economic managers are still unable to abandon the firm habit of taking on fewer obligations while demanding more resources. The prime concern of the party organizations is to make everyone realize that under the new conditions the income of the collective can increase only on the basis of increased orders and reduced costs.

Wholesale trade in means of production is a mandatory prerequisite for efficient enterprise cost accounting. Naturally, conversion to it is difficult and cannot be achieved immediately. It will take between 4 and 5 years before wholesale trade can be developed and before an increasing number of economic units and commodities become involved in it. However, we must start expanding it as of now. It is only on this basis that we can ensure an increase in cost accounting stocks of **material resources.** The experience of the 1960s proved that failure to solve this problem was one of the reasons for the lack of success of the reform which was initiated at that time.

Currently the **problem of the substantiation of economic standards** is being extensively discussed. In this area a great deal of problems remain unsolved. Standards are being issued with delays and their quality has generated complaints. Frequently demands are made to amend standards in order to ensure an increase in incentive funds.

It is true that many aspects of setting standards have not been developed and that errors have been made. In setting up standards, some ministries have allowed improper annual fluctuations and amendments. Frequently such standards were made stricter for suitably working enterprises and easier for underprofitable ones. In order to enter the next 5-year period with a well-organized economic mechanism, it is necessary in the immediate future to define the scientific foundations for standards and the means for their formulation and implementation. The stability of standards for the 5-year period is their strength and, in the final account, indicates the viability of the new methods of economic management.

The restructuring of the economic mechanism requires active efforts to perfect the **organizational structure of management** and the creation of efficient production units. The party committees must concentrate on the conversion to a two-step management system, the elimination of intermediary units, the restructuring of ministries, the drastic cut in the size of the administrative apparatus and other aspects of this process. The creation of **state production associations,** based on the principles of full cost accounting and self-financing and democratic forms of management, plays an important role in the system of such steps. The proper deployment of cadres and finding a proper place for everyone in the course of perfecting the management structure is a matter of exceptional importance.

The success of the reform is determined to a decisive extent by the **level of economic work at the enterprises.** Practical experience steadily indicates that it is precisely in labor collectives in which the conversion to the new conditions was prepared at the proper time and was thought-out, and where the situation was extensively studied, ways of relieving bottlenecks were clearly determined and cadre training was organized in a contemporary fashion good results were obtained from the very start.

Today particular attention must be paid to extending cost accounting to the primary units, to shops, brigades and individual workers. From the very first days of the year the efforts of cadres and party organizations must be concentrated on this problem. Progressive contractual forms are still being applied extremely rarely. Establishing firmly an efficient form of cost accounting in the brigade, section and shop means reorganizing planning, accountability and wages. It also means achieving a total restructuring of the organization of the production process and making everyone interested in end results.

Economic work must be closely related to the development of self- government and the electiveness of councils of labor collectives and economic managers. Currently this process has been developed on a wide front and the working people have given to thousands of managers mandates to manage. Wherever the party organizations have not abandoned control over such work the political nuclei of collectives truly develop, and the real results of restructuring become clear wherever they guide the activities of self-governing authorities.

The party committees must efficiently head the restructuring of economic management. They must handle it with initiative, competence and persistence. They must be truly interested and develop in the party members and working people independence and readiness to assume responsibility for making economic decisions and a liking for order and organization. This is the prerequisite for our progress.

To sum it up, let us single out the basic, the most relevant features in the contemporary approach to the party's management of the economy. Without laying a claim to a complete interpretation of this major and very complex topic, we should like to emphasize the following aspects:

First. Economic restructuring is inconceivable without shifting the center of gravity in the party's management of restructuring to the practical, the organizing and ideological- educational work of party committees. The party organizations are pursuing their vanguard role today under the conditions of democratization of management and the broadening of the rights of labor collectives and the application of new economic management methods. The use of political methods of economic management in the central and local areas must be paralleled by upgrading the combativeness of primary party organizations and their responsibility for the implementation of the party's line and preventing any sliding back into the old approaches which have become obsolete.

The very logic of democratic centralism in its contemporary understanding takes the labor collectives to the cutting edge of restructuring. Their consolidation in that position and mastery of the situation, and their ability to assess situations truthfully and on a principle-minded basis and to act in a new style, in a thoughtful and active manner would bring success and the efforts at economic reorganization, undertaken by the party, will become irreversible.

Second. The party's leadership of the economy will assume a new aspect and will immeasurably intensify its influence on economic processes providing that the party organizations involve in the administration of production affairs all working people, rallying their forces and organizing their joint work for the implementation of the party's economic and social policy. It is important for the party organizations to engage in a fuller reciprocal study and utilization of experience acquired in this area. The efficiency of party work becomes the greater the more profound become the democratic processes and the more widespread production self-government becomes.

Third. Today we need a cadre policy consistent with the tasks of restructuring and with the need for acceleration. The party committees must firmly change their forms of work with cadres: they must make a profound study of the ideological-moral and practical qualities of the personnel and their organizational capabilities; they must support people who are initiative-minded, thinking and energetic; they must get rid of unacceptable methods, such as abuse and bashing; they must make use, above all, of means of persuasion, upbringing and setting personal example at work. Cadres must be selected and placed openly, on the basis of democratic principles, always with the advice of and in touch with the labor collectives and the primary party organizations. Discipline, practicality, high professionalism, competence, clean morals and closeness to people, dynamism and principle-mindedness are the features of contemporary cadres. The party committees must take strictly to task party member-managers in ensuring the real restructuring of economic activities and bear in mind the social, educational and political consequences of such activities. To this effect, all party workers must have extensive knowledge of economics, display a new style of economic thinking and be able to conduct discussions with economic personnel on a professional level. They must be able knowledgeably to direct economic managers and labor collectives to work in a new style, objectively assess their activities and take into consideration the requirements formulated by the new economic management methods.

Fourth. Restructuring of management cannot be successful without solid economic knowledge. At the present time more than 35 million people are undergoing economic training. The economic training of the party and economic aktivs and specialists and workers in Belorussia and Latvia and in Gorkiy, Sverdlovsk and other oblasts has been started on an organized basis. The facts indicate, however, that a number of schools and seminars are following the old methods, alienated from the activities of collectives, and that their teaching stops at issuing instructions. The party committees must demand of ministries and economic managers to organize quickly, extensively and comprehensively the study of the new management system. They must organize universal economic training related to the reform in management and promote a contemporary style of thinking, initiative and practicality.

Restructuring is gathering strength. However, in order to promote the solution of its problems, tremendous efforts, intensive and creative zeal and active work will be necessary. Most difficult, decisive and, to a certain extent, critical years lie ahead. Life itself will test our plans and approaches and work methods used in the implementation of the party's decisions and economic policy.

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The 18th Party Conference. Time, Problems, Solutions

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[Article by Oleg Vitalyevich Khlevnyuk, candidate of historical sciences, KOMMUNIST consultant]

[Text] **In the period between party congresses, whenever necessary, the CPSU Central Committee may convene an all-union party conference to discuss pressing problems of party policy.**

From the Statutes of the Communist Party of the Soviet Union, ratified at the 27th CPSU Congress.

Virtually all of the 18 party conferences which have been held so far have been important landmarks in the life of the party and the country. The first took place at the peak of the December 1905 armed uprising. It dealt with the party's tactics in the first Russian revolution. The resolutions of the Fifth (All-Russian) 1908 Conference marked a turning point in the development of the party during the period of reaction and set the basic tactical line of the RSDWP until the February 1917 bourgeois-democratic revolution. The Sixth (Prague) All-Russian Conference of 1912 consolidated and united the party, summing up the results of the struggle between bolsheviks and mensheviks. In 1917 the Seventh (April) All-Russian Conference of the RSDWP(b) drafted a program of struggle for the victory of the socialist revolution.

After the October Revolution, all-party conferences dealt with drafting party statutes, problems of economic policy and party building. In the period of socialist reconstruction the attention of the party conferences was focused on economic problems.

In 1952 the 19th Party Congress approved statutes which did not stipulate the holding of conferences. The article on the possible convening of all-union CPSU conferences was reinstated in the statutes at the 23rd Congress (1966).

Some conferences, the sixth and the seventh above all, were equivalent to party congresses in terms of the significance of the resolutions they adopted and the amount of work they accomplished. They defined the long-term tasks related to the development of Soviet society. For example, the 14th RKP(b) Conference (April 1925) supported and concretized Lenin's doctrine on the victory of socialism in a single country; the April 1929 16th VKP(b) Conference approved the first 5-year plan. In a number of cases conferences dealt with tactical problems. Even then, however, they invariably took on a "strategic load," summed up specific results and refined overall prospects.

Such was also the case at the last, the 18th Conference of the VKP(b) of February 1941. The purpose of the conference was to discuss ways of improving the work of industry and transportation under circumstances of a growing threat of war. Essentially, it involved one of the first efforts to interpret the contradictions caused by the mechanism of a command-based economy. This means that many of these contradictions, and the practical experience acquired in solving them, must be studied at the forthcoming 19th All-Union CPSU Conference.

The concept of the "first 5-year plans" has become firmly established in our historical consciousness. It includes the time between 1928 and 1941, which was marked by very dissimilar periods. However they all shared one main feature, which was pivotal and fundamental for that time. All that was happening then in the country was, one way or another, subordinate to the tasks of industrialization or, more specifically, the creation of a heavy industry. It was then that a special economic management system was developed which enabled us to mobilize all available resources for the needs of industrialization. Its typical features were strict centralism and extensive utilization of administrative methods. This system did not develop in one easy stroke.

The drastic increase of planned assignments of the First 5-Year Plan, which were issued by the turn of 1930, meant significant changes in overall economic policy. The "great transition," as this radical turn was described then, was achieved largely through exceptionally aggressive methods. Problems of improving the organization and incentive of labor and of the development of cost accounting and the social area were forgotten in the heat of the intensification of the pace. The results were not slow in coming. That is why it became necessary, in 1931, to pay greater attention to economic management methods. A new rate reform was undertaken, which greater disparities in wages paid for skilled and unskilled labor. The movement of cost accounting brigades was encouraged. Initially the intention was to give such collectives broad autonomy. Social policy was enhanced to a degree.

Soon afterwards, however, the area of application of administrative management methods was broadened. The negative consequences of this process gradually increased and began to show up most vividly at the beginning of 1935, when the campaign for revising output norms, which was important in terms of increasing labor productivity in industry, ended in failure. It was only the mass Stakhanovite movement, the development of which was backed by substantial improvements in the labor incentive system and social policy, that helped to achieve the planned objectives. Lifting restrictions on the ceilings of the piece-rate wage system, which was introduced at that time, was of essential significance.

The second 5-year period was completed much more successfully than the first. The work and dedication of the Soviet people yielded tangible results in the economic and social areas. Substantial experience was acquired in combining enthusiasm with personal incentive and cost accounting. Efforts in search of new methods continued and, on this basis, the ranks of knowledgeable and competent workers swelled.

However, these achievements could not be consolidated and developed. Furthermore, initiative and innovation were severely tried in 1937-1938, which was a difficult

period for the country. As a result, a kind of "organizational vacuum" developed in the area of economic management and reliable economic management methods were not applied.

Nonetheless, the need for such methods objectively increased, although this was not always properly realized. The existing economic mechanism was particularly poor in encouraging higher efficiency and improving the quality of output. The expectations were based on an extensive growth of output. Available resources were used inefficiently. For example, 50 to 60 percent of the total amount of metal used went into goods produced by the machine building enterprises. Progressive technology and product renovation were unwillingly applied. Imperfections in material labor incentives and the weakness of the social infrastructure led to substantial manpower turnover. The problem of scarcity of skilled cadres was acute. Frequent replacement of cadres, due to repressive measures, assumed threatening dimensions.

The choice of ways to surmount the difficulties was determined by a number of circumstances. World War II was already in progress, for which reason upgrading the mobilization readiness of the economy had become a pressing problem. The specific methods used in solving it were determined above all by the realities of the preceding development of the country.

We must take into consideration that in the pre-war period the creative potential of society had declined as a result of mass repressions. The corps of cadres which had been developed previously was partially eliminated physically and lost its some of its qualities due to an atmosphere of intolerance and suspicion. Meanwhile, the accelerated conversion of the country from agrarian into industrial and the mass influx of new cadres in the national economy, a typical feature of that period, continued. Naturally, not all of these people were sufficiently well trained or had attained an overall cultural standard; they frequently needed detailed instructions issued by their superiors, for sincere enthusiasm could not be a substitute for competence and professionalism. All of this strengthened the existing administrative-command system and faith in the universal efficiency of strict centralization.

In short, when the threat of war was intensified, the choice of means of upgrading the mobilization readiness of the economy was no longer very broad. No way other than enhancing the average level of the already rigid centralization existed under the specific circumstances of 1940. The area of application of administrative-command methods reached its peak.

The administrative apparatus expanded. For example, the six industrial people's commissariat, which had operated in 1939, had been increased to 23 by 1940. This made stricter control possible by considerably reducing the number of plants and factories per commissariat. Thus, at that point the People's Commissariat of Heavy Industry managed 43 enterprises; of medium machine industry, 12; and of general machine building, 20. As instructed by the March 1940 Central Committee Plenum, the Economic Council of the USSR Sovnarkom reorganized its work. It set up councils for leading industrial sectors. The Central Committee plenum, which was held in July of that year, approved the proposal of the government on the creation of a union-republic People's Commissariat of State Control, which was assigned to supervise the implementation of party and government resolutions and to control the expenditure of state funds and material resources.

On 26 July 1940 the USSR Supreme Soviet Presidium promulgated the Ukase "On Conversion to An Eight-Hour Workday and a Seven-Day Workweek and on Prohibiting the Resignation of Workers and Employees from Enterprises and Establishments." The working time of the individual working person was increased by an average of 33 hours monthly. Leaving an enterprise voluntarily was punishable with a jail term of 2 to 4 months; absenteeism without major reasons was punishable by corrective labor at the place of work for no more than 6 months and a 25 percent docking in salary. A ukase was promulgated on 10 July 1940 according to which the production of substandard or incomplete goods was considered equivalent of sabotage.

In October 1940 a system of state labor reserves was created. Enrollment in vocational training schools as by summons (mobilization); graduates of such schools were assigned jobs on a centralized basis. A procedure of mandatory reassigning, based on need, of engineers, technicians, foremen, and employees and skilled labor, from one enterprise or establishment to another, was instituted almost at the same time.

Great hope was set on the implementation of all of these steps. In practice, however, this not only failed to yield expected results but also turned out to be very costly.

Complex social, economic and technical problems could not be solved with administrative orders. Nonetheless, by imposing harsh penalties, enterprise managers were able to implement emergency measures more actively. This complicated the work and created a detrimental "chain reaction:" the number of people seeking reinsurance increased; people were taken to court for no reason whatsoever. The situation of women workers became particularly difficult. The scarcity of children's institutions and difficult housing and living conditions had a severe impact on their activities.

The exclusive orientation toward the automatic implementation of directives issued by superiors and the system of strict penalties weakened the initiative and autonomy of the working people, although they were extremely needed for efficient work. "At first, following the 26 June 1940 ukase on strengthening labor discipline and, particularly, the 10 July 1940 ukase on the quality

of output, foremen avoided to solve problems by themselves in order to avoid assuming unnecessary responsibility. They would not hesitate to ring me up at 3 am to ask how to handle one situation or another," says Grigoryev, chief of shop at the Leningrad Spinning Combine.

Strict regulations and petty supervision threatened not only the loss of initiative among the lower strata but also the competence of superior management. Lacking the necessary time to understand the true nature of phenomena, managers plunged into petty and current affairs. Because of its cumbersome nature, accountability increasingly assumed "archival" importance: documents were completed with such long delays as to be useless as tools for efficient management. The spreading of apathy and irresponsibility gave rise to concern. "We must expose reinsurance seekers, people who do not assume responsibility for the solution of the most important production problems," noted the journal BOLSHEVIK in its August 1940 editorial.

Generally speaking, the experience gained in the application of the laws of 1940 confirmed the existence of a certain threshold of external economic coercion, beyond which the negative results of such coercion increase sharply. Already then the Central Committee's journal POD ZNAMENEM MARKSIZMA wrote: "...To force, to coerce anyone to work according to his capabilities, i.e., to invest in his labor his entire intelligence and experience is as impossible as it is to force anyone to become moral on the basis of issuing an order on morality. In solving the problem of 'from each according to his capability,' the role of coercion is therefore reduced to a minimum and here other ways and means assume priority."

This conclusion was also supported by the objective study of the country's economic situation. Industry was unable to fulfill its assignments for the Third 5-Year Plan. Furthermore, despite a significant increase in working time and the imposition of stricter penalties for violations, in 1940 industry was doing worse work than during the first years of the 5-year plan. All of this encouraged the search for alternate ways of improving the economic mechanism. Indicative in this sense was a discussion on one-man command and the rights of a director, sponsored by PRAVDA in September 1940. It began with the publication of a letter signed by four directors of large Leningrad enterprises: V. Voskanyan, A. Solovyev, I. Uvarov and D. Ustinov. They criticized the existing procedure for industrial management, which "does not help the enterprise manager but, conversely, worsens his practical work," and suggested a different model of relations between the center and production collectives. According to them, the enterprise should be issued only the main planned indicators. Within the set limits, the director should be the "full enterprise manager, and bear full responsibility for maintaining state discipline." According to the existing regulations, the director had no right to spend, over and above the stipulated sums, more than 200 rubles on equipment purchases and reconstruction. According to the authors of the letter the manager should spend funds from above plan accumulations on plant equipment and on improving the organization of jobs according to his own judgment. At the same time, within the limits of the wage fund, he should independently set the size of the personnel and their wages.

A subsequent discussion which was sponsored by PRAVDA proved to be quite instructive. Most of the participants in it supported the views expressed in the letter. Attention was drawn to the awkwardness of regulating in detail the activities of enterprises in planning, for example, the amount of metal to be used for each operation and the fact that because of such excessive details, the plan could be received by the plant only toward the middle of the year. The suggestion was made of limiting the range of nomenclature personnel appointed by the people's commissariat, to increase the rights of directors in solving personnel problems, drastically to reduce accountability and to allow enterprises to purchase on the market noncentralized goods.

A disparity in the views of enterprise managers and senior people's commissariat personnel became apparent in the course of the discussion. Whereas the former demanded independence, the latter accused them of the wish to drop fixed assignments in determining production variety, technological instructions and the pace at which new items were to be mastered. In order to force a director to deal not only with the gross output but also with the economic aspect of the production process and to prevent overexpenditures of raw materials, they believed that it was necessary to study "from above" all fine points and details. Such a "reformulation" of the consequences of the administrative system consisting of arguments in favor of its strengthening was not accidental. The negative results of bureaucratic administration, combined with dogmatic thinking, had become a powerful barrier obstructing any attempt at making essential changes.

Nonetheless, the PRAVDA discussion did not vanish without a trace. It proved once again, as A. Birman (subsequently one of the specialists who developed the ideas of the economic reform of the mid-1960s) wrote at the beginning of 1941, that "no plan can encompass the entire variety of enterprise working conditions. In order to ensure the implementation of the state plan it is necessary to increase the rights of economic managers."

It is thus that in the pre-war months not only the aggravation of the economic situation became apparent but so did the obvious inefficiency of the administrative methods applied to improve it. The situation was complex. It was to be studied at the 18th All-Union Party Conference, which took place in Moscow between 15 and 20 February 1941.

The conference agenda included three items: "On the Tasks of Party Organizations in Industry and Transportation" (reported by G. Malenkov); "Economic Results of 1940 and the Plan for the Development of the National Economy of the USSR in 1941" (reported by N. Voznesenskiy), and organization matters. The "industrial emphasis" in the work of the conference was not accidental. It was not in the least a question of the fact that more problems had developed in the industrial compared to the agrarian sector. World War II, which was described at the conference as the "war of motors" and "war of reserves" was under way.

All in all, 456 voting delegates attended the conference. They consisted of heads of party organizations, enterprise directors, personnel of soviet, economic and trade union agencies and the military. Most of them were young: 35.6 percent were 35 or younger, and 42.8 percent were between the ages of 36 and 40. Correspondingly, their party seniority was low: 45 percent of them had joined the party between 1924 and 1928 and 35 percent, after 1929. As a whole, the structure of the conference reflected the general trend of a new generation of party members who had risen to leadership positions in the party and the national economy too quickly.

The tone of the proceedings of the conference was set by the first speaker: "...I shall discuss essentially work shortcomings...of party organizations and people's commissariats in industry and transportation, the reasons for such shortcomings and the measures for their elimination." "People who conceal such shortcomings," the speaker noted, "are rendering poor service to the party."

Most of the attention was directed to quality indicators and efficiency in enterprise activities. These problems were not analyzed in general but specifically, citing facts and figures. For example, the fast increase of stockpiles of materials at enterprises and unfinished production were noted. By 1 December 1940 12 industrial people's commissariats alone had stockpiled commodity-material values worth 2.6 billion rubles in excess of the stipulated norms. On 1 October of that same year eight industrial people's commissariats had been unable to install 33,000 metal-cutting machine tools waiting at the enterprises. A great deal of metal was lost in shavings and considerable overruns of fuel and electric power were allowed to occur.

Progressive equipment was being poorly installed, delegates to the conference pointed out, and the production of new items was being mastered inadequately. "...We frequently come across a situation in which the series production of new commodities begins at a time when a commodity is by no means considered progressive any longer." The fate of rationalizers and inventors was unenviable and production costs were increasing significantly.

Imperfect enterprise management, above all on the part of people's commissariats and party authorities, was cited as the main reason for such shortcomings. Bureaucratism and poor control over the implementation of decisions were firmly condemned. In general, it was a question of making the existing management instruments more efficient and faster. Uncontrolled stockpiles were high, and raw materials, materials and equipment were being used extremely inefficiently. This meant that accountability had to be improved, control over their use had to be made stricter and severe punishment had to be meted out for "criminal attitude toward state property." The management system was leading to unrhythmical work and rushing. The delegates to the conference approved the practice of the submission of daily reports by enterprise directors to the people's commissar on the production of finished goods. The 10 July 1940 ukase had not helped to upgrade quality. Consequently, its implementation had to be made even stricter.

In order to make industrial management more efficient, the delegates to the conference decided that the party authorities should increase their help to people's commissariats and enterprises. In the categorical spirit of the period, they were requested "systematically to study the affairs of industrial enterprises and railroads, to determine their needs and demands and to help the economic organizations in their daily work in managing industry and transportation." To this effect, it was deemed necessary for cities, oblasts, krays and republics with developed industry to have not one but several secretaries of gorkoms, obkoms, kraykoms and central committees of communist parties of union republics in charge of industry and, respectively, its main sectors and, wherever necessary, also secretaries in charge of railroad and waterway transportation.

Naturally, in itself the critical evaluation of the existing management methods was a major step forward. However, the overall tonality of the resolutions adopted at the conference could be characterized as follows: administrative measures are not working, for which reason...they must be applied even more energetically. "The closed logic" of this approach led to a realization of the inefficiency of a command economy system as a whole and, at the same time, of expanding the orientation toward economic methods. To a certain extent, this trend was reflected in the proceedings of the 18th Party Conference.

In the course of the debates which followed the first item on the agenda, A. Kuznetsov, second secretary of the Leningrad Party Gorkom and Obkom, shared an interesting experience. During the war with Finland, Leningrad industry had used the method of speed designing and manufacturing of new prototypes, based on increased enterprise initiative and independence. The time needed for all possible coordinations and contacts, which previously took months, was correspondingly

sharply reduced. Thanks to this, in 1940 the Leningrad urban industry had mastered more than 235 types of new items, including turbines, diesel engines, complex equipment and machine tools.

In addition to a step such as prohibiting the production of obsolete machine models, V. Malyshev, deputy chairman of the USSR Sovnarkom, suggested that enterprises be encouraged to install new equipment by issuing plans on lowering production costs and rates of material outlays.

Unquestionably, the many appeals made by the participants in the conference for surmounting the "devil-may-care attitude toward the financial and economic problems of enterprise work" and cost accounting, and to eliminate a situation in which "the state must pay" for material damages caused to an enterprise as a result of poor economic management were on the same wavelength as the understanding of the need for new approaches to economic management. It was emphasized that the basic indicator of success in the work of a collective should be production cost and that the implementation of the plan at all cost is inadmissible.

Criticism was voiced at the conference of the imperfection of the planning indicators used, "gross output" in particular. "To the people's commissariat the fulfillment of the plan means to fulfill it for all types of commodities without exception and not for those which are easier to manufacture;" "in assessing the work of industry we must not proceed exclusively on the basis of gross or even commodity output," delegates pointed out. A. Kosygin, USSR Sovnarkom deputy chairman, pointed out that in pursuing the implementation of the plan for gross output, the enterprises are making inefficient use of raw materials, which leads to procurement breakdowns.

Problems related to the implementation of the 26 June 1940 ukase were extensively discussed at the conference. At that time the ukase was considered the main link in the chain of measures aimed at ensuring the mobilization readiness of the economy. The conference noted that the ukase had played a significant role in strengthening the discipline. However, the hopes which it had generated had not been fully justified. "...Absenteeism and resignations at many factories, plants, mines, shafts and railroads have by no means come to an end," the resolution on the first item stipulated. In accordance with the prevailing logic of that time, it was suggested that the initiated work be intensified and that the full elimination of absenteeism be achieved.

However, the experience in applying extraordinary measures to maintain labor discipline revealed that this problem had other facets as well. It became clear that in itself the struggle for discipline is not a sufficient basis for the growth of labor productivity. Furthermore, making it a self-seeking aim led to the unjustified substitution of criteria governing order at work. In pursuit of the favorable reduction of absenteeism, frequently more important aspects of labor organization were ignored. The result was, as A. Shcherbakov, first secretary of the Moscow and Moscow City VKP(b) Committee said at the conference, that "working 8 instead of 7 hours, the people nonetheless manage to produce less. This is the result of the fact that at such enterprises there is exceptionally high slackness and lack of organization and the workers idle."

For that reason, along with approving a course of eliminating absenteeism, the conference paid serious attention to perfecting material incentive and organization of labor. In order to counter the "corrupt practice of equalization in wages," the urgent need for systematically implementing the principle of rewarding those who work well was emphasized. This meant applying a piecerate wage system for workers and bonuses for managers.

The conference dealt extensively with personnel problems. Once again the party organizations were instructed to promote initiative-minded people, both party and nonparty members. The delegates also called for getting rid of "gossip mongers and people incapable of doing real work." The country, it was pointed out at the conference, needs cadres who can struggle against routine in the area of new equipment and production methods.

The lack of economic innovation and creativity was particularly acute. However, petty regulations developed in the workers at best the qualities of a performer. A characteristic example was cited by A. Kosygin. The USSR Sovnarkom and the VKP(b) Central Committee had passed a special resolution on increasing the production of consumer goods and foodstuffs made of local raw materials. The local organizations were given the right to allocate industrial waste and to process the raw materials supplied by kolkhozes, kolkhoz members and private farmers in exchange for goods. However, this project did not go beyond the formulation of plans on the grass-roots level. "The local organizations," A. Kosygin said, "make very poor use of their rights and local industry and industrial cooperative workers are still expecting constant petty supervision by superiors...."

The delegates noted with concern that "enterprise directors themselves do not make use of their rights and frequently hide behind public organizations." A significant number of engineers and technicians had shifted from production to office work. Of the 214,000 specialists with higher training within the system of the industrial people's commissariats, registered at the time the conference, 45 percent were employed in various offices of the people's commissariats; 24 percent were employed in plant managements of industrial enterprises and only 31 percent were engaged directly in production work. In this connection, the question was raised once again of establishing a real one-man command system for enterprise managers. The importance of the foreman as the "full manager of his assigned production sector" was emphasized.

The formalizing of socialist competition, which led to involving one- half or more of all workers in the Stakhanovite movement and the nonfulfillment of the plan by the collective, was sharply condemned. The nonspecific work of production conferences, which were solving problems "in general," was criticized. In order to make use of the initiative and experience of workers and engineers, the conference suggested that the practice of establishing production-economic aktivs at enterprises be extended to people's commissariats.

The fact that attention was drawn to such problems was a major contribution made by the conference to ensuring conditions for normal work. We must emphasize that the conference totally ignored the topic of so-called "sabotage," which by then had become the touchstone in the various approaches to solving pressing socioeconomic and scientific and technical problems.

In earmarking the tasks for 1941, the conference proceeded from the need "to keep the country in a condition of suitable readiness." With an overall significant increase in gross industrial output, the group engaged in the production of means of production was to be developed particularly rapidly. Agriculture and the transportation system were issued stressed assignments. As a whole, the emphasis was on upgrading efficiency. It was on that basis that the growth of material and financial state reserves was to be secured.

On the third item, which dealt with organization, the conference adopted the resolution "On Renovating the Central Authorities of the VKP(b)." The party statute, which had been adopted 2 years earlier, at the 18th Congress, stipulated the right of the conference to remove from Central Committee membership individual members who had failed to fulfill their obligations, and to replace them. The limit of such replacements was set: no more than one-fifth of the members of the Central Committee elected at the preceding congress. The 18th Conference exercised this right. Several dozen people were removed from the Central Committee and the Central Auditing Commission. At the same time, new members were appointed.

A separate item in the resolution adopted at the conference asked a number of people's commissars to improve their work. Otherwise they were threatened with dismissal and expulsion from the leading party bodies.

Interest in economic problems of the development of the national economy increased after the 18th Party Conference. Increasingly, arbitrary management methods were criticized. How deep was this trend? It is no longer possible to answer the question, for the war set Soviet society essentially different tasks.

It is entirely clear, however, that the country and the party had always included forces which could counter the negative trends in social development with more progressive prospects. It was precisely thanks to their still insufficiently properly assessed activities that in the prewar years, once again, a turn was noted in realizing the possibility of further improvements in the economic mechanism. Bureaucratic administration, suppressing initiative and creativity and displaying its inability to solve problems efficiently and qualitatively, proved to be increasingly without foundation. The understanding of this fact was making its way under the extremely adverse conditions of intensified threat of war. It grew slowly but irreversibly.

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05003

What the Raykom Can Do

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[Article by Vladimir Anatolyevich Filippov, first secretary of the Urenskiy CPSU Raykom, Gorkiy Oblast]

[Text] The word "particular" is one of the most frequently used words in our vocabulary. Whether it is a question of sowing or harvesting, preparations for elections for local soviets or other serious but actually by no means exceptional matters, we notice in various statements expressions such as "particular stage," "with particular attention," or "particularly important today...." I believe that it would be useful to drop the habit of emphasizing meaningful words whenever this is not required and to consider alternating seasonal and other campaigns more calmly and strictly, rejecting the temptation of "investing all efforts" in achieving intermediary results. Otherwise it would be difficult to find a proper definition for the period which is currently being experienced by the party and our people. It would be impossible to assess rightfully the party committee plenums which are summing up the initial results of restructuring and to analyze the role of elected party organs in the guidance of this most important process. Possibly, one of the most serious problems which is facing us today is whether the raykom is learning how to work systematically, without failures and declines.

Was the buro's report on managing restructuring successful at the Urenskiy Party Raykom Plenum? I shall not attempt to provide a simple assessment. Dozens of people representing a great many professions and different types of people and practical experience participated in preparations for the plenum and in its proceedings, for which reason feelings and conclusions on the discussion held at the plenum are bound to be disparate. However, the atmosphere, the general feeling of the party members were remembered although, obviously, not only by me. Thirteen people spoke out in the course of the discussions on the report, or roughly double the usual number. There was an obvious desire on the part of the comrades to analyze the experience of the past 2 years honestly and thoroughly, see what had become typical phenomena

and trends and consolidate everything that was good and useful. I would describe the atmosphere at the plenum as deliberately open and totally opposed to red tape, formalism, and ritual assertions which had ended up by becoming part of the behavior and way of thinking of many among us. Understandably, the people will not get immediately rid of habits and customs acquired over a long period of time. It seems to me, however, that a movement has been started and is gaining increasing support.

If we skip the ritual listing of indicators, the following question becomes pertinent: What is it that gives the rayon its current aspect? Are there any real changes for the better in its economic, social and spiritual life? The conclusion reached at the party raykom plenum was that there had been positive changes in several areas of common efforts. Clearly, the main result of the activities of the rayon party organization is the growing initiative of the people. A variety of factors indicate that the ideas of restructuring are strengthening in the awareness of most working people in the rayon; a change is taking place from sympathetic attention to direct and instant participation in the renovation of life.

The present cannot be understood without understanding the past and its "root" system is of great importance in choosing the means of action, present and future. Our Urenskiy Rayon, which is in the northern section of Gorkiy Oblast, was considered if not the boondocks (a railroad passes through it), in any case an place set deep in the forest. The kolkhozes here, whose farmland averages 3,000 hectares each, have maintained, decade after decade a condition of "neither good nor bad." Commodity output was below the lowest limit. The poorness of the soil and the constant risk of freezing of the crops forced the population to make a living by making various uses of the forest. In the rayon center, which stretches along the old track, one can easily identify the traditional administrative offices of industrial enterprises, the railroad station and the premises of interrayon organizations.

In short, this is a typical picture of Russian countryside, without any grandiose buildings or famous enterprises or endless fields, as they say. I recall the day the Urenskiy Party Raykom Plenum made me first secretary and I started touring the remote villages, where I saw half-crumbled livestock farms and machine yards with damaged and neglected equipment. I asked an elderly kolkhoz member: "What happened here, old man, why do you live so poorly?" "We have become used to it. The chairmen may change but nothing else does. We have adjusted." Those words hurt me. How could one "farm" land in such a way that the peasants would lose faith in the possibility of having sufficient products for themselves and the kolkhoz? The best qualities of the people had to be encouraged and their feelings of ownership awakened.

Words are easily written, but acting take lots more time. Where were we successful and where are we still failing? Let us consider the most important area: the conversion from administrative to economic management methods. Today 170 out of 200 production collectives work on the basis of cost accounting. Extensive data confirm the high efficiency of the cost accounting method. However, can we entirely rely on statistics and trust figures indiscriminately? Figures do not reflect to the fullest extent the awareness and stance of individuals.

I believe that the speech at the raykom plenum in discussing the accountability report of the buro in guiding restructuring, delivered by V.Ye. Moiseyev, head of a feed procurement brigade at the Kolkhoz imeni Sverdlov, was indicative in a great many respects. In that farm, in the past 2 years, milk production almost reached the 4,000-mark; feed units per head of cattle reached 25 quintals and in crop growing grain crops are averaging 24 quintals per hectare. These are good indicators for our area. The social infrastructure of the kolkhoz has improved and no one is complaining here of shortages. However, Vladimir Yevgenyevich took a deeper look at the present situation: We are working, he emphasized, on the basis of cost accounting but if we were to ask a kolkhoz member what that means, he would only shrug his shoulders.

Yes, whereas today the people are still not in step with the changes which are taking place in their life stance in a kolkhoz which is all in all in a good situation, if they continue to look up to the "bosses" as the only authority equally responsible for successes and failures in public projects, the party raykom has something to worry about. Clearly, the roots of a passive and indifferent attitude run deep, "closely related" to the administrative-command methods of management. What would help, albeit not immediately, but eventually to put an end to such phenomena which, as I believe, constitute the most essential obstacles on the way to the renovation of our society? In my view, the greatest influence here is exerted by the style and methods of party leadership. With my 30-year experience of work in party and soviet agencies, I can confidently say that the position taken by a given party committee and the ways and means of its practical work are the source of what is good and bad in the life of labor collectives and the area as a whole.

Our rayon includes Karpovskiy Kolkhoz, which is a strong and dynamically growing farm. Its chairman, A.S. Smirnov, recently described to me how at the solemn inauguration of the house of culture, after Anatoliy Semenovich had mentioned the cost to the kolkhoz for this project, a voice was heard in the hall: "If you had spread this money around, we would have a thousand rubles each!" I cannot say that this "suggestion" was left without response. There were both shouts of indignation in the hall and supportive laughter. It was such sympathy that angered the chairman more than anything else: "How durable dependency is in some people, those eager consumers confident that socialism is more a question of

distributing goods than producing them!" Later, calming down, he started talking about labor education, fair wages and our entire way of life. We recalled, together, the way this year a road, the laying of which would cost 80,000 rubles, had been planned by the kolkhoz to carry the milk from the pasture grounds. They were about to start building it when several kolkhoz members went to the board and suggested that a bridge be laid across the small Usta River, along which there was a passable road. This was done, and the total cost to the kolkhoz was 2,500 rubles. As we know, initiative cannot be measured in terms of rubles only.

These are two different aspects of our daily life, two extreme points of human consciousness and behavior. The instinct of the individualist, of the person who would like to take a piece of the common pie free of charge is caused by the fact that for many years the concept that collective property was for grabs had been flourishing: Why not take something if it belongs to nobody? The "powerlessness" of the labor collective in solving specific economic problems was worsened by the command-pressure work style displayed by many rayon party committees.

Speaking frankly, we have frequently noted cases of participation in "implementing planned measures," in which a concept, although seemingly based on common interests, was entirely implemented through the old stereotyped ways and means, regardless of the specific variety presented by life and its contradictions. In such cases, the party's influence remained unchanged: plunging into the production area in order to hasten planned result. The people, in their variety of interests and behavioral motivations, were virtually ignored. The work style which relied exclusively on commands and shouting caused us a great deal of harm.

One of the sharpest statements at the CPSU Raykom Plenum we are discussing in these notes, was that of Z.A. Vinogradova, a worker at the Urenskiy timber farm, which is part of the Gorkles Association. Zinaida Andreyevna did not limit herself to a study of the situation which had existed at the farm, as a result of which the enterprise director had been relieved from his position and the party committee secretary had been issued a severe reprimand. Yes, those guilty of serious infractions had been justly punished but then what? The party raykom had not displayed the necessary persistence, Vinogradova emphasized. It was much easier for the buro to deal with two personal cases, sitting in session at the farm, than to truly help the enterprise collective which was experiencing difficulties and problems, the main one of which was the worsening of the raw material base. The resolutions seemed right but, alas, their implementation could not be described as consistent. The timber farm failed to fulfill its annual plan and the use of cost accounting here had been reduced to issuing passive instructions. And who could say whether the new director would not be forced by the situation to resort to arbitrary actions? This would be followed by another punishment, and so on like in a vicious circle....

This situation demands a great deal of thought, above all about whether or not today the party raykom can influence the entire rayon economy with the necessary degree of efficiency. I believe that the following correlation operates here: the longer the administrative chain in which a given enterprise is involved becomes, the more difficult it is for the raykom to achieve the necessary results. Conversely, a short administrative tie implies highly efficient party influence. For example, we could remove a delinquent director but the future of the enterprise is determined by an all-union ministry and the distance from the raykom to Moscow is long. It is another matter when a kolkhoz or sovkhoz, whose plan, resource base and material and technical supplies are essentially established by the RAPO and by the oblast agroindustrial committee, with which the party raykom finds it considerably easier to hold discussions and reach agreements. The solution to this complex and pressing problem, in our view, is the fast and mandatorily full establishment of the economic independence of industrial enterprises. We, rayon party workers, are convinced that the principles of self- support and self-financing enable labor collectives sensibly to determine their own destinies and to avoid sharp disproportions in their development.

Naturally, this is not to say that the CPSU raykom has no possibilities of decisively improving organizational and educational work in labor collectives. Could our staff—20 responsible officials working, in addition to the raykom secretaries, in four departments—accomplish a great deal? I am confident that they can. Naturally, however, providing that we persistently hone our own skills and further our self- education. The point is that the work style of the personnel of many party committees, including ours, encourages above all qualities such as good performing discipline, efficiency, and ability rapidly to find their way in a situation, aimed at solving current problems. Each of these qualities, and their combination even more so, are a reliable set of tools available to the party worker. Today's practical experience, however, indicates that frequently analytical ability, the systematic consideration of situations and problems, and the ability to single out the crucial problems and find efficient means of solving them are frequently in short supply. Yet it is precisely these features which are most needed today by people in our profession. Cases were cited at the raykom plenum according to which an instructor in one department or another would unwittingly, by virtue of his training, deal with control rather than organizational functions, willingly handling figures while ignoring the behavior of the people and the motivations governing their actions.

We try to take all such factors into consideration and more daringly to reorganize our work on a modern basis. As to the elected aktiv, which includes 81 people, it is an impressive force which is currently operating much more efficiently than it did 1.5 to 2 years ago. What contributes to the fuller utilization of the possibilities of the elected party aktiv? We have begun to assign to it to draft

problems for consideration by the buro and to set up comprehensive brigades of specialists in various fields to study the most topical and complex problems. Everyone has benefited. For example, as A.S. Belyanstsev, director of the fur-animals raising farm and raykom buro member, said at the plenum, participation in the study of the work of the Urenskiy timber farm, which was done on our assignment by a group of comrades, greatly enriched him as a professional manager and party member.

We know that the June CPSU Central Committee Plenum strictly assessed the shortcomings and omissions in the activities of the Gorkiy Oblast Party Organization and its party committees. This makes moods of complacency and of smoothing over difficulties and contradictions in the development of the oblast's economy unacceptable. They exist and, therefore, we must look at the actual results of our work more strictly and exigently. Obviously, this requirement is not always observed. This is exemplified by the fact that at our plenum no specific study was made of the activities of the raykom buro members and secretaries. No substantial critical remarks were made concerning my own work, as first secretary of the rayon committee. Does this also not prove that restructuring can and must become considerably more profound and efficient?

A radical distinguishing feature of rayon party committees is their closeness to the primary party organizations and their daily and numerous contacts with their secretaries, the elected aktiv and rank- and-file party members. What is changing in relations between the raykom and the primary organizations? To begin with, greater attention is now being paid to daily work and concerns. We are trying to keep more extensively in our sights the various situations which may develop in the basic party unit. For example, it was noted at the raykom plenum that in the past 2 years the activities of 32 primary party organizations were analyzed, or slightly less than one-half of their total in the rayon. We are seeking new ways of maintaining contacts with the primary party organizations: along with circuit plenary meetings and raykom buro sessions, we have increased the frequency of informal meetings or, in simple terms, talks over a cup of tea at the red corner of the livestock farm, the shop or the establishment. Of late, ties between raykom personnel and sponsored farms and their party organizations have strengthened substantially.

I believe that through our cooperation with the primary party organizations a movement for the better has been initiated. However, it is taking place substantially less rapidly than we would like. Here is an excerpt of a statement made by V.V. Malyshev, party buro secretary at the Prozhektor Kolkhoz at the raykom plenum: "The raykom-primary party organization dialogue is frequently replaced by a monologue by superiors, particularly when it comes to criticism. However, more than enough critical remarks are being addressed at the primary party organizations. It is true that a great deal in our work should be changed and improved. However, is it not time for the raykom to stand not above but on the same level as the primary party organizations?

Vladimir Vasilyevich is obviously right. This time has come. The habit of criticizing more harshly the primary party organizations and to accuse them of the rayon's own faults is also rooted in our recent past. What needs prime attention? Recently the organizational department of the raykom held a roundtable meeting with primary party organization secretaries, at which the participants expressed a number of interesting suggestions. Here are some of them:

Train secretaries of primary party organizations within the CPSU Raykom apparatus; introduce accountability for his work by the raykom instructor to the organization of which he is in charge;

Train secretaries primarily in the local sites and link training with the solution of practical problems as formulated in the assignments;

Expand the area of work of local instructors and assign them to study problems of the daily life and recreation of party members;

Involve more frequently primary organization secretaries in formulating problems to be discussed by the buro or at plenums; the CPSU Raykom members should regularly report on their work to the primary party organizations;

Improve the practice of informing the rank-and-file party membership on the results of the efforts to implement their critical remarks concerning various agencies; such information must become a regular feature at raykom party plenums; set the rule of ensuring the advance publication of the topics of reports to be submitted at raykom plenary sessions.

As we can see, there is an increased desire to promote a more extensive and daring democratization of intraparty life and to include in restructuring all party members without exception. A number of features indicate that in most primary party organizations the process of moral healing is gathering strength; principle-mindedness is strengthening; the party members are firmly opposing negative phenomena and violations of CPSU statutes. For example, the majority of personal cases considered by the primary party organizations no longer have to be amended by the raykom. I believe that the substantial drop in the number of letters sent to the rayon party committees from the superior party authorities is another characteristic feature of the time: it seems to us that the people are gaining confidence in the raykom.

But life does not stand still. Today, under the conditions of restructuring, the tasks of the primary party organizations are becoming increasingly difficult and, I would say, more sensitive compared to the recent past. Factors

are entering into play which were previously ignored. For example, the extensive application of the principles of cost accounting has raised the very urgent question of the substantiation, the fairness of earnings in lagging farms. As was noted at the raykom plenum, the state is investing in such farms substantial funds while returns are still clearly below the potential of the collectives. However, the wages paid here are frequently as high as those paid in highly profitable kolkhozes.

Unquestionable, the raykom is aware of this problem and intends to solve it together with the executive committee of the rayon soviet and the RAPO. However, this involves also a purely party aspect of the matter: the extent of principle-mindedness of the primary party organization and of its secretary; frequently both seem to fail to notice that their collective is sponging on society. I believe that our fault is, above all, that we did not promptly enhance the responsibility of the party members in lagging farms for the proper utilization of state loans. We failed to help the primary party organizations to abandon the habit of leading a carefree life based on loans.

In general, let me note that a feature of contemporary reality, such as the people's greater demand for justice, moral purity of action, glasnost and democratic procedures in decision making, which influence the future of an enterprise, kolkhoz or establishment. In this case a great deal depends on the primary party organizations, for it is no accident that they are known as the political nucleus of the labor collective. Nothing is too petty in political work. I recall in this connection an event which took place at the elections for chief of the machine repair shop in the Aryev Reinforced Concrete Plants. Everything was in order: there were two applications, the candidates made their statements, a comparison was made between the programs they submitted for their future activities, followed by a vote. The votes were counted, the chairman announced the results, and the collective applauded the newly elected shop chief. Yet the competition organizers apparently forgot the existence of the second applicant and failed even to thank him for taking the risk of applying. Essentially, an entirely worthy person was insulted and annoying hastiness was displayed in an initiative of major moral import. This also exposed the incomplete work of the raykom: it apparently considered that any campaign stir had to be excluded, the elections having taken place on a competitive basis.

In short, it would be hasty to be satisfied even to a smaller degree with the positive aspects which have appeared in the work of the rayon party organization. I would compare the results with the shoots of winter crops: extensive and persistent work is needed for them to grow, to turn into a crop and to yield a harvest. The same idea roughly prevailed among the participants in the plenum at which the first results of restructuring were summed up: not stopping but going forth, and looking ahead more vigilantly.

From the Editors

"Rayon Days" is an essay by writer Valentin Ovechkin. It is a thoughtful and sincere description of life at a sharp turn in the history of the party and society. These noted essays by Ovechkin, which were published between 1952 and 1956, record honestly and accurately the difficult concerns and bright hopes of those trying and memorable years.

A great deal has changed since. However, as was the case decades ago, the rayon level remains the field in which the crop of social change is planted and raised, what is now ordinarily referred to as "restructuring."

Converting the energy of restructuring and acceleration into specific practical matters depends to a tremendous extent on the courage and constructive approach, the persistence in seeking new approaches to the solution of current and long-term problems, the level of political standards, the degree of real democracy in the work of party raykoms and gorkoms and primary party organizations, and the activeness of party members.

We believe, therefore, that we have all the proper reasons, on the eve of the 19th All-Union Party Conference, to pursue through joint efforts a journalistic study of rayon daily life. Participation in this project is open to all.

Together with the board of the USSR Union of Journalists, the journal's editors are announcing a competition for the best material dealing with rayon daily life, whether essay, article, correspondence, or letter to the editors. The conditions for the competition will be published in a forthcoming KOMMUNIST issue, and the results will be summed up at the end of the year.

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Security Challenges: Old and New

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[Article by Vitaliy Vladimirovich Zhurkin, USSR Academy of Sciences corresponding member; Sergey Aleksandrovich Karaganov, candidate of historical sciences; and Andrey Vadimovich Kortunov, candidate of historical sciences]

[Text] It is self-evident that the pace, dynamics and nature of our progress in restructuring will greatly depend on the international situation in which we shall have to act. It is equally obvious that shaping a favorable external situation will largely depend on the activeness, innovativeness, persistence and firmness of Soviet foreign policy during the period of restructuring.

Initial achievements in this area are becoming increasingly clear. The Washington summit, the historical treaty on the total elimination of two types of nuclear weapons concluded at the summit, changes in the matter of reducing by one-half strategic offensive armaments under the conditions of the observance of the ABM Treaty, the agreement to provide additional impetus to the reduction of conventional armaments and armed forces and the search for mutually acceptable solutions to a wide range of problems related to safeguarding peace have all been a major contribution to halting the arms race and strengthening strategic stability. The results of the meetings and talks in the American capital clearly prove the possibilities which appear both in the development of Soviet-American relations as well as in radically broadening the dialogue and cooperation between all Eastern and Western countries.

Unquestionably, the Washington talks will provide a new impetus for discussions throughout the world on problems of ensuring the security of nations and countries in the nuclear space age. The position of the Soviet Union on such problems is clear and unequivocal: today and in the future security cannot be achieved by military means; the most efficient way of achieving it is through political decisions; security is indivisible. It can only be equal for all or nonexistent; real equal security in our century is guaranteed by achieving an increasingly reduced level of strategic balance, including progress toward the elimination of nuclear and other types of mass destruction weapons.

Such is the formulation of the problem in principle, so to say, from the viewpoint of the long-term tasks facing the world community. Specifically, however, how do the requirements of ensuring national security today, now, apply to the Soviet people? What are the specific circumstances which determine the practical efforts to implement the directives of the 27th CPSU Congress, which are providing our people with the opportunity to work under conditions of a lasting peace and freedom?

In his time, V.I. Lenin repeatedly emphasized that the set of international circumstances which determine the security of the Soviet state is quite flexible and dynamic. Suffice it to recall Lenin's analysis of the various threats to our country which prevailed at the beginning of the 1920s, in the period of transition from war to peace. The need for accurately assessing the source and extent of the threat to the security of the Soviet state at each segment in its historical path and each turn in international developments is determined by the fact that any inaccurate evaluation leads to errors in foreign policy, to undermining security, on the one hand, or to a senseless waste of resources and political capital, on the other.

However paradoxical this may seem at a first glance, it is precisely today that the problem of adequately assessing the present dangers and their correlation and gravity becomes particularly relevant. Throughout most of the history of the land of the soviets, the danger to its existence was clearly defined and its sources quite obvious; the ways and means of counteracting them were not particularly controversial. It was actually a question, above all, of surviving under the conditions of a hostile capitalist encirclement, of preventing the creation of a unified anti-Soviet front by Western countries and ensuring the necessary material means of repelling any aggression on the part of imperialism.

Today the situation has changed substantially. The question of "to be or not to be" for socialism as it was 7 or 5 decades ago has been solved once and for all and irreversibly (naturally, taking into consideration that the threat of annihilation in the flames of nuclear war of all mankind and, consequently, of its socialist part, has appeared and intensified). That is why we can speak of a substantially increased freedom of maneuvering both in domestic and foreign policy. This enables us to undertake the comprehensive and considered approach to the problem of national security and to assess short-term and long-term trends, military as well as nonmilitary challenges, external threats and possible dangers in the area of domestic developments.

On the other hand, in recent decades the range of the objective challenges hurled at our society (and at any other society) has drastically increased. Never before has the competition between the two socioeconomic systems taken place in such a large number of areas; never before has the interaction between socialism and capitalism on the intergovernmental level been so intensive. In recent decades mankind has been faced with an essentially new set of global problems. Meanwhile, a set of unprecedented tasks is appearing on the horizon, related to the scientific and technical civilization of the 21st century.

As we know, human thought tends to fall behind rapidly changing political realities. It is precisely this that explains the natural tendency of the ordinary mind to concentrate mainly on the traditional threats of the past and to underestimate the new and previously unknown ones which, however, have become or are quickly becoming reality. Hence the pressing need, in assessing the realities of the military and political situation in the world, to avoid the absolutizing of past experience and take into consideration to the fullest possible extent the changes occurring in the world.

Let us consider the following example: the main traditional threat in the mass awareness of the Soviet people is a recurrence, in one form or another, of 22 June 1941 or, in other words, an invasion from the West, whether in the guise of a nuclear attack or a concentrated aggression by conventional armed forces. Unquestionably, the nuclear age will give to this problem its specific features. The most dangerous military threat facing our country today is that of nuclear attack. This threat shows an unquestionable analogy with 1941. Thus, the deployment of the American Pershing-2 missiles, which would take 10 minutes to reach the Soviet capital, could mean that the nuclear threat is literally at the gates of Moscow,

as was the case during the first year of the war. However, from the viewpoint of present military-political realities, such a nuclear attack would also mean, in the final account, an inevitable catastrophe for the aggressor as well.

The following question which arises in this case is whether a repetition of a 1941-style aggression is possible, naturally implying today's type of forces and weapons? Let us begin with the main feature. Today there is no single conflict in relations between East and West the solution of which could tempt one to resort to war. On the basis of common sense, it would be difficult to conceive of a sake for which Western armed forces could invade the territory of a socialist country. Modern capitalism is afflicted with substantial and rather severe problems. Such problems, however, are those of capitalism at the end of the 20th century and, in principle, cannot be solved through a military aggression against socialism. This is one of the main reasons for the fact that today no politically influential forces which would set themselves such tasks exist in Western Europe or in the United States.

Naturally, there also exist in the West active circles which dream of social revenge: the crushing of the Soviet Union as the main obstacle to the implementation of their plans for restoring social homogeneity on the political map of the planet in its Western, imperialist, variant. These circles do not conceal their hatred of socialism and their aspiration to send it to the "dump of history," and to mount a "crusade" against the USSR. As the behavior of the American extreme right indicated, in particular, in connection with the visit to Washington of the CPSU Central Committee general secretary, this hatred may be based on purely ideological grounds and not governed by straight economic interests. However, even the most extreme "hawks," who are of the same mind, cannot, in the final account, fail to see that any attempt to "remove" or even "repeal" socialism by military means would be suicidal to their own societies.

Particularly indicative in this respect is the European example. Even a non-nuclear war on the European continent, saturated as it is with nuclear power plants, chemical works and huge fuel depots, would mean the practical destruction of all civilizations on that continent. This applies, above all and especially to Western Europe, where population density and degree of urbanization on a smaller territory are higher than in Eastern Europe. The very nature of the industrial society operates here as a war-restraining factor. Furthermore, it would be impossible to imagine how a war in Europe could be contained on the non- nuclear level. The only likely outcome of a nuclear war, however "limited" it may be, is familiar: a radioactive desert.

Furthermore, we can confidently say that the overwhelming majority of the population in both the United States and Western Europe is unwilling to fight, and even less so when it comes to an aggressive war. In its time the mere decision of deploying American nuclear medium-range missiles in Europe, as we know, greatly worsened the political situation in some countries in that area. Unquestionably, there exist in the West reactionary moods, which are intensively encouraged by aggressive anti- Soviet and anticommunist forces. However, compared to the 1930s, for example, the cultural standard of the population has increased and the opposition of the popular masses to extremist attempts has become stronger.

We cannot fail to see that Soviet foreign and domestic policy of recent years has objectively contributed to exposing the myth of the "Soviet menace" and to eroding the "figure of the enemy." M.S. Gorbachev's visit to the United States and the reaction of the international public to the visit proved yet once again that the process of shaping the new "image of the USSR" in the world has already begun and that its successful development could bring about major and even irreversible changes in Western social awareness.

The aggressive ruling class groups within NATO are trying to attain their domestic political objectives by fabricating fictitious ideas of the "external threat," misrepresenting the foreign policy strategy, military construction and specific actions taken in the world arena by the Soviet Union and the other socialist countries. They also widely use one of the paradoxes of the problem of security which is characteristic of our age. In the past securing a suitable level of closeness and secrecy in foreign and military policy was considered an important trend in strengthening national security. This closeness, multiplied by the absence of the currently available technical reconnaissance facilities of the other side, deprived a potential enemy of confidence in the accuracy of his information and forced him to show a certain amount of caution and restraint. However, it also triggered in the opponent the aspiration to be prepared for action based on the "worst possible scenario," thus contributing to the development of the arms race. Today the counterproductive nature of such a closeness is becoming increasingly obvious. Thus, it facilitates the activities of anti-Soviet propaganda and allows our opponents to provide a distorted interpretation of steps taken by the USSR and to use them in encouraging a war psychosis.

It is only openness that allows us efficiently to make the peoples of other countries aware of our political tasks, to convince them of the peaceful intentions and plans of the USSR and to isolate reactionary and militaristic groups. That is why steps aimed at broadening the openness of our foreign political and military activities are of tremendous importance in strengthening the security of the Soviet Union. They reduce rather than increase the threat.

This does not mean in the least that bourgeois democracy is capable of restraining the aggressiveness of militarism to such an extent as to be an efficient obstacle to

any military aggression. The U.S. attack on Grenada and Libya, the intervention in Lebanon, the undeclared wars on Nicaragua and Afghanistan, the military show of force in the Persian Gulf and use of military power by the Western European NATO members (this decade alone) convincingly prove that today as well the main threat of war is part of the nature of imperialism.

Nonetheless, if we raise the question of large-scale aggression and of a major war between the two systems, whether local or, even more so, global, bourgeois democracy provides a certain obstacle to the outbreak of such a war. This was clearly demonstrated by the history of American intervention in Indochina, the lesson of which will not be forgotten on the other side of the Atlantic. Despite its entire militaristic zeal, the Pentagon today is unable to deny the existence of limitations imposed on its actions by democratic institutions and by the unwillingness of people to sacrifice their lives and well-being for the sake of waging aggressive wars.

In any case, the fact that an approximate balance in the combat capabilities of the sides exists on the European continent means that the NATO armed forces cannot hope to mount a successful aggression. The mounting of large-scale offensive operations requires a substantial superiority in basic types of armaments. Furthermore, considering the present means of control developed by the individual countries and the system of confidence-strengthening measures, any concealed mobilization of anyone's armed forces becomes extremely difficult.

Does this mean that there is virtually no threat of war in Europe? No categorical answer to this question is possible. The huge military potential, and the oversaturation with nuclear weapons stockpiled here could, under certain circumstances, bring about a fast escalation of an accidentally started crisis. Should affairs on the continent develop as some people in NATO headquarters plan, in the area of a mass deployment of the latest conventional weapons with a particularly striking power, and of a clearly manifested offensive nature (it is precisely such "compensation" for limiting nuclear medium- and shorter-range missiles in Europe that is demanded by the most militaristic NATO forces), the military-strategic stability on the continent would become undermined. This may lead to mistrust, tension and the threat of war and would increase the possibility that events may get out of hand.

Therefore, the threat of war in Europe, which has still not been entirely removed from the agenda of world politics, is qualitatively different today, at the end of the 20th century, from the one encountered by the nations in the period between the wars or immediately after World War II.

The qualitatively different nature of the threat also presumes a qualitatively different reaction to it. In the past the level of sufficiency of the military power of the USSR on the European theater was based on the requirement of repelling any aggression and defeating any possible coalition of hostile countries. The task now is essentially formulated differently: to restrain, to prevent war itself. In turn, this task calls for a reinterpretation of a number of traditional postulates of military strategy and operative skill, starting with a reassessment of the need for amounts of various types of armaments (tanks, for example), the nature of military exercises, etc.

A guaranteed prevention of war in Europe will require the systematic reduction of the level of military confrontation on the continent and, in the final account, the elimination of the system of military bloc confrontation, which intensifies the threat of war, and the creation of a different, stable and humane system of security on the continent, which would exclude enmity and the arms race. The Soviet-American agreement on the elimination of medium- and shorter-range nuclear missiles in Europe could become a turning point in the development of the military-political situation on our continent. This agreement means not only the elimination of two classes of nuclear weapons but also a specific step in assigning to military doctrines and armed forces of opposite groups in Europe a strictly defensive nature and, for the first time, creating real conditions for reducing the level of military confrontation in Europe in the area of armed forces and conventional armaments and taking radical steps toward upgrading European stability.

The possibility of a deliberate nuclear attack, a so to say global nuclear aggression, is today as unlikely as the deliberate starting of a large-scale war in Europe. The tremendous efforts made by our people to strengthen the defense capability of the land of the soviets have yielded results. Today anyone who could conceive of nuclear aggression knows that he could not rely on impunity, whatever ways and means he may use in starting a conflict. Furthermore, the use of even a few percentiles of strategic nuclear forces stockpiled in the world would be sufficient to destroy all life on earth.

The strategic nuclear parity, understood in the sense of depriving either side of the hope of mounting an attack with impunity, is a great factor of stability. Even the most extreme "hawks" in the U.S. administration are forced to agree with this, although as late as the beginning of the 1980s they were calling for "restoring" American superiority and were encouraging official Washington to make huge war appropriations. Today such activists have become substantially tamer and Weinberger, the former secretary of defense who, at the turn of the decade, called for having a "reserve of security" by the United States as it had had in the 1950s, now acknowledges that this is unattainable. Many quite authoritative American experts are acknowledging with increasing frequency and justification that in pursuit of its new round in the nuclear arms race, Washington was unable to make any whatsoever changes to its advantage.

Under these circumstances, the possibility of a radical, a 50 percent reduction in strategic offensive armaments in the immediate future becomes not only desirable but also a real possibility.

The point is, as the Soviet Union has pointed out, that parity is no longer a war-preventing factor. The numerical growth of nuclear weapons and their increased flexibility and accuracy mean that the concept of balance, of parity, even if assessed in terms of quality rather than quantity, and the concept of strategic stability on which assessments of the probability of war are based, and which more or less coincided in the past, have begun to diverge. The possibility of a random, unsanctioned outbreak of nuclear war and a fast and uncontrollable escalation of the crisis, has increased. Therefore, an externally paradoxical situation is developing: the threat of deliberate nuclear aggression is diminishing, while the threat of war may be increasing.

This is the first time in the history of our country that a situation has developed in which one could say with a sufficient degree of confidence that no single aggressor, with a sane mind, would attempt something against it. The acquired reserve of power gives grounds to believe that such a ratio of forces and such a situation will last a long time.

Having lost on the battlefield it had itself chosen for a frontal confrontation aimed at attaining military superiority, international, American above all, imperialism has been gradually, and for a number of years, shifting the center of gravity of its efforts to other battlefields: the economic, including the military-economic, and the humanitarian (efforts to undermine the prestige of the moral aspect of socialism), and so on. As to the military battlefield, which is the most explosive, here as well a reorientation of efforts may be noticed.

At the present stage in international relations, the West, the United States above all, has still not accepted a decisive demilitarization of the competition between the two systems. However, efforts are being made to shift the rivalry from the military to the economic area. According to Western political strategists, the task of economically exhausting the USSR through a lengthy arms race is becoming increasingly emphasized. The political nature of this approach is related to winning in the struggle between social systems without a war, without disturbing the official boundaries of peaceful coexistence.

By the will of history the balance between the forces of socialism and capitalism, which developed in the last decade, was manifested essentially as a "military equation," above all in terms of nuclear parity and not in the areas of economics and scientific and technical progress. So far, socialism has been unable to reach a labor productivity higher than that of the highly developed capitalist countries (the overall level of labor productivity, according to the State Statistics Committee, is approximately half that of the United States in industry, and under one-fifth in agriculture). Let us note that the international role and influence of the Soviet Union have always been significantly higher than its role in global economics or in the scientific and technical revolution.

Naturally, the interconnection between the economic power of a state and its foreign policy weight and influence is a complex set of direct and indirect links. Japan is an example: it is the third economically most powerful country in the world and an unquestionable leader in the most important trends in scientific and technical progress but has a relatively lesser weight in world politics compared to many other countries. Japan's military and political dependence on the United States lowers this weight even further and frequently deprives that country of having its say in the approach to the most important political problems of our time. Nonetheless, albeit slowly, this disproportion is diminishing.

A certain disparity between the tremendous foreign policy role and the relative economic and scientific and technical power of our country is lately becoming an increasing subject of concern, for its began to grow during the period of stagnation. The accumulation of negative trends in the economic development of the USSR in the 1970s and beginning of 1980s became more noticeable and has had a more dangerous impact on the dynamics of the correlation of forces between the two systems. Concerned with its failures in open military confrontation with the Soviet Union, the opponents of socialism, one would believe, have seen here a historical opportunity. It is thus that the idea arose of pushing the Soviet Union to the margin of global economic and scientific and technical progress and thus to defeat it in the competition between the two systems.

The process of reorientation of imperialist strategy toward the USSR and the other socialist countries is being pursued spasmodically and disparately in the various areas. Despite this entire disparity and even contradictoriness of the changes taking place, we can see with increasing clarity the outlines of the new strategy which the West is developing toward the USSR and the entire socialist community.

The main trend in this strategy is the course charted by imperialism leading mainly to the economic exhaustion of socialism in the course of the arms race and, in particular, by imposing upon it unbearable military expenditures. Although the idea of economic exhaustion has always been present in imperialist military planning, it is precisely today that it is given priority and proclaimed openly and unequivocally as a priority trend. The U.S. Department of Defense formulated the so-called "competition strategy," which amounts to imposing upon the Soviet Union an intensive arms race in a maximal number of areas. The hope is that, using the leading positions held by the United States in the scientific and technical area, Soviet military assets will

become steadily and deliberately depreciated ("promoting the obsolescence of Soviet defense investments"), forcing the USSR to spend more funds which, once again, then become depreciated. It is also a question of "formulating military programs, the efficient Soviet answer to which would be substantially more costly than the programs themselves."

Considerations of urging the USSR on in engaging in military efforts in areas advantageous to the United States and increasing its defense expenditures are based on an entire system of political and propaganda steps, disinformation and bluffing. From the very start such plans became one of the important trends aimed, in particular, at provoking the Soviet Union to develop its own SDI program and to engage in multi- billion expenditures to militarize outer space. The resolve of the USSR to block the American star wars program with other responsive measures, which would be more efficient and far less expensive, frustrated these plans without, however, sobering up the authors of the strategy of exhaustion, who are continuing their searches in other directions.

In this sense, the United States considers particularly promising a conventional arms race which, as we know, absorbs the bulk of the military expenditures of a country (80 to 85 percent in the United States). Naturally, the strategists and politicians in Washington are aware of the possibilities which the Soviet Union has in this area. The scourge of "Soviet superiority" in conventional armaments and armed forces today is the main component of the myth of the "Soviet military threat" used in their propaganda by all opponents of reducing nuclear armaments. Nonetheless, persistent calls for increasing conventional weapons in the United States and NATO as a whole are clearly aimed at triggering a massive response on the part of the Soviet Union, the more so since the quantitative growth of nuclear armaments is gradually losing its significance, considering the already existing stockpiles of such weapons. As to conventional armaments, here the supporters of economic exhaustion have (as they assume) truly infinite opportunities.

Another important element of the strategy of exhaustion is that of efforts to promote regional conflicts in different parts of the world with a view to intensifying and, in particular, involving in such conflicts the USSR and the other socialist countries. In this case several objectives are simultaneously pursued: weakening the Soviet Union economically, forcing it to spread its resources in a number of directions; a course of political isolation of the USSR, pitting it against other "power centers;" promoting anti-Sovietism and a stir concerning the "geopolitical offensive" of the USSR and the growth of the "Soviet military threat." It is precisely in the regional areas, where imperialist countries are trying to "divide obligations" among themselves, that the predominance of groups of countries opposing the Soviet Union in economic and scientific and technical potential, manpower, availability of food and many other parameters, is particularly clearly manifested. The fact that in most conflicts in the developing countries the Soviet Union supports national democratic and socialist-oriented governments (Afghanistan, Nicaragua, Angola, Ethiopia, Mozambique) in the struggle against anti-governmental gangs and mercenaries, assigns to the USSR much greater political responsibility and economic and military burdens compared to those of the United States.

Finally, under the conditions of the strategy of exhaustion the traditional reliance on the part of reactionary imperialist circles on the maximal international isolation of the Soviet Union appears in a new light. Here the main emphasis is on economic instruments, on the aspiration to lead the Soviet Union toward autarchic economic development. The most clear manifestations of this strategy are the efforts which have intensified in recent years of maximally increasing restrictions on exports to the USSR of science-intensive equipment and technologies and strengthening the existing Soviet foreign trade structure based primarily on exports of raw material and energy and importing industrial goods, significant amounts of food, etc. It is a question of persistent efforts to push our country to the edge of the global economic system.

The specific nature of the challenge which international imperialism is hurling at the Soviet Union and the other socialist countries today consists, above all, of the fact that their successful neutralization depends on the systematic implementation of the restructuring of the economic mechanism and social life and the acceleration of the socioeconomic development of socialism. This enhances even further the importance of the changes which are taking place today in our country, giving them a most important international dimension.

As to foreign policy strictly speaking, here the need for an integrated and comprehensive approach becomes particularly important. The question of a close correlation between foreign and domestic policy tasks and among short-, medium- and long-term foreign policy objectives and the ways and means needed to attain them, becomes more important than ever before. In other words the pressing need has appeared for the formulation of an integrated state strategy of the USSR, based on a streamlined system of assessments of the sum total of domestic and international factors, including a comprehensive assessment of threats and developing opportunities and earmarking priority tasks in the various areas of foreign policy and the main stages in advancing toward them.

An important step along this way if the formulation of the long-term program for the creation of an all-embracing system of international security, as presented at the 27th CPSU Congress. Unquestionably, this program has made Soviet foreign policy qualitatively different, enhancing its level of comprehensiveness. It is particularly important that it defines, in addition to military, political, economic and humanitarian parameters of

security, in the course of which the nonmilitary aspects of international security are not considered in the program as something secondary or subordinate to military aspects but rated as entirely independent and as important as the military.

The speech "October and Restructuring: The Revolution Goes On," formulates a task of essential theoretical and political significance: the formulation of long-term plans for progress toward a stable peace. Such progress is bound to be difficult and, obviously, lengthy. Even under circumstances of a total elimination of the threat of nuclear cataclysm or any other type of war, the elements of contradiction, rivalry and confrontation will remain. Nonetheless, the process of a diminishing military threat and a gradual conversion from the present state of confrontation to international peace, based on a system of comprehensive security, would provide new conditions for removing from international life the elements of confrontation and nurturing within it broadening areas of cooperation.

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05003

Call for Change

18020007f Moscow KOMMUNIST in Russian No 1, Jan 88 (signed to press 25 Dec 87) pp 51-53

[Article by Yevgeniy Pavlovich Velikhov, chairman of the Committee of Soviet Scientists for the Defense of Peace and Against the Nuclear Threat, vice president of the USSR Academy of Sciences]

[Text] "Since time immemorial the function of science has been not only to study and to discover new knowledge but also to break through barriers erected by incomplete human understanding. Today we feel particularly responsible for this last function. Mankind must change its thinking. Otherwise it would perish in the hands of its own technical genius which has turned into evil." These are words borrowed from the book "*Proryv. Stanovleniye Novogo Myshleniya*" [Breakthrough. Establishing a New Thinking]. (Progress, Moscow, 1988, 368 pp), recently published in the Russian and English languages, simultaneously in the Soviet Union, the United States and Canada. The book is the result of a dialogue between the Committee of Soviet Scientists for the Defense of Peace and Against the Nuclear Threat and the American public organization "World Without War."

The exchange of views among scientists from different countries on pressing problems of survival and security in the nuclear age is today a frequent occurrence. Far less frequently are scientists from East and West able to develop a single view on controversial problems in this area and to suggest joint recommendations to their governments, political personalities and publics. It is precisely this task which is formulated and solved in "Breakthrough" by 14 Soviet and 15 American and Western European scientists. Joint viewpoints were not developed immediately. Months of work, debates and work meetings held in California, Moscow, Minsk and Leningrad were necessary. An intensive "dialogue" was conducted also between computers set up by the Committee of Soviet Scientists in Moscow and the headquarters of the "World Without War" organization in Palo Alto (United States). With their help authors living on different continents edited, refined and transmitted texts. Above all, however, this was a dialogue of people representing different nations and scientific communities and with different cultures and intellectual traditions, holding different ideological positions but united in their concern for the preservation of civilization in the nuclear age.

One of the conclusions reached by the authors is that we do not always look for the danger where it actually exists. After the concept of "nuclear winter"—the global ecological consequences of the concentrated use of nuclear weapons—became known, it is unlikely for any one of the sides to risk making a deliberate political decision on triggering the mechanism of nuclear catastrophe. However, a number of other reasons exist for which such a catastrophe would sooner or later inevitably occur if the level of nuclear confrontation would remain as high as it is today in the long term. This includes technical errors, false alarms in the warning system of nuclear attack, computer breakdown in controlling nuclear systems, the proliferation of nuclear weapons around the world, the possibility of its use by terrorist groups, the high likelihood of a psychological breakdown should people be faced with making most crucial decisions under situations of crisis, and many others. L. Sennott, professor of mathematics at the University of Illinois, cites in the book data according to which every week there is an average of three false alarms in the U.S. nuclear attack warning system. Between 1977 and 1984 there were 1,152 false alarms in the United States, each one of which, had there been no system of checks and cross-checks, could have potentially led to a nuclear response to a nonexistent "strike." She also asserts that approximately once every 7 years two false alarm signals overlap, which increases the danger of the situation even further. Academician B. Raushenbakh studies another situation, one in which computers and control systems of the confronting nuclear powers work impeccably, "ideally." It turns out, however, that even in that case accurate computer systems could provide a wrong assessment of actions and intentions of the other side and trigger a unsanctioned use of weapons.

"Some types of space weapons," Raushenbakh sums up his thoughts, "will require total computerization. In an instant, in literally a fraction of a second, they will spread destructive energy.... The very existence of mankind begins to depend on computers, on their programs and on the accuracy of these thinking machines.... Under certain circumstances (which no one knows), such logic

could lead us into a war the outcome of which would be the death of mankind. At a point where man may stop the computers will continue to operate, for there is no morality in them."

The authors raise the very timely question that under contemporary conditions parity and approximate equality of the sides in the nuclear missile area no longer offer a true guarantee of security, for the level of confrontation is excessively and dangerously high. The only solution is a real, substantial reduction in nuclear arsenals, a process the beginning of which was laid with the treaty on the elimination of medium- and shorter-range missiles, which was concluded at the Soviet-American meeting in Washington.

In the contemporary world the power of equipment, military above all, as well as industrial production related to it is so high as to become a factor of global significance. V.I. Vernadskiy was the first to draw attention to this circumstance. However, progress in science and technology is by no means fully consistent with the condition of social relations, especially in the area of intergovernmental, economic and now also ecological interrelations. Essentially, we see in the new spiral of development the inconsistency between production forces and production relations in society, contradictions which demand the profound reassessment of our main concepts and models of the world.

A new type of political thinking is developing in the world. However, this is not taking place without a struggle. As the Soviet authors of the book emphasize, the Soviet Union has no "monopoly" whatsoever on the new way of thinking or the only accurate understanding of the laws of the nuclear age. We can only agree with the views held by the authors to the effect that the new way of thinking is developing as an international, global phenomenon, encompassing the ideas, assessments, suggestions and initiatives of scientists and political leaders and is manifested in the activities of public organizations and movements in various parts of the world. Supporters of the new thinking or of some of its provisions may be found in both the United States and the USSR. However, in both countries zealous guardians of the old style of thinking may be found, as well. USSR Academy of Sciences Corresponding Member Anatoliy Gromyko, Belorussian writer Ales Adamovich, Sidney Drell, the noted American specialist on security problems and other authors describe in the book the real struggle of opinions which has developed on the subject of the new thinking, which requires the rejection of many ordinary stereotypes and dogmas in our perception of international problems and in the political, ideological and military areas.

The authors comprehensively substantiate the key principles of the new thinking, above all the need to acknowledge that there can be no winner in a nuclear war and, consequently, that there are no political objectives which could be attained with the use of nuclear weapons. Not only victory but even successful defense in such a war would be possible and, therefore, security cannot be achieved through military-technical means alone. It is inconceivable to ensure one's own security separately from the security of the nuclear "opponent." Security can exist only on the basis of a reciprocal lowering of the threat and as general security on the scale of the global community.

Making the world public aware of these and many other principles of the new thinking requires patient work aimed at developing a new political and psychological atmosphere on earth, eliminating the stereotype of the "image of the enemy," and the changes in the style of activities of propaganda and mass information media. The authors justifiably stress practical ways for the dissemination of the new thinking among the different strata of the world public. The book provides interesting recommendations on perfecting the system of education, imparting knowledge about other nations, politics and history and discusses real possibilities and steps take by social anti-war movements and problems of the social responsibility of scientists, journalists, politicians and men of culture.

This book makes us seriously think of the global scale of the processes in which we, all people on earth, are involved. It makes us think of processes which contain within themselves both the kernels of potential catastrophe, and those of the hope of survival and progress. Strictly speaking, it raises the question of the need for a serious reinterpretation of the entire philosophy of East-West relations and of relations between socialism and capitalism, which are the two social systems which coexist on earth under the difficult conditions of the nuclear age. It calls for a total revision of many stereotypes and one-sided approaches which are no longer operational under the conditions of an interdependent world at the end of the 20th century, and the search of new ways for the sake of ensuring universal security.

The authors themselves describe their book as an "appeal to the times." "Calling for changes in our thinking means acting," they write. "Our dream, our biggest dream is to act, to raise human consciousness to a new and higher level. The prevention of war has become a universal imperative. Global thinking is the answer. Man is the motive force of change. The result will be the preservation and development of mankind."

We can confidently say that with this book Soviet and American scientists have been able to breech the barrier of confrontation, mistrust and lack of understanding, opening the way to an awareness of the global responsibility for the survival and progress of mankind.

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05003

'Responsibility of Science and for Science' Talk with VASKHNIL President

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[Discussion conducted by A. Nikonov]

[Text] [Question] Aleksandr Aleksandrovich, the great names in science are being restored today. This is another feature of our time. We now loudly mention those of Nikolay Ivanovich Vavilov, and Aleksandr Vasilyevich Chayanov and his colleagues of the school of economics. We mention them with complex feelings, happy that they have finally assumed their proper place in our history but also, naturally, as we think of the fate of individuals and of science. What role does the very fact that we turn to those names play in itself?

[Answer] I believe that the question of the responsibility of and for science has been raised with the necessary urgency. Without this we cannot move ahead and be consistent with the requirements of our time and justify the expectations of the people.

In 60 to 70 years our agrarian science has covered a complex and contradictory distance. There were periods of upsurge, when the centers of world science shifted to our country. This was related above all to the activities of Nikolay Ivanovich Vavilov, the great scientist of our century, and his numerous fellow-workers, and the activities of the outstanding and talented Aleksandr Vasilyevich Chayanov and the group of outstanding scientists rallied around him, including Nikolay Dmitriyevich Kondratyev, the great expert in the agricultural market and author of the familiar theory of economic cycles, known in world publications as "Kondratyev's Cycles," Nikolay Pavlovich Makarov, Aleksandr Aleksandrovich Rybnikov, Aleksandr Nikolayevich Chelintsev and many others, whose names are mentioned to this day with reverence in all continents.

However, there were also times when science not only was not listened to but was even kicked around and abused and its most outstanding representatives, at the peak of their spiritual and physical power, lost their lives. Fortunately, this is in the past. The party and society are systematically and courageously rejecting anything which is not inherent in the spirit and essence of socialism.

[Question]In noting the centennial of A.V. Chayanov's birth, we nonetheless know very little about him and his works....

[Answer] This has cost us a great deal. Almost two entire generations in our agrarian science were totally deprived of a most valuable scientific legacy. The organizational-production school of thought, a brilliant representative and actual leader of which was Aleksandr Vasilyevich, originated in 1910-1911 and reached its full completion in the 1920s, i.e., in the period of the most active search of ways and means of socialist restructuring of our agriculture. The range of its scientific interests covered the theory of the toiling peasant farm, the theory and form of cooperatives, the integration of agriculture with other production areas, the theory of agricultural combines, the economics of water resources, the economics and organization of northern farming, optimal dimensions of agricultural enterprises, land taxation and assessment, the organization of public agronomy, budget studies, the farm market, and the agrarian problem as a whole.

A.V. Chayanov's studies on cooperatives are of particular interest. They are based on the features of production concentration and its horizontal and vertical integration with agriculture. Noting the technical and economic advantages of large enterprises, the supporters of this organizational-production school were able to see their weaknesses, caused by the complexity of management and the increased alienation of the worker from the land, which was widely manifested subsequently, in the course of practical activities.

A.V. Chayanov and his supporters believed that anything which exceeded the possibilities of the peasant farm could be provided by marketing, crediting, insurance, and reclamation cooperatives, cooperatives for the utilization of the equipment, etc. They proved that in farming the idea of cooperation was as important as most important technical gains. Naturally, today we cannot agree with all the concepts which were formulated in this area, for life has advanced greatly. Sometimes predilection for various forms of agricultural cooperation led to underestimating the most important among them—production. Aleksandr Vasilyevich himself acknowledged in his last works the expediency of large enterprises in agriculture as well. However, in this case he emphasized the need maximally to take into consideration zonal and sectorial features and a number of other objective factors. The most valuable idea was that man, the peasant and his family, rather than technocratic factors, should be given priority.

To sum up briefly the views expressed by A.F. Chayanov and his scientific school as whole, this were efforts to combine the proprietary attitude of the toiling peasant with the technical and economic advantages of large-scale production on the basis of the comprehensive participation of peasants in cooperatives. Let us point out that the study made by these authors were exceptionally accurate. They used the richest possible factual data and contemporary methods, including mathematics.

[Question]In as much as we know, the implementation of the idea of cooperatives and other steps within the NEP, in the 1920s, led to the fast development of agriculture. Statistical figures confirm that between 1922 and 1928 the growth rates of agricultural output averaged about 10 percent annually, which is a very high result. Obviously, a great deal of the work of the economists in the 1920s proved to be viable and remain relevant.

[Answer] Unquestionably. The critical interpretation of this legacy is quite valuable. The ideas substantiated by A.V. Chayanov are being revived today, when nontraditional forms of organization of agricultural production and cooperation in the agrarian sector are being so extensively developed. We must make consistent the entire mechanism of kolkhoz and sovkhoz management with the democratic foundations of cooperatives. Reality demands new forms of cooperation at the point where agricultural production and processing intersect. We know how high are losses of goods produced by the countryside. The former orientation toward the opening of large processing enterprises primarily in the cities worsened this problem. We have currently initiated a process of establishing agricultural combines and agricultural firms. It would be useful to recall in this connection models of agrocombines developed in the 1920s under the guidance of A.V. Chayanov, and other suggestions which were expressed at that time and, in particular, plans for the organizational structure of kolkhozes and sovkhozes. We must undertake more boldly the solution of problems of cooperation between kolkhozes and sovkhozes and industrial enterprises, and switch from the inefficient traditional sponsorship to long-term mutually profitable relations developed on a contractual cost accounting basis.

In frequent cases the concept of cooperation is interpreted on a limited basis, reducing it merely to cooperative ownership and to enterprises based on it. Unquestionably, this is an important aspect. However, the cooperative is part of the development of production forces in general. It is based on intensified specialization and social division of labor. It is the other side of this process. Cooperative principles are needed as a necessary prerequisite in shaping democratic economic management methods and restructuring economic management in general and the agroindustrial complex in particular.

[Question]Aleksandr Aleksandrovich, to the best of our knowledge, you have studied A.V. Chayanov's life and met with his friends and relatives. What can you tell us about him as a person and a public figure?

[Answer] Aleksandr Vasilyevich was born on 29 January 1888 in Moscow, in the family of progressive Russian intellectuals. His father was the offspring of peasant serfs in the former Vladimir Guberniya where he became a noted industrialist; his mother was one of the first women agronomists in Russia. He graduated from a science high-school and the Petrovskaya Agricultural Academy (today the Timiryazevka), and had practical training in Belgium, Switzerland and Germany, where he studied agricultural cooperation and production economics with the most outstanding scientists of that time. In 1913 he became a docent and in 1918 professor at Timiryazevka and head of department and, subsequently, director of the first institute of agricultural economics in the country, which he had created. Even before the revolution he headed the development of carp-breeding cooperatives in Russia and, under the Soviet system, the agricultural cooperative associations in the country. He was member of the collegium of People's Commissariat of Land and, after his nomination by V.I. Lenin, one of the outstanding scientists of Soviet Russia who became member of the State Planning Commission. Vladimir Ilich knew Chayanov and V.I. Lenin's library in the Kremlin contains seven books written by the young scientist.

Aleksandr Vasilyevich was distinguished by his inordinate industriousness, high standards and supportiveness. His range of interests was quite broad and varied. Suffice it to say that he is the author of a number of works of art, was an expert in the archaeology and history of Moscow and a specialist in Western graphic art. As a person, he could be characterized by features such as the following: the young Timiryazevka students, who had come from even the most remote parts of the country, were taken by him during their first school year to theaters, art galleries and concerts, thus exposing them to Russian and world culture. He helped the needy out of his own pocket. He raised two sons, both of whom participated in the Great Patriotic War. One of them, Nikita Aleksandrovich, who was near-sighted, volunteered for the militia and was killed in 1942....

Today we are celebrating the centennial of Aleksandr Vasilyevich Chayanov's birth, the birth of one of the greatest theoreticians and organizer of agricultural cooperatives. I believe that we shall pay due respect to all members of his school and will publish their works. These people died absolutely innocent, as true patriots and active supporters of the socialist way of development. I emphasize, the socialist way of development based on a strictly scientific and realistic foundation.

The one-sided and prejudiced approach to assessing A.V. Chayanov's views led to the fact that he was accused of being the ideologue of kulak farming. Most fantastic charges were leveled against this agronomist: he was accused of efforts to restore capitalism and almost of trying to wreck industrialization; there was even talk of his efforts to create a "labor peasant party," which had never existed on Soviet territory. The terms "Chayanovism" and "Kondratyevism" became quite popular as political labels in scientific and sociopolitical publications, as something alien and hostile to our system and science.

It has already been reported in the press that last summer, on the basis of a profound, objective and thorough study of the case, this group of scientists and specialists—15 people—was totally rehabilitated. It included, in addition to A.V. Chayanov, noted Soviet economists who actively participated in economic management during the NEP, such as N.D. Kondratyev, professor at the Timiryazevka Agricultural Academy and director of the Institute of Market Prices; L.N. Yurovskiy, professor at the Moscow Planning-Economics Institute and member of the collegium of the USSR People's

Commissariat of Finance; N.P. Makarov, professor and member of the Land Planning Presidium, RSFSR People's Land Commissariat; A.N. Chelintsev, professor and consultant for the planning and economic administration of the RSFSR People's Commissariat of Land; Professors L.N. Litoshenko, L.B. Kafengauz and others.

Why are we turning to those people today? Not only for the sake of restoring justice although understandably this is very important. It is inadmissible to repeat the bitter errors, the consequences of which were so harsh. In 1930 the supporters of the organizational-production school, leaders in world agronomy science, were arrested. Subsequently, all scientific institutions of this kind were closed down. Economic thinking could be found in VUZs only and only individual areas were developed, such as statistics and sectorial economics. Any authoritarian statement which, essentially, was a comment on the latest slogan, was considered scientific; anything else was, at best, described as ad-libbing. It was in that spirit that, as I already pointed out, almost two full generations of economists were raised and, to this day, the situation in this area in our country remains difficult. We must surmount a historical lag. This applies to every one of us, regardless of age, status, position and title. The heavy burden of the past must be lifted. We must develop theory and change our attitude toward the science of agrarian economics.

[Question] You are the head of VASKHNIL, the history of which includes both impressive and rather sinister pages. What are your conclusions from the study of the experience of the past and the specific facts we are mentioning? What is today, under the conditions of the renovation of society, and the assertion of a creative atmosphere, your credo in terms of the organization of science?

[Answer] The first and most important is to value and take care of people, to make efficient use of their work. In science, as in any area of activity, everything is decided by man, with his intellectual, moral- ethical, political and business qualities. We must seek talent. This is the key to success. Even 100 or 200 ordinary workers cannot take the place of a single Vavilov or Chayanov. Such people must be sought in the schools, the moment they enter the USSR Academy of Sciences Siberian Department, and among first-year students in universities and institutes. This is the duty of our scientific institution, of every scientist. We must rapidly catch up with our lag, for science becomes obsolete, for science here is aging and we have had a break in the continuity of generations.

We are currently restructuring the system of cadre training. We have been given the right to accept every year for postgraduate studies as many as 1,000 production specialists who have shown an inclination and talent for scientific work and pay them their full salary while they are in training. We are developing doctoral studies. Training time has been increased (by 1 to 3 years) at the best institutes and universities throughout the world. However, it is important to select people who are young and curious, who know foreign languages. Incidentally, this latter fact is still hampering us greatly. More than half of the scientific publications in the world are published in the English language.

I believe that we bear particular responsibility for the type of scientists we train in our country. The majority of scientists are honest, modest and hard-working people. However, the deep wounds of the past, the command style in science and the death of outstanding scientists have left their black mark. Science as well has been penetrated by a certain percentage of mediocre people, time-servers, toadies, prepared "scientifically" to substantiate any fashionable slogan. In some cases they have tried to make use even of glasnost for demagogic purposes. It depends greatly on us for honesty and decency to be as inherent in a scientist as a broad outlook and a liking for research. Morality in science is no less important than intellect. Nikolay Ivanovich Vavilov said that people who have the genes of "decency" must work in science.

[Question] Support and service to science and truth and a scientific school: Does it seem to you, Aleksandr Aleksandrovich, that we have somehow become unaccustomed to such concepts?

[Answer] Nonetheless, they are being asserted in a certain type of atmosphere. The second conclusion, the second lesson from our past which, I believe, will be of use both to the present and the future, is to prevent any kind of monopoly. Whereas in economics monopoly leads to stagnation and decay, as was convincingly proved by V.I. Lenin at the turn of the century and, as we see today, this applies to both capitalism and socialism, in science it is much more dangerous.

Science can develop successfully under the conditions of unfettered thinking, daring searches and free debates. Science is degraded when it is subject to command. We still remember Lysenkovism and the abusive meetings with curses addressed at the "Weismanists-Morganists," not to mention the anathematizing of the "Chayanovists" and "Kondratyevists." I have frequently witnessed rude, unrestrained and insulting speeches made by T.D. Lysenko against his scientific opponents. None of this vanishes without a trace or contributes to the growth of the intellectual potential of society and the enhancement of its moral standard.

In the distant past, judging by numerous memoirs and recollections, informal contacts were popular among scientists in our country, involving discussion of scientific and other problems. There were popular "Wednesdays," "Fridays," "Saturdays," and so on, during which scientists met over a cup of tea. At such meetings and informal discussions of problems, frequently trains of thought were developed around a major scientist, and promising areas of scientific research took shape. To this

day informal seminars are popular among our physicists and mathematicians. Naturally, this is by no means the only way for contacts but nor should it be neglected. In my view, any way which asserts the spirit of creativity and the competitiveness of ideas and opinions is important, along with a sympathetic attitude. An intelligent leader in science always has students, fellow-workers and opponents. He is always democratic and principle-minded. It is precisely thus that true scientific schools are established. Today, however, we are quite short of modern scientific schools aimed at solving new problems.

The third necessary conclusion is to make most active use of global experience. The country has paid dearly for its past isolation. Need we prove how important knowledge of the contemporary condition of global science and practical relations with research collectives and best foreign institutes is to a scientist? This is the richest possible source of upgrading theoretical standards, for science is essentially international.

Let us point out that for the time being we are displaying a very phlegmatic attitude, inertia and red tape in this area. Short-term scientific "tourism," predominates, although what is needed is joint work. Today the atmosphere for cooperation is very favorable, particularly with the socialist countries. Last summer the first working meeting of presidents of academies of agricultural sciences and other heads of agrarian science in the socialist countries was held in Krasnodar Kray and we reached agreements on a wide range of problems, such as widening the network of joint laboratories, collectives and enterprises, practical training of young scientific associates, development of scientific instrument-making on a cooperative basis, creation of an international institute based on our All-Union Scientific Research Rice Institute, and so on. Some of these suggestions have already been implemented.

Each of the socialist countries has projects in areas in which they have become far advanced and the mastery of which leads to substantial growth of output. In Hungary, for example, systems studies have been actively developed and production systems are successfully functioning; the GDR has achieved major successes in agricultural mechanization and the efficient use of resources; Poland is ahead in truck gardening, selection and technology for the cultivation of rapes, potatoes and triticale; Bulgaria has developed viticulture, fruit growing, and selection and technology for the cultivation of sunflower. China has developed a good family contracting system based on lease and cooperation.

Great possibilities for fruitful cooperation exist with the nonsocialist countries as well, which have major scientific potential. This applies above all to the United States, Canada, the FRG, France, Great Britain, Italy, Sweden, the Netherlands and India. A group of scientists is successfully working at Iowa State University (United States). It was organized by Professor Earl Heady, who died recently, who was a major specialist in agrarian economics and econometrics and a foreign member of VASKHNIL. Very interesting work is being done there in modeling farm systems based on production intensification, environmental protection and increased ties with the market. In his time, Earl Heady and his students had expressed the wish to cooperate more closely with VASKHNIL and its institutes, above all the All-Union Scientific Research Institute of Cybernetics and the Stavropol Scientific Research Institute of Agriculture. We have already signed a contract to this effect. Such cooperation promises to be mutually profitable. Many such examples can be cited. This area will be expanded comprehensively.

[Question] Today we are speaking of the need for a "breakthrough on the theoretical front." In defining the components and ways and means of upgrading the theoretical standard of scientific work in terms of agrarian and, in particular, agroeconomic science, what is the factor you would particularly single out?

[Answer] In my view, this involves the systematic use of the dialectical method and the systemic approach based on it. We are suffering great losses in science and production from violations of the principle of integrity and system. Life provides a daily and a comprehensively large number of examples of this. Let us consider our mechanization. In terms of the availability of power machinery per working person, power-labor ratio is growing rapidly while labor productivity is developing more slowly: currently as many as 70 percent of the people in kolkhozes and sovkhozes are engaged in manual labor. This is due above all to shortages of power machinery attachments. Or else let us look at reclamation. Substantial investments have been made in reclamation although in frequent cases returns have been low. Here as well the reason is the violation of comprehensiveness: hydroeconomic construction is not combined with other types of reclamation. The same could be said about the benefits of chemical fertilizers, particularly in the Nonchernozem areas, where such fertilizers are applied in acid soil which mandatorily needs liming before any fertilizer has been applied; or else consider the animal husbandry complexes which, in their time, cost tens of billions of rubles to set up. In the tremendous majority of cases expected returns did not come about, for quite frequently the projects had not been completed and it is this that holds back, reducing to a minimum the overall level of capital returns. Even intensive technologies, on which we place great hope with full justification, are not successful everywhere, for the same old reason: a link in the chain has either fallen or proved to be weak. This pertains most frequently to the protection of plants from pests and diseases, or else it is a question simply of low technological discipline.

In the majority of cases the reason is delayed procurements of one type of resource or another and lack of organization in the production process. Quite frequently, however, the fault is in the plans themselves which suffer from the superficiality of the scientific concepts

they include. The scientific institutions of VASKHNIL and Gosagroprom are engaged in numerous studies on a great variety of problems. It could be said that we have advanced quite well in the division of labor. Matters are much worse when it comes to cooperating, to the creation of a single entity from a number of parts, which would encompass the full specificity and variety of components. In short, unfortunately systems approaches have been mastered by no means by all scientists and scientific collectives. Yet this is the key to efficient scientific work, for without this it is difficult for science to have any noticeable influence on production. Nothing worthwhile can be obtained from scattered pieces. Whereas in this case the methodological foundation consists of a systems analysis, programming and mathematical modeling, the material and technical base consists of computers. For that reason, before supplying the production units with electronic equipment, which is already being done, it is important above all to supply such equipment to the scientific institutions.

[Question] Speaking of the socioeconomic problems of the countryside, what, in your view, demands the particular attention of science at this juncture?

[Answer] As we know, the task is to combine the possibilities of large-scale public farming with that of collective and family contracting. VASKHNIL scientists are doing extensive work in this area which will become a priority target in the activities of the academy's economic institutions. We proceed from the premise that for the time being there are no more efficient means of stimulating production activities than cost accounting and contracting. Under conditions in which labor has not become a prime vital necessity, the objective need for material incentive remains: efficient work for society can be achieved only by working for oneself. Cost accounting and contracting are the forms of such work providing that they are real and not on paper only.

This concept is by no means questionable. However, it has been excessively narrowly interpreted and its practical implementation is conducted on a formal basis. To begin with, in frequent cases contracting has been reduced to its large forms: brigades and links. The other methods—individual, small-group and family—have been ignored and given a nonsocialist interpretation, although they are the base for everything. It is now clear that all types of contractual relations must be developed, based on specific regional economic, social and demographic conditions. Nor should there be any stereotype in the quantitative structure of the subunits. Second, contracting should not be considered merely a form of wage organization and labor. It is a specific system of production management, which radically changes the socioeconomic status of the working person, turning him from a daily laborer to the master of the production process. Contracting collectives must be given long-term assignments or leased land, equipment and other material and technical facilities. Their autonomy, rights in planning their work system, distribution of earnings, hiring and firing people, and handling of economized resources must be broadened. Without all such elements no real contracting can exist. The experience acquired in the past 2 to 3 years proves that intensive labor collectives and family and small-group units have proved to be particularly efficient; here there is no anonymity but personal responsibility, organization and psychological compatibility.

Improvements in the structure of agricultural enterprises contribute to the development of real contractual relations. Gradually, kolkhozes and sovkhozes will become real cooperative associations of autonomous contracting primary labor collectives, operating on the basis of internal cost accounting. They will assume agroindustrial features and become not only producers but also processors and merchandisers selling their goods directly on the agricultural commodity markets.

In this connection, agrarian economists must solve difficult problems on developing theories related to the economics of the contemporary agroindustrial enterprise. Reality has already given examples of such enterprises. As KOMMUNIST wrote, agroindustrial firms, agrocombines and rayon agroindustrial associations are successfully operating in many parts of the country.

Naturally, problems of enterprise economics, development of cost accounting and contracting must be considered as interrelated with improvements in production relations and production forces within the agroindustrial complex. The APK is a unique national economic system, not only because of the role it plays in the economy and in increasing the country's national wealth but also because it is essentially the first organized intersectorial complex. The processes of intersectorial interaction which are taking place here and the experience in managing them provide valuable information for other sectors in our economy where such systems have begun to operate after it or are only being set up. The creation of such complexes is a legitimate stage in socialist socialization. That is why the works of agrarian scientists in this area are of general economic significance.

[Question] Aleksandr Aleksandrovich, we frequently hear that science is considered as being too utilitarian...

[Answer] We cannot fail to be worried by the primitive, the simplistic attitude toward science which is sometimes displayed. In some cases, to this day scientists are given the role of representatives in charge of various economic campaigns and forced to write all kinds of papers for the administrative authorities, thus converting scientific collectives into "managers." This is an extremely inefficient utilization of scientific potential. Who will engage in research and who, finally, will submit works for practical use? Such an approach, the aspiration to turn scientists into pushers and scribes, could lead to the elimination, to the death of science. Fortunately, such liquidationists are few and it is not they who make the weather. Today this will not take place also because

science is converting to cost accounting and it will no longer be possible to issue orders to scientists. They must be given instructions and create efficient projects.

[Question] In this respect as well questions have been raised as to whether cost accounting will hinder intensified basic research and the development of theory as such.

[Answer] This will not take place. I can say this quite firmly. The conversion of scientific subunits to cost accounting does not exclude budget financing. Resources allocated from the budget are to be used precisely for basic work and for most important applied research in accordance with union, republic and zonal programs. The state budget will finance projects which cannot yield instant results, which cannot be assigned by an individual kolkhoz or sovkhoz, agrocombine or association, but without which specific individual projects cannot be completed. This applies to theoretical research mainly of biological, economic and technological nature. Funds for basic research will be concentrated within VASKHNIL, while funds for applied research will be managed by the authorities of the agroindustrial complex.

I would like to point out the entire importance and difficulty of the forthcoming serious economic restructuring in science itself, in connection with its conversion to cost accounting. One of the most essential features of this restructuring is that a scientific development becomes a commodity which has both value and price. In this connection a number of not only theoretical and practical but also, I would say, psychological problems arise. Economic managers have become accustomed to free scientific services. They will have to learn to work with science in a different fashion. Henceforth relations with scientific collectives will be based on contracts entailing reciprocal responsibility and it will not be a question of simply issuing a scientist an assignment related to the latest campaign. Payments will be required for scientific services and such services will no longer be as inexpensive as some people would like to think. Typically, this was pointed out by Marx himself. He emphasized that "the product of mental work—science—has always been valued much lower than its worth, for the reason that the working time needed for its reproduction bears no comparison with the working time required for its initial production" (K. Marx and F. Engels, "*Soch.*" [Works], vol 26, part I, p 355).

Hence the practical problem of assessing scientific work. This must be based on agreements with the customers, cover costs and yield certain profit in order to set up economic incentive funds. Theoretically we must substantiate the fact that the production of ideas will become a most important area of economics. It is important not only to identify the objective processes but also to depict their long-term development trends. Forecasting is one of the main functions of theory. Incidentally, in his time Nikolay Dmitriyevich Kondratyev paid a great deal of attention to scientific predictions.

[Question]Clearly, this new status of science will require new organizational structures. In your view, what are the most important features which would characterize such organizational restructuring?

[Answer] Above all, the creation of sectorial scientific complexes, based on the leading union institutes of VASKHNIL, the USSR Gosagroprom and the other APK departments. This is a very important and essential decision, which enables us to concentrate our forces along the basic directions. Eighteen such complexes are being organized on the union level. We are currently refining the structure of each one of them and selecting managers. Such units must be headed by universally acknowledged and most prestigious scientists and leaders in the respective sectors.

Particular attention is being paid to the regional level. A Far Eastern Department of VASKHNIL is being created because of the great importance of this area to the country's economy. Scientific support centers are being set up in union and autonomous republics, krays and oblasts, under the agroindustrial committees. They will rally the efforts of all scientific institutions of the area, regardless of departmental affiliation. Their task will be to draft programs and provide methodical guidance to the scientific network of regional APK and thus become part of the production process and engage in serious studies of sectorial and, wherever suitable cadres are available, in basic research. This link within the system of scientific support is very important, for it is at this point that science directly integrates with production.

Extensive work remains to be done to perfect the organizational structure of the scientific research institutions themselves. For many long years we made arising problems fit existing institutional structures. Life proved the advantage of having temporary comprehensive collectives set up to solve intersectorial problems and a conversion to planning and financing research starting from the bottom, on the basis of programs and tasks.

The VASKHNIL Presidium itself is reorganizing its work. It has become smaller and the number of its subdivisions has been reduced by more than one-half. The academy must become in fact the highest center which would provide scientific support to the country's entire agroindustrial complex.

[Question] Aleksandr Aleksandrovich, we spoke extensively of problems, tasks and plans. A great deal is already beginning to be implemented and, in all likelihood, there are matters which still sadden and concern you. Which are those that please you?

[Answer] I am very pleased by the clearly increased interest in science, the need for it and the eagerness to use it. I am not referring exclusively to frontranking kolkhozes and sovkhozes, which traditionally cooperate with scientists on a true partnership basis. Today contracting collectives themselves are beginning to gravitate toward science and toward mastering all of its progressive aspects, for it is this that ensures their efficient work. As production intensiveness grows and with the transition to economic management methods the people are increasingly realizing that it is difficult to advance without science. The need for science has increased particularly in the new agroindustrial formations, such as agrofirms, agrocombines, cooperative associations and intensive labor collectives. These are no longer satisfied with the level of knowledge of their own specialists and quite legitimately submit requests for intensified large-scale projects. We already feel that we have an obligation to managers such as Vasiliy Aleksandrovich Starodubtsev, Mikhail Mikhaylovich Lomach, Albert Ernestovich Kauls and many others, who are blazing new paths in Soviet rural economics. We want to cooperate with them as well.

Today the life and successes of any one of our collectives increasingly depend on its type of scientific output. Here as well differentiation and perhaps even polarization are inevitable. No one will need a weak collective with weak, poor and petty and inefficient projects. There will be an end to equalization. There will be competitiveness.

That is why one must be strong both scientifically and organizationally and ensure the high quality of developments and not merely their number. Does this come easy? It is very difficult and our life will obviously not be easy. But then no true scientist has ever sought an easy life.

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Psychology of Social Inertia

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[Article by Igor Semenovich Kon, doctor of philosophical sciences, professor, leading scientific associate, USSR Academy of Sciences Institute of Ethnography]

[Text] Restructuring is frequently compared to the NEP. However, the NEP offered to the people a partial return to the system of motivations and incentives with which they were well-familiar and accustomed, a system in which they had been raised and had lived for centuries. No psychological restructuring was demanded of them. Today's policy, conversely, presumes the elaboration of a new style of social behavior which greatly conflicts with the practical experience and motivations and activities of the two or even the three last generations. Can we accomplish this, and how much time will such restructuring demand? In order to answer such questions we must reject the idealistic shining image of the "new man," possessing nothing but virtues. We must take a sober and critical look at ourselves and pay particular attention to the psychological mechanisms of social inertia which lowered the pace of restructuring and threatened its very existence.

Social behavior can be assess quantitatively, according to the nature and trend of such activities which could be constructive or destructive, conscious or subconscious, etc. Both depend, first of all, on the social structure of the society; second, on its cultural and value orientations, including the standards of the individual and concepts concerning what an individual should or should not be; third, the concepts, style of thinking and self-awareness of specific empirical individuals. Real social behavior is richer and more varied than the demands of the social structure and the standards; it contains important sociogroups and individual variations backed by a variety of interests.

For example, glasnost is objectively needed by the entire society and without it the timely detection and elimination of contradictions and shortcomings is impossible. However, journalists, writers and social scientists are also professionally and directly interested in it, for without freedom of speech they are simply unable to work, whereas those employed in the administrative apparatus and who are frequently targets of social criticism would prefer to consider some problems behind closed doors. "Bawlers," who detect heaps of crucial and difficult problems, are viewed by them as irritating and "obstructing their work."

Contradictions exist also within the spiritual-ideological area. What would be considered as the "end result" of such activities? Could it be their direct influence on the masses? Could it be the appearance of the new vision of the world which only our descendants can properly evaluate? Or could this be in itself the example of the selfless and uncompromising search for the truth? The politician, the ideologue and the journalist cannot fail to take into consideration the way a given idea expressed today, in a given situation, will be perceived by the masses and the ancillary consequences it could trigger. The inability to accomplish this is an indication of professional unsuitability. An artist or a scientist proceeds above all on the basis of his own internal understanding of the truth and laws of his craft. However, he is not relieved from his duties to the present. It is very difficult sometimes, even within oneself, to determine whether the sneaky wish to please superiors does not affect one's understanding of current events! The more so since superiors and their understanding are also part of the objective reality we experience.

Inertia is a natural companion of motion and rest. Unlike a hindrance aimed at slowing down **already**

existing motion and which requires special efforts, inertia in itself, automatically **continues the old process.** The combination of inertial processes and deliberate hindrance if very dangerous. What are its sociopsychological causes?

They are found, above all, in the depersonalization of social life and the underestimating of the individual-private principle of life. For many years human individuality was systematically belittled and suppressed under the banner of the struggle against individualism. In economics this contributed to wage equalization, the elimination of the elements of healthy competition and the substitution of formal ritual actions for socialist competition. In politics it meant the bureaucratization of social life and the concept of the individual as a "cog," automatically operating in an impersonal machine-society mechanism. The category of human rights, historically and logically related above all to the idea of the social protection of the individual, was occasionally pushed behind the enumeration of the individual's obligations to society.

Bureaucratic rules, combined with a primitive mentality of barracks communism, the essence of which, as Marx said, is "universal and structured as the power of **envy,**" drilled into the mass consciousness a suspicious-cautious and hostile attitude even toward individual differences which did not affect any public interest (such as the way of dressing or hairdo). Even to speak of oneself in the first person was considered, as was the case in ancient societies, unseemly. Yet the power of the collective rests in the variety and wealth of the individuals who make it. A philosopher was once asked: What is more important, the group of the individual? Naturally, the group, the philosopher said, but only if it consists of individuals, for the sum of the units is always greater than the unit while the sum of zeros always equals zero. The seemingly modest "we" enables us to hide behind someone else's back, to take credit for someone else's actions and to avoid individual responsibility. The fly sitting on the horn of the ox also said: "We plowed."

The deindividualization of social life contradicts the very foundations of Marxist philosophy. It was no accident that starting with the mid- 1960s, in our philosophy and social science as a whole an intensive interest in the problem of the individual appeared and kept growing. The emphasis on the value of the individual-personal principle under the conditions of the growing bureaucratization of society carried within itself the charge of social criticism, forcing the people to think of the extent to which their real life was consistent with the publicly proclaimed standards. However, since this contradiction was not only formulated but, conversely, there also was the assertion that in our society, unlike all other societies, everything involving the individual is as it should be, to a certain extent such works were of an apologetic nature: if the existing conditions were the kingdom for the comprehensive development of the individual, what else was there? The more enhanced the concept of the individual became, the more naive and chimerical appeared both the concept and everything associated with it. The more down-to-earth and initially seeming even mechanistic role concept according to which the individual always plays a given social role, for which reason the correlation between this role and the "I" is always problematical and must be thought about, was much more realistic and it was precisely for that reason that it was subject to attacks, particularly if such contradictions were detected in Soviet reality (as in the notorious story "Levers" by Aleksandr Yashin).

The inevitable companions of depersonalization and deindividualization were an inflated feeling of one's own helplessness and social apathy, which was closely related to it. If I am unable to exercise my own individuality and everything which I accomplish can be done as successfully by someone else—"no one here is irreplaceable!"—why try at all? The simplest solution of this concept is lowering the level of social aspirations and needs, or else privatize them, reduce them to strictly personal interests which can be satisfied despite and outside social activities. The socioeconomic reasons and consequences of this— "no one needs anything" and "the hell with everything"—are universally known. What is important, however, is also to understand their psychological origins.

Any socially significant result demands collective efforts, organization and discipline. However, no collective action is possible without individual initiative and energy (all new ideas originate in someone's head). By belittling individuality, imperceptibly to ourselves we turn from a revolutionary-transforming system of value to a conservative- stationary one. The values of tranquillity and inertia clearly prevailed over the values of renovation. In all areas of life anything that was new and unusual became suspicious. In literature and art an orientation toward the classics became the inviolable norm, toward something already established and time-tested. Yet the classics are a retrospective concept. That which is today considered classical was once an innovation, a daring protest to the dominant aesthetic canons. Having converted the peak accomplishments of human culture into mandatory standards, dogmatic criticism systematically used them to destroy any new trend in art. The blend of selfish interests by imitative artists (who can blossom in the absence of real competition) bureaucratic methods in art management, which demand rigid standards (how can one manager without strict instructions!) and underdeveloped mass taste which developed mandatorily on the basis of yesterday's art, seriously hindered our artistic development. At the same time, they undermined respect for classical works for it is impossible to love that which is instilled and supported through coercive and administrative measures. That same respect for authority and fear of novelty were established also in science, in the social sciences in particular. Although quotation-mongering had always been abused, it was the only defense against accusations of "originality" and heresy. Any effort to review a

developed concept was considered revisionistic; although rhetorically condemned, dogmatism was considered an entirely forgivable shortcoming and almost a proof of reliability. Forbidden areas were established not only in the press but also in the mind.

Bureaucratic-conservative principles also penetrated our concept of what is a good person. In order to advance in the service and be liked one had to be modest and not thrust oneself forward. I am not against modesty as such and I distinguish between the aspiration to prove oneself and careerism. Nonetheless, I must point out that obedience is valued in our country sometimes more than initiative and enterprise. A person who has spent long years of work at the same place automatically triggers in us a positive feeling although it is entirely possible that this was merely the result of his overall passive attitude. Conversely, people who change jobs automatically become suspicious, and considered either rolling stone or careerists. Although justifiably we reward workers for long years of service, we do not always pay adequate attention to the quality of their work. Formal and averaged assessments, starting with the school, favor the blossoming of mediocrity and dullness, to the detriment of talent. Service promotions must also be awaited patiently, leaving them to the judgment of the superiors. An innovator who objectively is bound to clash with a conservative surrounding is frequently ascribed, both by superiors and fellow-workers, negative moral qualities such as grubbiness, careerism, disrespect toward his elders and, it goes without saying, lack of modesty. In discussions about the family once again the stability of a marriage is given priority. It is only of late that we have begun to realize that the main factor is the quality of family life, which also determines the stability of the marriage. Such a conservative- protective system of guidelines was judged convenient by many. Convinced, on the basis of their own or someone else's experience, that individual initiative is quite frequently punishable or turns into hopeless efforts, the person will choose the path of least resistance.

By reducing the level of one's own aspirations to a minimum, one seeks other ways for self-realization. For some, this will be some kind of esoteric spiritual quest or attraction for oriental mysticism or simply a hobby. Others will resort to primitive acquisitiveness: a dacha, a video, etc. Although these methods are essentially different, they are linked by a common feature, the philosophy of withdrawal, of escaping reality, and a search for self-realization not through social change but away from it. Now, when the renovating society calls for social activeness, it frequently hears the following answer: Why do I need this? I am well off as it is. And even if things are bad, it is better to do less than to apply some effort. The old, the customary and the familiar appear more attractive than the new and the unknown. The stationary, the passive model of man is the payment for reduced individuality, bureaucratization of social life and nonfulfillment of promises.

The principle of collectivism as well is subject to deformation. As A.S. Makarenko wrote, "The most real form of work with the individual is retaining the individual in the collective, retaining him in such a way that he will consider that he is a member of the collective on his own free will—voluntarily; second, for the collective voluntarily to include this individual" (A.S. Makarenko "*Pedagogicheskiye Sochineniya*" [Pedagogical Works], vol 1, p 139). However, membership in some of our public organizations is purely formal, nominal. Belonging to such an organization is of no essential significance to the individual. He feels no personal responsibility toward it. However actual production, school or other collectives, can successfully function only under the conditions of democracy. It is no accident that Makarenko sharply contrasted conscious discipline in surmounting difficulties and advancing on the basis of prohibitions to a discipline of coercion, which triggers in some people passive obedience and conformism and in others a spontaneous anarchic opposition to collectivism as such.

Conformism occasionally seems a simply immature, an imperfect form of collectivism. Actually, it is much closer to individualism. Both rest on the concept of the collective as an outside force. The only difference is that some try to fight it while others obey it passively. It is frequently said that "the collective is always right and those who oppose the collective are individualists." Actually, the conformist simply hides behind the general view. He is always with the collective simply because this is more peaceful and safer. Such tranquillity is a kind of betrayal of one's comrades and oneself.

Let us deliberately take a simple example. A meeting is held at which a personal case is discussed. If I were to determine someone else's fate alone, in all likelihood I would think about it at length, I would consider arguments "for" and "against" and even after making a decision I would think of its consequences. However, when I am part of a hundred people, I do not even listen to the essence of the matter, relying on the majority, for "the people see better." The other 99 people, however, could act like me. As a result, a unanimous decision is adopted, for which no one individually holds the responsibility. And should it turn out later that the decision was wrong, everyone can say with a calm conscience that "we did not know, we did not study it, we trusted others." But then is there in practice such a great difference between the indifferent individual who did not wish to know and the coward who knew but feared to speak out? Collective decisions without individual moral responsibility can easily turn into a form of collective irresponsibility.

Experimental studies have indicated that it is difficult for the individual to counter the pressure of group thinking even if it is a question of neutral and insignificant matters such as comparing the length of some items. But what if a major political problem is under discussion? In 1937 and in the tragic moments in our history which followed, there were many people who knew, who

could not fail to understand that what was happening was wrong. However, they feared (quite justifiably) to express their opinions and, in order to preserve their self-respect, kept convincing themselves that everything was as it should be, that no other way was possible, and kept supporting this forced conviction for decades, avoiding any information to the contrary.

People react differently to their differences with the collective. Some try to adapt at all cost, to be like the others. Others try to have their own views accepted as the view of the majority. Others again promote a conflict, trying to change, to reorganize the general situation in accordance with their own convictions. The question of "individual and the group" turns into the question of "majority and minority." Influence in the group does not flow only downward and from the majority to the minority, but in the opposite direction as well. The solution of conflicting situations which arise in this connection depends less on the numerical majority than the degree of activeness of the people who have made a suggestion and their ability to lead those who hesitate. This is confirmed also by the history of all political movements, including that of bolshevism. How frequently V.I. Lenin was initially in the minority and, subsequently, was able to persuade and win the party and the masses over on his side! Replacing unity with monotony and fear of thinking differently as well as labeling any united minority with the scourge of "group-mongering" inevitably leads to stagnation, conformism, violation of democratic norms and manipulation of the consciousness of the members of a passive or, sometimes, even fictitious majority. However, it is difficult to eliminate the existing inertia. People who have become accustomed to remaining silent and to giving their assent even in most critical situations prefer to sit back and wait, concerned less with formulating and defending their own views than with being "in the mainstream," anticipating the decision of the superiors or the majority. As was pointed out by an old philosopher, nothing contributes so greatly to spiritual tranquillity than the total absence of a personal opinion.

The nature of social behavior is closely related to the features of the style of thinking (the cognitive style) of the subject. For quite sometime psychologists have distinguished, both theoretically and experimentally, between two opposite types or styles of thinking: the open, flexible, creative and divergent, and the closed, rigid, dogmatic and authoritarian. The former is distinguished by its flexibility, lability and the aspiration to see behind the ready-made formulas existing problems and the understanding that a given problem can be formulated and solved differently. The second is characterized by the strictness of concepts, refusal to accept new information, and support of already accepted stereotypes.

The style of thinking of the specific individual is determined by a variety of reasons: innate ability of the mind, style of training and upbringing in early childhood, nature of labor and social activeness, accepted standards, and many others. However, although the correlation among such factors is problematical, it is unquestionable that flexible and independent thinking, as well as the very need for freedom and self- government are shaped only in the course and under the influence of an independent activity, labor and training above all, free from petty control and supervision.

Creative thinking always presumes the existence of choices among which one can and must make a selection, whether this applies to actions or information models. It is precisely this that is catastrophically lacking in our educational system. The petty supervision exercised initially by parents and subsequently by teachers restricts the possibility of the child to engage in independent actions, the consequences of which must be borne by itself. The dogmatic style of training, aimed primarily at transmitting and mastering ready-made knowledge and based on models (rules of grammar, elementary mathematical problems), to which only one answer is possible and one solution is right, while all others are wrong, also contributes to shaping a black and white outlook. Such one-sidedness is expanded and intensified by strict doctrinairy cliches in which everything has its proper place and no different and more complex assessments are possible. Under such a system we obtained little information about other ways and styles of life different from ours (as S. Kondrachov wrote in KOMMUNIST (No 14, 1987)); if such information was provided, as a rule it was accompanied by negative assessments. A person accustomed to receiving directives became convinced that if something was good something else was mandatorily bad. In some relatively simple situations and tasks such logic is entirely accurate. Under more complex circumstances, however, it leads to a dead end. As M.S. Gorbachev justifiably pointed out in his speech at the meeting of representatives of parties and movements, the "arrogance of omniscience, related to fear of one's ability to master new problems and proves the durable custom of quickly rejecting a different viewpoint."

This tendency is worsened by the fact that in frequent cases the person who originates it, friend or enemy, becomes more important than what is being said. A dual psychological filter is developed which does not let the mind accept anything that is essentially unusual and nothing which may come from an outside source. Furthermore, social stereotypes have the capacity of self-reproduction. Since people perceive phenomena in their integral and systematic way, extending the implied features of the whole to all of its elements, all we have to do is see one feature of a social stereotype for automatically to project it to all other. This is the power of the customary primitive cliches. You hear the words "sexual interest" and the image which immediately arises in the mind is "unhealthy." You hear the word "modernism" and your memory immediately brings forth "reactionary." We know perfectly well that the "obedient" child is not necessarily a good child and that a "good child" is not always obedient. However, since obedience is an

important element in the expected behavior of a good child we frequently lump these features together. And what a great number of naive and entire false stereotypes exist concerning the characteristics of different nations and ethnic groups!

A person who has been programmed for a black and white perception of the world would feel tired and irritated and consider as a challenge any multiplicity of colors, even if this does not affect his personal interests. Authoritarian thinking combines a respectful-uncritical attitude toward authority and, after information has been accepted from an authoritative source, extreme intolerance of and hostility toward anything which conflicts with a customary system.

Loyalty to principles and firmness of conviction are outstanding qualities. However, unless combined with creative thinking, they convert into their opposites. At sharp turns in history people of this type either collapse or provoke totally useless social conflicts, particularly with the young.

The gap between official and unofficial relations and a large number of prohibited words have led not only to a disparity between words and actions but also to a peculiar phenomenon of doublethink: one word may be given different meanings and the same person, depending on the situation (at a meeting or at home) would support directly opposite ideas with the same sincerity (let us recall once again Yashin's story "Levers"). The problem remains topical to this day. Why is it that our people so unanimously adopted the idea of restructuring? Naturally, because it expresses their profound needs and expectations and is conceived as a return to the Leninist standards of social life. However, we must also not forget the old custom of publicly approving, not necessarily out of fear but also not necessarily as motivated by one's conscience, any initiative coming "from above," without investing any particular efforts in its implementation. As the reform is being applied, the differences between such types of "approvals" will become increasingly apparent.

Awareness and feeling of social responsibility are key problems of the mentality of restructuring. The range of such responsibility (of social relations for which the individual feels personally responsible) and its extent (degree of such responsibility) depend on objective as well as subjective circumstances. As a rule, a person feels responsible only for processes and actions in which he participates more or less actively and has the opportunity to make a choice. In the course of sociological surveys, when it was detected for the first time that workers feel greater responsibility for their direct labor activeness than for the management of the enterprise or the destiny of the country as a whole, there were those who were shocked. However, nothing else is possible: that which I do myself depends much more on me than that which is decided regardless of my own views or if my own voice is only one of many. The only way of enhancing the feeling of social responsibility is to broaden real and true democracy and self-government.

Here as well certain psychological laws operate. Attribution, ascribing responsibility depends on the following: a. The degree of freedom and activeness of the subject; b. On whether or not the subject evaluates his own or someone else's actions; and c. On whether or not such actions and their results are positive or negative. Actions committed by someone else are perceived and assessed differently from one's own. This is natural, for we can judge of someone else's actions only as outsiders, whereas our own motivations are known to us from within. However, the interpretation of an action also includes a judgmental element. That is why we tend to justify our own unseemly actions by quoting objective circumstances or ignorance: "it so happened," "I was pressured," "I had no idea that this would happen." When something similar is done by someone else, most frequently his subjective features, malicious intentions, and so on are emphasized: "he pursued selfish objectives," "he wanted to harm," "generally speaking, he is a bad person." These petty and mostly subconscious psychological tricks help us to increase the other person's and reduce our own responsibility, thus enhancing our own self-respect. When it is a question of positive actions and accomplishments, the style of attribution changes: our successes appear the consequence of our good will and conscious efforts while those of someone else, the result of going along and the development of circumstances.

Naturally, not everyone thinks this way. Psychology makes a very clear distinction between people who tend to be "externally accusative" or "self-accusative" (the first blame all troubles and unpleasantness on others, while the second blame themselves), as well as between "externalists," according to whom the world as a whole and their own life depend essentially on external forces and conditions, and "internalists," who believe in self-control and self-regulation and who try to make them maximally efficient. However, individual differences become most noticeable "at their extremes." By and large, attributive illusions are quite widespread and related to the dominant style of social thinking. A more open and critical thinking contributes to their reduction, whereas an authoritarian and dogmatic way of thinking strengthens and inflates them, for it is unable to engage in critical reflections and absolutizes the difference between "our own" and "someone else's."

To those who tend toward such a style of thinking, the surrounding world appears exceptionally dangerous, crowded with potential enemies and ill- wishers. Naive egocentrism prevents them from putting themselves in someone else's shoes, motivating them to perceive and evaluate others essentially from the viewpoint of their presumed attitude toward themselves. Adding to this the formula that "he who is not with us is against us," the number of enemies becomes truly frightening. In this

case one's own power of doing something good is depreciated and brought to a state of total helplessness, while alien power and desire to do something bad are exaggerated to gigantic proportions. All history appears the result of a global sinister conspiracy. The subjects of such conspiracy may change. They could be an evil force, satan, a heretic, a nonbeliever, an enemy of the people, "reds," "masons," or agents of the CIA or the KGB. "They," however, always appear stronger and more clever than "us:" they are omnipotent whereas we are helpless; they are treacherous, whereas we are careless; they are organized whereas we are divided, and so on, and so forth. One's own aggressiveness, mixed with fear, is presented as forced self-defense, justifying political extremism, violence and irresponsibility.

The tragedy of authoritarian thinking is that it does not respond to sensible arguments and considers any counterargument an "intrigue" on the part of those same enemies who are trying to "disarm," to "weaken us," and so on. And how can this be refuted? Who would dare to claim that in this world there are no conspiracies, spies, and terrorists, and that we do not need vigilance? However, the maniacal belief in the idea of conspiracy is frequently more dangerous than a real enemy. Today the greatest harm to restructuring is caused not by the deliberate sabotage of employees interested in its failure but by deep-seated laziness, bureaucratic irresponsibility and general slovenliness. In order to eliminate them we must, above all, change the style of management.

In recent years a great deal of just and bitter statements have been made concerning the lowered moral standard of our society. Here as well this was triggered by reducing the dignity of the individual. Whatever their sources, moral standards and rules, moral decisions and risks and responsibilities related to them can be only individual. Nor should we fail to mention the relative nature of ethical categories. In terms of its spirit Marxist ethics was primarily sociological, justifiably emphasizing the connection between the origin of moral concepts and social interests and the class struggle. However, general moral values and foundations for morality were in this case frequently underestimated. They were mentioned as though incidentally, with a number of stipulations and corollaries. This shortcoming is also characteristic of the "Dictionary of Ethics," of which I was general editor and which has had five printings.

The future development of moral awareness is something else which faces us with a number of problems. Interest in problems of ethics became sharply increased long before the beginning of restructuring, during even the greatest period of stagnation. Why? The appeal to basic standards of morality was an expression of a protest against lack of principles, corruption and opportunism and proved the need for cleansing and renovation but also of the existence of a certain sociopolitical helplessness.

The strength of moral awareness rests in the categorical and universal nature of its essential postulates. However, if ecological, economic and political problems and difficulties are discussed **exclusively** in moral terms, the result is that no one intends to solve them in practice.

This is a very serious philosophical and pedagogical problem. In order to master the elements of morality the child must think in terms of alternative of good or evil, good or bad; no third choice is given. The child who has failed to master the elementary norms of morality as mandatorily categorical imperatives—something must never be done for any reason or under any circumstance!—would hardly be expected to become a moral person. However, morality is not reduced to a system of prohibitions and prescriptions. A morally mature person is sometimes unable to provide a simple answer to an innocent question asked by a child—is something good or bad?—because the same action is assessed differently depending on its context, consequences, motivations and many others. Hence the complexity of a moral choice, evaluation and self- assessment. In the absence of a developed moral reflection a rigid system of moral principles can easily degenerate into primitive moralizing aimed at others but not at oneself.

The truly moral person is mercilessly exigent toward himself and indulgent and tolerant of others. While condemning unseemly **actions** committed by others, he avoids to transfer the negative assessment of the action to the **personality** of the perpetrator, trying to understand his situation and to find alleviating circumstances. Conversely, inveterate moralists are merciless toward others and tolerant of themselves. This is based on their style of thinking.

The system of a moral behavior does not depend exclusively on the individual but also on the situation. Should a change in the real situation become impossible, the only way to do good is to avoid evil and not to seek bad counsel. However, most of the just and the sinners sit in the same council and even switch places. Ethical maximalism can save someone from taking a moral fall. However, constructive social activities demand something more. The formula "I said and I saved my soul" is good for the preacher but not good enough for the politician and the ideologue.

The sociopsychological situation which has now developed in the country is contradictory. On the one hand, there is a noticeable growth in social activeness and initiative among all population strata and, which is particularly important, in young people, which lets us hope that restructuring, which was initiated from above, obtaining support at the base will prevail over the sluggishness and resistance of the bureaucratic apparatus. On the other hand, we note a phenomenon which I would describe as an adolescent syndrome. The adolescent way of thinking is distinguished, as we know, by its nonhistorical, maximalist and impatient features. Today such features are characteristic of many adults as well.

"There was nothing before us...." A respected public establishment announces: "We have decided to hold a conference on the aesthetic upbringing of young people and to issue specific recommendations on this matter." "Are you not satisfied with the state program for aesthetic education being drafted by the USSR Ministry of Culture?" "Is such work being done? We must look into it. Actually, we would probably formulate the question differently, we have quite outstanding people...."

Here is another type of conference also conducted by intelligent people and involving sharp statements: "We must take up this problem seriously. Let us meet several more times and submit radical proposals to the government!" "Are you certain that we have something to suggest? Such problems have been dealt with throughout the world and before us by many specialists and yet no radical results have been achieved." "This means that they did not handle them properly. We live at the right time, we have splendid intentions...."

If this were to be the action of an old official, who urgently needs credit for initiative, or else a young careerist who would like to set up his own individual "feeding trough," blocking access to it to his neighbors, such a style of behavior would be entirely appropriate. However, if such views are expressed by decent and very involved people, who would selflessly like to promote something that is sensible, good and permanent, this is sad. Initiatives which are not part of a sociocultural tradition are doomed to disappear; innovative suggestions turn out to be naive and the time spent on them, lost. How can we speak of restoring historical memory if we ignore the events of yesterday? Can we build a bridge from the day before yesterday to the day after tomorrow, bypassing yesterday and today?

"All or nothing".... The disappointments we have experienced should have developed a mistrust in maximalistic slogans and teach us how to distinguish between good intentions and a real program of action. As before, however, a ringing statement is absolutely captivating.

People are sinking into drunkenness? Let us pass a comprehensive dry law!

A declining birthrate? Let us praise large families!

A feeling of history lost? Let us convert all old houses into museums!

Not a word is being said as to how, at whose expense can all this be accomplished and is this possible, to begin with? One could say that there is nothing bad in a revolutionary gesture even if we have been able to achieve only some of our plans. But then ideas such as outstripping the United States in meat and milk production in 2 or 3 years, I do not recall the exact number, and to build communism by 1980 were equally good, if only we could carry them out. Without this mandatory condition lofty objectives only worsen the inflation of words and values. Unrealistic objectives create a framework in which any real accomplishment appears insignificant.

However, even this is not the main thing. **Manilovism is the twin sister of Oblomovism.** It stimulates not activity but the simulation of activity. No one is waiting for bananas to grow on his neglected private plot instead of potatoes, or for a shack to turn into a cottage made of white marble, with a swimming pool. At this point all of us are realists. But why could we think otherwise when it comes to social matters? Because people who are the most generous in formulating slogans have no intention whatsoever of doing anything to implement them. Revolutionary phraseology is nothing but a new form of the old irresponsibility.

"Results must be immediate."... In the first episodes of *"The Twelfth Floor"* we saw sympathetic adolescents who had asked officials from the Ministry of Education: "One month ago we discussed shortcomings of textbooks. Nothing has changed! How long do we have to wait?!" This was both silly and touching. But what if adults think this way? Our overall impatience is understandable. Like adolescents who, unlike members of the senior generation, have not accumulated 30 to 40 years of living experience we, the representatives of the senior generation would like to see the results of restructuring immediately. But then it is precisely thus that thought those who "issued" deadlines for building communism in terms of the length of their own lives and, for the sake of this idea, made errors for which we shall have to pay for a long time to come. When are we finally going to grow up?

The syndrome of adolescence contains a great dose of negativism and nihilism. It is much easier for a person to be aware of something he does not like than of what he wants. The very concept of freedom is initially conceived in its negative aspect: What is it that we like to be free from? Only then is it assessed positively, as to why we need such freedom. A person who does not aspire to get anywhere finds freedom unnecessary and burdensome. However, it is much more difficult to formulate a constructive program for action than to criticize others or to repent about our own past.

The psychological mechanisms of social inertia we mentioned are not the result or a specific feature of our society and our age. In a certain sense virtually all of them are universal. It would be difficult to find a clearer description of conformism than Andersen's tale of the king's clothes. The Arab poet Abu-el-Ala al-Ma'arri sadly noted, as early as the 10th-11th centuries: "The noble person is always considered a turncoat by the members of his tribe...." The concepts of "authoritarian personality" and "avoidance of freedom" were not invented by us on the basis of our own experience.

We ourselves are not all alike or one-dimensional. Had the past and present of our people lacked initiative, enterprise, civic courage and social responsibility, we would not have reached the level on which we stand today and the very idea of revolutionary restructuring would not have occurred to anyone. Therefore, do not accuse me of pessimism and defamation. It is simply that today we must be more self-critical than ever before and not seek "culprits" somewhere else. "The prime obligation of those who are looking for the 'ways to human happiness' is not to fool ourselves, but have the courage to acknowledge frankly what is," Lenin wrote ("*Poln. Sobr. Soch.*" [Complete Collected Works], vol 1, p 407).

In itself, directly and in the immediate future democratization will not create anything new. It will merely bring to the surface that which has already developed in the social consciousness but which, for one reason or another, was not displayed openly. This could be equally good or bad. In the past editors invariably deleted from my writings Hegel's words to the effect that a nation has the type of government it deserves. Probably, deep within themselves, they considered our own government insufficiently good. The fact that today they let this statement be printed means that times have changed. However, Hegel's statement was not made with crossed fingers and is not a philosophical compliment to the government and the people but an indication of the existence of an organic connection between the nature and activities of the authorities, on the one hand, and social consciousness, on the other.

As the guiding and directing force of society, the party must march ahead of the people. At the same time, however, it also expresses and reflects their expectation. However, people vary. Socialist pluralism presumes the ability to take into consideration the interests of different social groups. This calls for a thoroughly planned ideological strategy and for formulating its long-term and short-term priorities, taking specific local and time conditions into consideration.

The study of conservative moods and layers of consciousness is especially important. In our country socialist conservatism is usually linked to the bureaucratic apparatus. However, in addition to it, there is another, a "grass-roots" traditionalism, which criticizes the real and imaginary shortcomings of the contemporary way of life from the viewpoint of the pre-industrial, the patriarchal system of values. In some cases conservatism is a manifestation of temporary political fatigue, a defense reaction to unaccustomed slogans or pace of social acceleration. The inability to distinguish among such phenomena and to find adequate means of addressing ourselves to them play in the hands of our opponents, rallying their heterogeneous forces.

In speaking of acceleration and restructuring, the party does not conceal their contradictory nature. Knowledge of the condition of mass awareness and fluctuations in social moods at such times becomes particularly important.

Our people are vitally interested in restructuring and the overwhelming majority of the people are sincerely in favor of it. However, both in the recent past, as well as before the revolution, the historical experience of the people included little constructive democratic reality. On the one hand, we had the passive obedience to the state authority, to which were added concealed hostility and poor implementation of its orders; on the other, we had the total rejection of all of its standards and institutions. Under circumstances of sharp and painful social change, extremist groups and trends become particularly dangerous. Their ideological coloring may be different—political and ideological dogmatism, chauvinism or local nationalism. All of them, however, share common features: a militant narrow- mindedness, rigid authoritarian style of thinking, intolerance of anything "alien" and aspiration to solve all problems instantly.

In the past such phenomena were counted essentially through administrative measures which were not always justified legally and were ineffective socially and psychologically. Many party officials and propagandists have still little experience in engaging in a real public debate. The complementary-rationalistic model of the individual, which has been established in our philosophy and mentality, ignores irrational strata in the social and individual consciousness. Some widespread reactionary stereotypes such as, for example, anti-Semitism, have not been subject to any serious critical analysis at all, any more than have many other chauvinistic and nationalistic ideas. Nurtured in the hothouse atmosphere of bureaucratic respect for rank, the working people frequently vanish within the electrified atmosphere of a mass meeting. They are virtually unfamiliar with what is a "public" and what is a "mob."

In the short time of its existence, glasnost has already acquired a real social foundation: a polyphonal public opinion which cannot be ignored. Yet even some of its entirely predictable reactions to a specific political event are frequently realized only post facto, in retrospect. Clearly, all of us need a good sociopsychological campaign against illiteracy, for which reason it is time to think also of the status of psychology as a science.

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Search for New Approaches

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[Materials prepared for publication by M. Krans and V. Nekhotin, KOMMUNIST associates]

[Text] Why are we concerned with the state of health of the Soviet people and extending their life span and period of creative activeness? What can society do so

that the recently adopted comprehensive program "Basic Directions in Developing the Health Care of the Population and Restructuring Health Care in the USSR in the 12th 5-Year Period and in the Period Until the Year 2000" will not remain on paper only but be improved, in the course of its implementation, acquiring a new depth, and helping to achieve a transition to a qualitatively new standard in the organization of this project? What, actually, does restructuring in health care mean: Is it merely improving the already existing system and its structure or finding new approaches and ways of activity in this area?

These were the questions which the editors posed to a problem group which included medical scientists, economists, sociologists and practical medical workers, as follows: **L. Alekseyeva,** nurse, Moscow Oblast Scientific Research Clinical Institute imeni M.F. Vladimirskiy; **M. Bednyy,** doctor of medical sciences, head of the Republic Scientific Research Laboratory of Medical Demography; **A. Bykhovskiy,** doctor of medical sciences, senior scientific associate, All-Union Scientific Research Institute of Medical and Medical-Technical Information; **M. Valitskaya,** roentgenologist (Kaluga); **V. Viktorov,** doctor of medical sciences, director of the All-Union Scientific Research Institute of Medical Instrument Making; **A. Vishnevskiy,** doctor of economic sciences, chief scientific associate, USSR Academy of Sciences Commission for the Study of Production Forces and Natural Resources; **T. Zaytseva,** candidate of economic sciences, senior scientific associate, Scientific Research Economics Institute of the USSR Gosplan; **N. Ivannikova,** chief physician, children's polyclinic No 5 (Voronezh); **G. Ilizarov,** USSR Academy of Sciences corresponding member, general director of the All-Union "Restorative Traumatology and Orthopedics Scientific Center, Kurgan; **A. Inoyatov,** chief of the administration for improving the organization of statistics, RSFSR State Statistical Committee; **V. Kopnina,** candidate of economic sciences, senior scientific associate, Central Economic-Mathematical Institute; **P. Simonov,** member of the USSR Academy of Sciences, director of the Institute of Higher Nervous Activities and Neurophysiology; **V. Tabolin,** corresponding member of the USSR Academy of Medical Sciences, head of the hospital pediatrics department, Second Moscow Medical Institute imeni N.I. Pirogov; **V. Fayvishevskiy,** doctor of medical sciences, psychotherapist; **S. Fedorov,** corresponding member of the USSR Academy of Sciences and Academy of Medical Sciences, general director of the Eye Microsurgery Intersectorial Scientific and Technical Complex; **N. Elshteyn,** doctor of medical sciences, chief therapeutician, Estonian SSR Ministry of Health (Tallin); and **V. Yarygin,** doctor of medical sciences, rector of the Second Moscow Medical Institute imeni N.I. Pirogov.

In the course of the discussions three levels of problems became apparent, to which the following three sections correspond.

Society and the Ideal of Health

The ideal of health is not simply the absence of disease. As defined by the World Health Organization, it is a condition of full physical, mental and social well-being of man. Man's health depends only to a certain extent directly on medicine. It is tremendously affected by the way of life of the people, the nature of social relations and natural conditions. The adopted program for restructuring health care, the participants in this problem group believe, proceeds precisely from the following: reaching a qualitatively new level is considered not simply a departmental problem but a problem of the whole nation, of the state. However, we are as yet to bring to light the most profound origins of the negative phenomena and processes, and eliminate their causes on the scale of the entire society as well as on the grass- root level. This demands significant efforts on the part of the entire public.

Health care is an area of social life reflecting its condition and experiencing its problems," **G. Ilizarov** emphasized. The principles of humanism, social justice and universal accessibility, formulated and implemented in the first post-revolutionary years, became the natural consequence of the philosophy of the new system. In precisely the same way complacency, inertia and absolutizing of historically transient forms of organization of health care, which developed in recent decades, became characteristic symptoms of the ideology and mentality of the period of stagnation experienced by our society. Precrisis phenomena appeared in all areas of life but most acutely in the health care system.

Suffice it to mention two sensitive areas where medical with social problems intersect. Let us consider the worrisome increased incidence of cardiovascular diseases and neuroses. Some of the major reasons for them were bureaucratism, bureaucratic administration and ordering, abuses delays and persecution for criticism. Correspondingly, strengthening social safeguards against arbitrary behavior, surmounting mistrust in people and adopting a truly humane attitude toward them could, most likely, contribute no less to a lowering of morbidity than perfecting diagnosis and treatment.

Here is another example: we know that hundred of thousands of people have industrial accidents. This as well is not a purely medical problem. Providing efficient incentives to improve labor conditions and standards at enterprises is possible only within the framework of the overall economic reform and of upgrading the role of labor collectives in production management. Therefore, the successful development of the most important areas of restructuring—the creation of new conditions for economic management and comprehensive democratization—will have a direct impact on the health of the entire people. We cannot improve the state of our medicine without improving the state of health of society itself.

For decades the problem of taking care of the population's health was assigned exclusively to medicine, **V. Yarygin** pointed out. At some point that may have been sufficient. Let me point out that at each stage in history this problem has been solved differently, depending on the trends, nature and pace of economic and social development, the attitude toward the environment, and the actual status of the individual in the world. In pre-industrial societies, health care was the private concern of the individual and his family. Even during epidemics preventive measures were quite simple and within the reach of any member of the community. The industrial revolution separated millions of people from their centuries-old homes. Population congestions and accidents increased and sanitary conditions worsened with the development of mass production. The concerned entrepreneur began to realize that a healthy manpower is his resource; on the other hand, the working class mounted a struggle for its rights in this area. Social insurance and hospitalization benefits appeared. However, the influence of the production process on the environment remained small. The role of the state in health protection was insignificant.

The situation radically changed with mass urbanization and the scientific and technical revolution. Many diseases became less the characteristics of the human body than living conditions, the social environment and the ecological situation.

As a variety of social activity, the purpose of medicine is to treat the sick and to help people live longer. Today it is no longer able to exist without prevention in the broadest possible meaning of the term, i.e., the protection and reproduction of human health. Sociologists and economists could provide the most accurate answers as to the framework within with such functions can be combined and maintained.

Obviously, the main losses are suffered by society where matters do not reach the level of medical help or else reach it too late, **A. Vishnevskiy** said. For example, the risk of being killed in an accident or as a result of poisoning or a trauma is much higher in our country than in the majority of economically developed countries. Many victims are saved but the main way is that of drastically reducing the member of such extraordinary situations. Medicine can and must participate in solving this problem but should not be alone to do so.

The same applies to the ecological situation. We hear that a real war is being waged by chemical technology on the population. This is not a gross exaggeration. Today industrial and agricultural production frequently endangers human health, including that of the unborn.

Nor should we fail to mention alcoholism, improper nutrition, smoking, hypodynamia, etc. All of these are treacherous enemies of health. In order to reduce them we cannot rely merely on the forces of the Ministry of Health, the skill of physicians or the strictness of sanitary control. The problems which have accumulated have deep economic and social causes. They require the combined efforts of all state and party authorities and all public institutions.

Specific daily concern for the health of the personnel and for the creation of corresponding material and psychological conditions its considered by the managements of many enterprises a less than even a secondary matter, noted **A. Inoyatov**. The cost of the now discredited and essentially antihumane slogan of "the plan by all means" is familiar: it affects the health damaged by overtime, rushing, and poor organization of labor and recreation.

Only nominally are administrations responsible, including legally, for the health of their subordinates. The moral climate in the collective is not even worth mentioning, for it belongs to the area of fiction. Occasionally, the trade unions take up the protection of the interests of the working people in a very narrow sense of the term and do not include in such activities the fact that man must be disease-free.

However, pursuit of instant results sooner or later affects the ability to work. In the Russian Federation alone, every working person averages 10 working days per year in sick leave. Every year the republic spends more than 4 billion rubles in aid and, the country at large, more than 7 billion. If sick leave would be paid out of the enterprise budget or, even better, at the expense of specific responsible individuals, greater concern would be shown for the health of the collective.

Social, rather than exclusively medical foundations on which health care is based are clearly manifested in an important area such as the protection of motherhood and childhood, **V. Tabolin** believes. We know that women who, by virtue of the nature of their work must carry heavy objects on a daily basis (in some jobs this applies to four-fifths of all working women) and women who work in industries harmful to the health, most frequently give birth to sick children. The recommendations drafted by the users are Ministry of Health on jobs for future mothers, however, are frequently ignored.

An important indicator such as the infant mortality rate reflects the level of development of the health care system. In a certain sense it also indicates the level of development of the entire society, its degree of civilization and humaneness. That is why the fact that our country is in 50th position in the world in terms of infant mortality is a cause for concern and indignation, as is the fact that is recent years this problem had been "solved" through the simplest expedient of banning the publication of any data whatsoever on this matter.

Currently 5 to 10 percent of children (depending on the area) are born prematurely. The reasons, once again, for most of such births are outside the area of medicine. Until recently we were forbidden to discuss one of them: the participation of school girls in harvesting cotton in

the southern republics. The medical conclusion was unanimous: adolescents, girls in particular, should not be involved in such work. Any reference to the forced necessity to engage in such practices is antihumane. There are values of a higher order. To ignore them is criminal and we must take into consideration the health of the present and future generations.

In one of my speeches I made a comparison between the birth of a child and the reaching of outer space. I then realized that no, the child faces a much more difficult problem, for it must totally restructure its organism and learn a great deal. It must adapt to the environment. Medicine must protect him from disease and ensure its proper development and preserve within it the sparks of talent. However, the protection of motherhood and childhood also includes the protection of mothers and children from bureaucrats and technocrats who substitute with high-sounding speeches on "achieved successes" real and specific concern for infants.

There are longer-range objectives which it would be unrealistic to hope to achieve in the foreseeable future, **N. Ivannikova** emphasized. Let us consider giving birth at home: nothing could be cleaner and safer from the infection viewpoint or more useful in developing parental feelings. However, once again this is not a medical but a social problem, the solution of which requires corresponding housing conditions, a developed area of services and in which the personality of the father and the mother does not play the least important role. Here everything depends on material and general standards. Therefore, the tasks we set must be realistic.

About 80 percent of the children who come to our polyclinic from maternity homes are healthy. As the years pass, this percentage drops significantly. Where does the child manage to lose his health? Is it in kindergarten, at school, in extended day groups, or in commuting to school. This is something for the rayon soviets and the public organizations to think about.

The concept of "urban children" is quite significant in pediatrics. From the very first days of life, such children experience the impact of the natural and social environment of the big city; hence neuroses, allergies, infections, consequences of improper nutrition, and so on. We try to compensate for all this by opening ever new suburban institutions for children. However, summer nurseries, kindergartens, Pioneer camps and sanatoriums suffer from the very same shortcomings: overload, an atmosphere of stress and the separation of the child from the family. The "decentralization" of recreation would be of greater benefit to the health of both children and adults. A house in the country, a dacha, a garden plot are no luxury or reward for outstanding merits but a most vital need for an urban family. For the time being, they are mostly considered merely as only one of the means of solving the food problem. This, in my view, is an unjustifiably narrow approach.

Let us particularly mention physical culture. It seems to have firmly entered our lives and become a vital need for all of us. We must create sports-treatment complexes and swimming pools in each microrayon. Let us charge for them a reasonable fee. We must not convert "health factories" into "money factories," or even ask them to be not only self- supporting but even to show a profit for the sake of developing an olympic reserve.

Without a set of such prophylactic measures we cannot create an assembly line "health industry" and, for a long time to come, we shall remain within the boundaries of a "piece-rate" health care for the few, with a rather low average health level for the nation as a whole.

Initially, the Soviet health-care program was based on the essentially revolutionary idea of prevention. As the years passed, however, it largely lost its social trend, noted **N. Elshteyn.** Although acknowledging the importance of disease prevention and protecting the health of the healthy person, we nonetheless give priority to the development of treatment. Thus, of late particular attention has been paid to the struggle against cardiovascular diseases. New cardiological centers are being built and the number of hospital beds and operating tables is increasing. Yes, this is vitally necessary. However, this will not provide an essential solution to the problem as long as we keep treating the consequences instead of the reasons.

The British, for example, use science in an effort to lower the fat content in food products, for it is known that this is one of the most important ways of preventing cardiovascular diseases. Naturally, efficient nutrition is only one of the many areas of prevention. One could imagine the type of results which we could achieve under our socioeconomic circumstances if such methods for health protection, which exceed the framework of medicine, would be multiplied by state concern for the individual.

Therefore the consensus was that protecting the health and extending the human span of life and the period of man's creative activeness are tasks which can be implemented only by the entire society. However, a number of questions arise, among which the members of the problem group singled out the most relevant and underdeveloped problems which demand a discussion within the context of the overall process of restructuring, such as:

Our society has realized that man is the purpose of its development; However is this always refracted in practical planning, management and organizational activities oriented toward end results? In other words, does man always include as the most important components for the reproduction of healthy generations a favorable dynamics of demographic processes and simply a good feeling and mood?

As we improve the style and methods of party work and the entire management system, do we take sufficiently into consideration the mental and physiological reaction of people to administrative influences and, above all, to some negative phenomena in this area?

Enterprise self-financing and self-support, cost accounting and brigade contracting, which encourage better work could, under certain circumstances, lead to failures and to noticeable temporary material and moral harm to people, which inevitable and legitimately increases psychological stress and could adversely affect health. Do social measures which accompany cost accounting (recreation, relaxation, prevention, and so on) take adequately into consideration this new objectively determined phenomenon?

Is the responsibility of each agency in charge of maintaining human health sufficiently equipped with legal standards?

How to Cure Medicine?

The nationwide discussion of the draft Basic Directions revealed the need for substantially increasing appropriations for the activities of medical services. A unanimous demand was taken into consideration: the level of social expenditures for health care must increase in percent of the national income. However, equally important is the creation of a mechanism for the efficient utilization of appropriated funds for, as past experience indicates, no increase in appropriations would suffice without any serious restructuring of relations between producers and consumers of medical services.

Monopoly is a dangerous hindrance to technical and organizations progress in an sector. In our health care the "producer's diktat" to use economic terminology, has assumed the most open and acute forms, noted **A. Vishnevskiy**. We are facing an intradepartmental financing, financed and controlling triad. Obviously, the consumer who finds himself in such a paradoxical situation has no choice whatsoever and the role of economic levers and social control is minimal.

It is unquestionable, for example, that prevention or the timely treatment of cardiovascular and oncological diseases presumes the active attitude of the individual toward his own state of health and the current cultural standard makes such an attitude entirely possible. However, the nature of the interaction between health care and the population, which developed in the past, blocks social protection factors, such as initiative in choosing a physician or a hospital, and economic and social control over the work of medical institutions. Under these circumstances, activeness necessarily assumes a shady aspect: we seek influence and we try to enter through the back door where entrance from the front door is denied. What to do for the interest of the individual to be provided with normal and legal channels for self-expression?

The idea of paying for medical services, judging by responses published in the press, could not be described as popular. Naturally, this too is no panacea. Other solutions may be possible, which would harmonize the interests of the various parties involved in the production and consumption of medical services while, at the same time, would preserve the social guarantees. However, in my view it would premature to discard the question of payments for medical services, for such payments could make health care work more efficient by the fact that the patient himself would choose his own physician; a physician who provides better treatment would earn more; the medical establishment which can heal a patient faster would find itself in a better financial situation and would be able to purchase better equipment, as so on. Incidentally, such a mechanism does not presume in the least full or even partial payments made **directly** by the patient. Treatment funds could be contributed by trade unions, enterprises and special insurance funds. Modern health care is quite expensive and, in any case, its activities should stipulate a clear assessment of costs and their comparison with results. Furthermore, those who pay should be able to control the work of medical institutions with which they will maintain economic relations.

All social expenditures are our own expenditures and could be no one else's. Paying for services is only a means of defining more accurately the number of people who are willing to allocate funds from all other social appropriations to pay for their health.

The free treatment of which we are justifiable proud is not self-seeking but a means of ensuring its universal accessibility, **G. Ilizarov** believes. However, what a person needs is not only free but also efficient treatment. The enterprise as well needs a healthy worker. As long as it is not a specific plant or factory which is paying for medical services and as long as payments are not controlled "from below" but by the taxpayer at large (although the impression develops that no one is paying) and as long as physicians' wages do not depend on the quantity and quality of their labor no additional investments in this area would improve matters. Such funds would continue to be wasted.

From the economic viewpoint health care could be considered a health industry. Like any industry, it must obey specific economic laws. Ignoring them in any area is paralleled by identical symptoms: bureaucratic administration, efforts to decide how the producer should work and what is needed by the consumer, the aspiration to obtain the money in advance, before services have been rendered, the obstruction of scientific and technical progress and, as a result, low quality treatment.

The economic results of the treatment methods developed in Kurgan has ranged from 2 to 19 million rubles per 1,000 patients. In our country about 1 million people have been helped to return to active life. Such savings are partially reinvested into the health care system in the

form of state subsidies. The bulk, however, melts without a trace in the budgets of enterprises and social security funds. Even 5 to 10 percent of the overall amount would allow the Kurgan center to become self-supporting. Clearly, payment for medical services by enterprises and social security funds is the best means of financing health care.

Hospital treatment may cost nothing to the patients. However, they are able and willing to pay for greater comfort and improved food. Still, so far no legal means of accomplishing this exists. Whenever free treatment is mixed with free stay in a medical institution, there is an inevitable "downward equalization," the aspiration to reduce expenditures at all costs. The reality of hospitals is a general ward and more than modest nutrition. Here as well the patient has no possibility of a choice and is forced to accept what is offered. Living and, consequently, psychological conditions are falling increasingly behind conditions at home, which substantially influences the course of treatment. Unquestionably, the development of paid services should follow this direction above all and a real modern type of organization of the work of hospitals should be like our customary partially paid system of sanatorium-resort treatment.

According to my very conservative estimates, medicine is half-a-century behind the level of development of human civilization, claims **S. Fedorov.** In order to narrow this gap major quality changes are needed. For a number of years bureaucrats presented an image of active efforts by cheerfully reporting a growing number of physicians, polyclinics and hospital beds, saying not a word about what everyone knew from personal experience: shortage of medical aid, its low quality, and the reason for which the mortality rate from some diseases was higher in our country that in the West....

A number of opportunities exist in our domestic health care system. Putting them on the service of man can be achieved through the system we are applying today in restructuring the production area. I mean by this a conversion from the administrative to the economic management of the sector, and from extensive to intensive development. In an article which KOMMUNIST published recently, I described the three-step health care system: family physician—diagnostic specialized centers- reconstructive or surgical centers. The need for this, in my view, has long been pressing: primitive methods will not heal diseases of our age, such as cardiovascular, oncological or AIDS.

A number of medical problems can be solved only when we learn to watch over the money and over each people's ruble, directly or indirectly set aside for health care. We need full cost accounting in which the wages of the medical worker with depend on the quality of the treatment and the number of patients treated. Such is the principle we have applied in our Eye Microsurgery MNTK, observed by the entire collective, from medical orderly to general director. Everyone knows his share in the cost accounting income, for which reason he tries to make this income maximal. As a result, everyone is interested in restoring the eyesight of as many people as possible and to treat them faster, more efficiently and better, and use and even develop new equipment, consistent with global standards.

Cost accounting, combined with industrial treatment methods, is needed by the patient himself, above all: estimates indicate that in the next 5-year period our complex could restore and return the vision of 300,000 people. This benefits the state as well, for the MNTK receives from the state budget 40 to 100 rubles less per treated patient than other clinics; we are saving the country nearly 2 million rubles annually.

The discussion of the various economic models triggers both interest and fear, noted**N. Ivannikova.** We have a poor idea of the connection between health care and economics and the social security system. We have been told little about foreign and domestic historical experience in free health care (zemstvo medicine, municipal nurses, medical insurance funds, etc.). Clearly, there can be no ideal model of medicine, equally applicable in all areas of medicine. It is unquestionable, however, that the mechanism for the distribution of investments in health care needs improvements.

In my view, the diagnostic centers can only partially solve the problem. An accurate and fast diagnosis may be provided but if the overall level of treatment on the primary health care level remains low it will be of little use. So far the management and financing of such low level units remain excessively centralized. Local health care services do not have the necessary freedom in choosing their tactics. It would be expedient to levy a tax for social security as part of the general income tax and grant the soviets the right to manage such funds and allocate them on the basis of the work indicators of the medical institutions and local needs. The efforts of the central management authorities in the sector would thus become concentrated on the main areas: the formulation of an overall strategy and providing methodical guidance.

Without organizational and economic reforms practical health care would not advance by even a single step, **P. Simonov** believes. Equalization conflicts with the nature of any socially useful labor. However, the only just and efficient economic principle of payment based on end results operates differently in the different area of human activities. Thus, I am confident that we cannot approach basic sciences from a commercial viewpoint.

Let me explain my viewpoint. No organization of scientific work enables a scientist to acquire 300,000 rubles, let us say, to purchase an instrument to study the membrane of an isolated neuron in a snail. To expect any kind of income and fast economic returns from this would be naive. There are hundreds of factors which link basic science with practical health care, and they are

quite lengthy and indirect. However, they exist and a decline in basic research sooner or later affects all levels of medicine. That is why throughout the world such sciences are financed by the state and by philanthropic foundations. No third way exists.

Naturally, practical experience checks the results of basic and theoretical research and the scientist is responsible for them.

I believe that there is excessive scholasticism and abstract considerations in the study of the social factors which influence human health and extremely few specific conclusions, which are needed in practical work. Logical structures, tables and models are good only when their efficiency has been practically confirmed.

In the course of the discussion of the Basic Directions a great deal was said about the fact that appropriations for health care are insufficient. However, no one seems to know what specific type of appropriations is needed, claims **T. Zaytseva**. Furthermore, we have a rather approximate idea of the cost of treating various diseases. That is why one of the most important tasks in restructuring health care planning and organization is to define the respective standards.

Practical experience indicates that such standards can be obtained for all diseases and very quickly. Combining them within classes—clinical- statistical groups—we can plan for realistic health care costs, intensify the work of the personnel of medical institutions, base their salaries on end results and ensure more equitable material and technical supplies to polyclinics and hospitals and optimize the quality structure of the medical personnel. The organization applied in financing and assessing the activities of the Eye Microsurgery MNTK proves that the conversion to the principals of cost accounting is virtually impossible without such indicators.

On what should we base the comprehensive restructuring of the entire system of health care financing? In our view, on three sources. Above all, a specific state fund for the protection of public health, which would be financed out of the country's budget. The second source is the territorial funds from assets withheld from enterprises and organizations by the local soviets, as a part of payment for labor resources. The third source would be population funds for medical help over and above the socially guaranteed minimum.

We estimate that today the population spends between 2 and 3 billion rubles annually for illegal payments for medical services. Meanwhile, the share of paid services provided by a system of cost accounting medical institutions is so insignificant that it would be entirely wrong to speak seriously of any violation of social guarantees. It averages less than 1 ruble per person. By the end of the century this indicator should be quintupled. The more active involvement of the population's funds would enable us to meet the **truly** existing demand for higher-quality medical aid and to harness additional resources for the updating and technical equipment of the health care system. Everyone would benefit from this—medicine and those who use its services.

The health care system cannot be restructured without a clear and objective idea of the situation in this area. That is why, **A. Inoyatov** believes that a mandatory prerequisite for radical change is the democratization of access to information and increased glasnost in statistics, including in the field of medicine.

Today extensive data previously totally inaccessible, have been made available to the public. This particularly applies to the infant mortality rate, the average life span, and population morbidity and mortality rates. Furthermore, in cooperation with scientists, the USSR Ministry of Health developed and submitted for public discussion a new system of indicators which, in our view, could provide a more objective picture not only of the quantitative but also the qualitative changes occurring in health care.

The latest study has indicated, for example, that in nearly one-half of all villages and towns in Russia no medical institutions whatsoever exist. In the case of some villages it takes several hours of travel to the closest polyclinic. In my view, such studies must bring to light the weak spots in our health care and draw to them the attention of the public and the respective state institutions.

One of the consequences of the critical situation in health care is justifiably considered by many people to be the unsatisfactory condition of domestic medical equipment, notes **V. Viktorov**. This problem is indeed exceptionally grave. For example, no more than some 40 percent of the items produced by enterprises under our ministry are of superior category. The Basic Directions earmark specific steps substantially to increase the production of equipment and to improve its quality. This five year period no less than 85 percent of the equipment used in soviet medicine must be updated. This should include reliable, advanced and tested new modifications of instruments. We hope that the stressed plans we have been issued will be implemented. However, does this solve the problem entirely? Honestly speaking, I am afraid that it does not.

Today a significant portion of the equipment at the disposal of the Ministry of Health (nearly one-quarter according to our estimates) remains idle. The reason is not only its insufficiently high quality. It is not used also because in a number of polyclinics and hospitals, the small ones above all, such equipment has simply no master, no specialist with adequate technical training, who could service it. Soyuzmedtekhnika, the purpose of which is to repair equipment, has reached such a low

state today that it unable to perform this task. Undoubtedly, the USSR Ministry of Health must urgently organize the training of technical personnel and physicians who would know how to use the new equipment

I must point out that the problem of providing technical supports to the health care system did not appear or become aggravated recently and that we can remember many past resolutions aimed at solving it. The years go by, however, and it turns out that the efficiency of the steps which were taken fell greatly below expectations. One of the reasons for this situation is that the Ministry of Health, which is the customer for such equipment, pays nothing for its development. Hence the resulting consequences.

Today, when all industry is converting to self-support and self- financing, we must also radically change the principles of relations between customers and producers of medical equipment. This would enable us significantly to upgrade the responsibility of the respective Ministry of Health subdivisions and take better into consideration the needs of the medical institutions and to concentrate the efforts of developers on the most promising areas.

The efficient solution of all of these problems would yield tangible results as early as by the end of the present 5-year period.

Society suffers direct losses caused by equipment idling and the inefficient use of the material and labor potential. All of this is nothing but a direct loss of state sectorial financing funds, **V. Kopnina** emphasized. Indirect losses are equally substantial, such as the inadequate competence of physicians or imperfect equipment, which extend diagnostic, treatment and hospital time, repeated visits to a physician or the search for a specialist who can provide an accurate diagnosis. This increases labor, material and financial outlays per unit of "end output," reduces the volume of efficient medical aid and increases the imbalance between the expended funds and the actual efficiency of medical institutions.

Obviously, the initial reason for the appearance of the obstruction mechanism in health care is the distortion, the violation of the system of parity relations between producers and consumers of medical services. That is why the most important trends in the health care reform must include the profound and comprehensive democratization of such relations. Essentially they are based on the equality of the sides, their partnership which, however, does not exclude a certain clash of interest and which presumes the reciprocal exercise of rights and obligations.

The fundamental principle of social protection—free treatment for the patient—does not exclude contractual relations codified by legal standards. Financing and controlling the activities of medical institutions by the population could be achieved through accountable and representative elected authorities such as, for example, special subdivisions within the local authorities or insurance organizations. The responsibility of rank-and-file and leading personnel in health care could be actual rather than formally proclaimed only if the people interested in their services can regulate such responsibility through economic instruments.

Changes in the organization of health care should follow the line of substantially reducing the multiple-step management system and its unnecessary steps, and the elimination of the multiple jurisdiction over medical institutions. We must also review from positions of democratization the correlation between the function of centralized managements and the self-government of medical institutions. The stronger the administrative pressure exerted from above is the more the fatal consequences of bureaucratism are manifested in medicine.

Therefore, in considering the various aspects of improving the activities of medical services, the problem group deems that the most difficult, still unsolved and largely arguable problem is that of economic support of medicine and of the sources and principles of financing it. The Basic Directions call for large-scale experimentation in this area. In the view of the members of the group, the following matters should be studied and discussed:

Is it accurate to rely essentially on budget financing, controlled through traditional methods; how more substantively, taking into consideration the views of the citizens, can we determine what precisely is society prepared to pay for the sake of human health, i.e., to establish the cost of medical services; what could other sources or means of financing be (insurance, trade union, other funds), bearing in mind that whatever the variant it is a question strictly of our own and not someone else's money?

How to "build-in" into the mechanism of the economic support of medicine and the distribution of funds the wishes of the citizens; should the consumers themselves not be called upon to play an important role in the efficient utilization of already available resources for democratic control; how to surmount the notorious "producer diktat?"

Generally speaking, what kind of social control should exist in such a traditionally closed and very specific area as medicine?

Industry and Mercy

One of the most difficult and probably longest tasks of restructuring in health care is that of changing the mentality of the medical worker and the interrelationship between physician and patient. The dehumanizing of this most humane profession and moral deformations in the awareness of medical workers have risen to an alarming level in recent decades. In a recent certification of 350,000 physicians, 10 percent were certified conditionally and

1,000 were removed from their jobs altogether. As the Basic Directions acknowledge callousness, indifference, rudeness, irresponsible attitude toward duty, bribery and bureaucratism have penetrated the health care system.

The spirit of mercy, of compassion toward a patient has begun to disappear from medicine. Physicians and nurses are losing a sense of their work as being a noble mission. This has been codified in the public consciousness as an already customary yet essentially sacrilegious classification of health care as customer service, **V. Fayvishevskiy** believes. Hence, naturally, a decline in the authority of the physician, who is no longer considered a healer but a worker in the service industry. Yet for thousands of years medicine has operated and been efficient precisely on spiritual, on moral grounds.

The dehumanizing of health care is the consequence of an entire set of factors. Let me single out one of them. Considering the striking achievements of the scientific and technical revolution, cybernetics and electronics in particular, a kind of "technical" style of thinking has become popular in our work, according to which man is considered a "biological machine," while a disease is a "breakdown" of this machine, eliminated exclusively through material means, such as drugs.

This, however, is an error caused by incomplete scientific knowledge about the influence of psychological factors on the body. No medicine can ever be efficient if it is based strictly on the laws of pharmacodynamics. The psychological and, to a considerable extent, subconscious attitude of the patient toward the method of treatment and the personality of the physician mandatorily either intensifies or weakens the effect of any medicine, of any type of treatment.

For the time being, we are insufficiently familiar with the mechanisms and even the possible scale of influence of the psychological factor on the body. However, even that which has already been reliably established indicates the reality and power of such an influence. Thus, the emotional state of a person influences the activities of the endocrinal system (as is the case with stress), the activeness of the immune system, the clotting of blood and the regeneration of tissues. In a word, a psychological influence could equally kill or heal.

Therefore, when I speak of a moral decline in medicine I am guided not only by general humanistic motivations but also by the fact that this is directly related to the efficiency of treatment. Medicine has long universally acknowledged the role of a special type of emotional interrelationship between patient and physician. The patient suffers not only from a physical indisposition but also, and to an equal extent, from concern: "What is happening to me? How threatening is my disease?" He also suffers from his own inability to take care of his own health. It is not a diagnostic machine but only the physician trusted by the patient who can ease such suffering and who frequently helps to improve the patient's physical condition. I am confident that giving the patient the freedom to choose his physician, as stipulated in the Basic Directions, will contribute to the moral healing of medicine.

Today a number of stereotypes, including our views on the functions of the physician in society are being discarded, noted **A. Bykhovskiy.** Since times immemorial the psychology of the medical worker and the patient has been based on pathocentrism, i.e., on the way of thinking according to which ideas are centered on the concept of disease ("pathos"). Of late sanocentrism is increasingly taking over the minds and hearts. It is based not on the concept of disease but of health ("sanus").

In hospitalization, which plays a considerable role in the plans for restructuring health care, according to our estimates, some 60 percent of the patients must be subsequently treated by the physician who makes use of his knowledge, talent and experience. In other words, the medical worker-pathocentrist usually takes over only after the "mine" has exploded and, at best, develops means for the early detection of such an explosion. As to the sanocentrist, he is interested in people who are absolutely healthy. Each case of disease among them is considered by such a physician who pays particular attention to the person's increased susceptibility to disease, and the way of life which could prevent it. The recognition of such features is what determines the behavior of both physician and patient.

I believe that a sanocentric approach is more consistent with the tasks of prevention, which are the foundations of the program for mass outpatient treatment. It seems to me that public opinion as well is leaning toward this viewpoint.

In our atheistic society the physician must become not only a healer of ills but also a kind of "spiritualist," in whom professional knowledge and fine psychological approach to the patient or to the healthy person instill in the people faith in his knowledge and authority and the power and possibilities of science, **M. Bednyy** emphasized. In this sense, particular attention should be paid to the gradual conversion to providing medical assistance based on the principle of the family physician, as noted in the Basic Directions.

I recently had the opportunity to study the work of family physicians in Cuba. Their main task is to make a profound study of the working and living conditions of every resident in their district and to study the factors which could lead to disease. In simpler cases the physician himself treats the patient; in more difficult cases he sends him to a polyclinic or a hospital but continues his supervision until the patient had been entirely cured. A four-year span of practical experience in the work of family physicians in Cuba has proved the efficiency and expediency of this system.

We have all the necessary reasons to believe that approving the status of family physician in our country would strengthen the basic unit in the health care system. The activities of the sectorial therapeutician should be given a greater social emphasis. Working in close contact with the public, he must solve problems related to marital-family relations, general sanitation and hygiene education, sex instruction, rational employment after an illness, the working and relaxation regimen of the retired, etc. He will thus begin to provide not only general medical but also medical-social care.

So far there is an obvious lack of attention to the subjective, the human factor in health care. Yet it is precisely the interrelationship between physician and patient and the consideration of the variety of human needs that contain the solution of many problems of improving population medical services. Sociological surveys in the area of health care have remained, so to say, at the "zero cycle." Our time, however, demands that we listen to public opinion, to study it purposefully and systematically, and to take it comprehensively into consideration on all levels of treatment and prevention.

Good words on the role of the human factor, the professional ethics of the physician and the need for moral support of the patient will remain pious wishes only, if the medical worker continues to work as in the past under conditions of numerous restrictions and bureaucratic hitches, **P. Simonov** believes. A terminal patient may be dying in the presence of the physician. The patient cannot be helped, no medicine can be administered. This is as horrible as any death but there is nothing one can do about it. It is a different matter when the physician has an accurate knowledge that some discovery has been made, that a medicine has been developed, that an instrument has been created, yet he does not have it, because our country is still not producing it or purchasing it abroad. In such cases the situation becomes tragic. Moral deformations, irreversible sometimes, develop in the mind of the professional.

What can be done as of now? We could solve the rather frequently encountered problem of pain. There are situations in which the only thing medicine can do is to ease the suffering of the patient, for in the opposite case his home or hospital ward becomes a chamber of torture. It is shameful, it is degrading to doom people to torture.

For quite some time no one in the advanced countries has feared the dentist or, in the case of women, the gynecologist. Help is easily available: it is very simple and inexpensive to make a treatment painless. In this case our medicine can and must act as required by the moral ideals of the society and the contemporary standard of civilization. Otherwise, any discussion about man as being the highest value and about humanism is totally worthless!

Naturally, however, even the most advanced equipment and perfect system of training and the education of students would be of no help if the spiritual parameters without which one cannot be a physician are not brought to light. The existing system for training health care cadres does not provide them. Frequently the fate of a graduate may be decided by a grammatical error in a composition or the "incomplete description of Pechorin's character." That is why we have unsuitable people, who have been doomed to develop an indifference the moment they enter the institute or the school, staff hospitals, polyclinics and outpatient clinics.

By no means all of the tens of thousands of graduates of medical schools fully meet the stricter requirements concerning modern science and modern patients, claims **N. Elshteyn.** The unquestionable faults of institute training and professional selection are obvious. Incidentally, this is not exclusively our difficulty: World Health Organization experts have confirmed that no country in the world has developed strict criteria concerning the suitability of a person to practice medicine.

It is self-evident that feelings of humaneness and compassion must be inherent in the physician to a greater extent than in an engineer or agronomist in the course of their professional activities. One could master a minimum technical knowledge but it is difficult to surmount one's own callousness and indifference toward other people. Making it easier for junior and secondary medical personnel to enter medical schools was a major step forward. Naturally, this lowered the possibility of making an error in the choice of profession, for such people know from personal experience how difficult the work of a physician could be. However, this does not solve the problem. In my view, we must develop and make extensive use, in the choice of future physicians, of a special system of tests and introduce some kind of testing for professional suitability, a testing which should be considered decisive.

The critical condition of domestic medicine is to a large extent our professional crisis as well. It has become particularly clear of late how necessary it is to get rid of unsuitable people to whom we should not entrust the health of others. That is why at the recent congress of Estonian therapeuticians we passed a resolution on developing a "Court of Physicians' Honor." We will struggle against those who discredit our profession and will work to restore the prestige and authority of medicine.

Unfortunately, in the case of middle and junior medical personnel, it is no longer a question of quality. We are simply catastrophically short of such personnel, noted **L. Alekseyeva.** Let us take as an example the surgical ward in our clinic. There is one nurse on duty per 70 patients. How can she do everything or think of everything? Several years ago the Ministry of Health allowed nurses to moonlight. Obviously, they are not led to it because an easy life. But in this case, what kind of quality of services

could one speak of! Judge for yourselves: the dressing of the patient must be changed, he must be fed, his temperature must be taken, biochemical samples must be collected, and a request must be submitted for drugs to the pharmacy. But then if we add to all this the cleaning of the wards and washing floors.... Naturally, there would be neither the time nor the strength to say a good word to a patient, to console him, to cheer him up.

Should we then be amazed that the prestige of such an important profession in the public health system has sunk so low? In the medical school of our institute enrollment competition was eliminated a long time ago. Many people enroll but by no means because of their vocation. Hence callousness and the rudeness of which patients frequently complain.

Cadre turnover is very high. Not the least reason for this is that many nurses are dissatisfied with their salaries. Another equally important reason is the housing problem. The institute has no hostel facilities and very few apartments are being allocated. Let us not even mention the situation of the personnel in Pioneer camps or kindergartens. Yet the overwhelming majority of secondary medical personnel consists of women. The result is that, after graduation, the girls keep counting the days and hours until they can complete the mandatory assignment, after which they leave.

Restructuring in health care has long become a pressing problem. A hopeful feature has been the development of the brigade contracting system, as earmarked in the Basic Directions. If we are able to interest the personnel, including those on the middle and junior levels, as the collective of the Eye Microsurgery MNTK was able to accomplish, many of the problems I mentioned would be alleviated. However, based on our experience, economic incentives alone would not solve all problems. We must obviously enhance the prestige of our profession, starting with the schools. In such a case we may be able to restore the institution of "sisters of mercy," who have always helped the sick to cope with their misfortunes, giving them hope and healing them with the goodness of their hearts.

The psychological and moral predisposition of the individual for the medical profession may solve a great many but not all problems. A person may acquire specialized knowledge and develop practical skills and still not succeed. No less important are the style, the way of thinking of the practicing physician, his so to say professional ideology, the concept he has of his own place within the health care system, **V. Yarygin** believes. Most physicians, both practicing and scientists, would say that the physician must have above all a clinical way of thinking. This is the ability, on the basis of knowledge and personal experience, to make an accurate and prompt diagnosis and to prescribe a treatment. The ideal physician, from this viewpoint, is a narrow specialist with high and "impeccable" skills. Clinical thinking, one could say, reflects an unquestionably necessary process of medical specialization and all work with students is concentrated on its development. In reality, however, matters are somewhat different. Like the school teacher, the physician holds a special place in the social community. Why was the work of the zemstvo physician, armed with a stethoscope and simple pills, efficient? Because he supplemented his purely professional functions with the knowledge of the "context" within which the disease had appeared and had ran its course. He was able to take into consideration and compensate, for let us say, the features of the housewife or the harmful habits of the head of the family.

Today this context has broadened, the accent has shifted from the individual organism, from the family environment, to the social environment. However, we must admit that strictly clinical thinking must apply to practical medicine, whereas an understanding of the situation is lost. In order to take the step from treatment to prevention we must expand clinical thinking with psychological, sociological and ecological thinking and, particularly, thinking in terms of genetics.

It is time to make the necessary corrections to the curriculums in the courses and in the training and education process. Otherwise we would fail to obtain the type of physicians now needed by society. However, it makes no sense to consider the reorientation of medical education by abstracting ourselves from the specific individuals—teachers and students—or the daily problems of medical schools and clinics. The graduates lack a clear prospective: they are not assigned to specific medical institutions but are placed at the disposal of the oblast health care departments. Consequently, they cannot be confident that they will be assigned work in their specific area of specialization. Graduates are obviously short of practical skills. Such skills can be acquired through clinical work only. However, in the reconstruction and building of base hospitals, until recently subordinate city health departments rarely considered the need to assign premises for training. As a result, practical knowledge is provided hastily, in the most unsuitable places and there are little opportunities to engage in individual work involving the use of new equipment.

The weakness of clinical facilities influences the work of the departments, which lack adequate contacts with practical medicine. For example, many teachers, some of them quite young, train the students in surgery but no longer practice it themselves. The difficulty of updating such cadres is that the institutes are deprived of the possibility of opening reserve positions for interns and graduate students who have already proven their qualities in a scientific area. In the past, after working 2 to 3 years as a rule in areas considered difficult from the professional viewpoint, they returned to the university departments equipped with practical experience. Today, unfortunately, this opportunity has been abandoned.

All of these factors are of equal importance in the reorganization of medical training. Suffice it to ignore even a single one of them and the necessary results would

not be obtained within the health care system. This may possibly be the result of professional solidarity but, in my view, medical personnel, in their majority in any case, deserve some good words and respect **M. Valitskaya** believes. Naturally, we are different people and our labor returns are also different. Essentially, however, it would be difficult to deny the fact that physicians are conscientious and, frequently, dedicated. The fact that a great many aspects in the "administrative personnel-physician- patient" system of relationships deserve a more profound study is a different matter.

I work in a small polyclinic and, naturally, I speak on the basis of our own practical experience. A physician spends some 10 minutes in examining a patient. Yet he may be approached by an elderly person with whom it is important to talk, and such people are many. How to solve this contradiction between the strictly allocated amount of time and the obligation of the physician?

I believe, above all, it is a question of trusting the physician himself. On what does that same physician concentrate his main attention during the visit? He immediately begins to consider whether to give the patient sick leave or not. The point is that the struggle to lower morbidity is frequently replaced by the struggle to reduce the incidence of sick leave. We are told to issue less sick leave and be more attentive. That is how the question is formulated. This is not on the initiative of the chief physician but is demanded by the city or oblast health department.

Let us assume that the section therapist decides to give someone sick leave. He has the right to issue a 3-day sick leave only, regardless how serious and obvious the illness may be. This means that 2 days later the person will return and that on the very next day he must go to the laboratory for tests; the physician can extend the sick leave for 2 more days and no more.... The result is that we turn people into "chronic" patients and the mistrust in the physician not only denigrates him but aggravates the disease!

Our polyclinic serves construction workers. Some of them could walk to it in 5 to 10 minutes while others must make two or three transfers. In order to receive an injection or any other treatment indicated by the physician, a person must take two different buses, then a trolleybus while the polyclinic of another district, right across the street, will not accept the patient. All patients are "attached" to their own.

It is we who harvest the fruit of all that: our own formalism turns into formalism hurting us. This applies to outpatient treatment. It does not mean that a person goes to the polyclinic and that and effort is made to make him see all physicians. Usually, a campaign is organized, a day is assigned, and the chief of the construction organization would send 60 people all at once.... They usefulness of this is low. Sometimes the physician gets dizzy from using his stethoscope 60 different times. Furthermore, he must listen to all sorts of abuses. He must not yield to fatigue or react to insults.

The physician, however, is an ordinary person. Unfortunately, not so many people consider how and where he lives and what his concerns may be. If we speak today of the need to pay greater attention to the individual, I believe that this also applies to the personality of the physician.

Therefore, there is a shortage of mercy, and the moral climate prevailing in contemporary medicine causes major concern in the public mind. This concern was shared by the problem group which believes that the following problems should be discussed:

What are the qualities which, in addition to knowledge and practical skills, should the modern physician have; is it possible, in the course of a collective discussion, to formulate criteria in rating a medical worker in order to use them in selecting graduate students entering medical schools and in the training and certification of physicians?

Unquestionably, the system of material incentive plays an exceptionally important role in solving the set of problems related to the attitude of the physician toward his work; however, does that same particular area include the specific problem of developing a feeling of mercy, which only the society of physicians themselves can solve successfully?

The moral qualities of the physician greatly determine his actual social status, the extent to which he is trusted and the sociopsychological atmosphere in which his activity takes place; does it also not depend on the patients as to the type of physician they would have?

The problem group expresses the hope that the discussion of these and other problems which the readers may deem necessary to formulate would contribute to the protection and safeguard of the most important value in life, health and, therefore, would make our society more humane, which is the main feature in gauging socialism. Everything else must be subordinated to this.

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Artificial Intelligence as the Base of a New Information Technology

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[Article by Germogen Sergeyevich Pospelov, academician, head of department at the USSR Academy of Sciences Computer Center]

[Text] One of the most important trends in contemporary scientific and technical progress—the extensive automation and mechanization of production—is based

on achievements in the area of the development, creation and mastery of computer and robot technology.

Scientific and applied studies on problems of artificial intelligence are directly related to this. Already now the results obtained here determine the ways leading to a substantial improvement in the technical base of an information society. We shall try to discuss, in its general features, the nature of this area of research and consider several aspects related to its influence on various aspects of activities of modern man.

I.

Studies related to the problems of artificial intelligence were undertaken from the very first steps in the use of computers. Two trends became immediately apparent. The first was attempts to model the functioning of the brain and its psychophysiological characteristics, in the hope that eventually it may become possible to develop an artificial computer intelligence or an artificial mind in the literal meaning of the word. For the time being, this line has yielded few practical results.

The second trend may be described as pragmatic. In this case the computer is considered a tool such as, for example, a piano or a violin. It could possess a certain quality, it could be poorly or well tuned, good or bad works of music may have been written for it and, finally, one could play such an instrument well or poorly. In studies in this area the term "artificial intelligence" is applied in an entirely metaphorical sense, for scientists are engaged in the development of the type of methods and systems which would enable man to increase his intellectual activities.

It is precisely in this area, particularly in the past decade, that the most important results were obtained, which have brought about a true revolution in the field of information—the development of computers of an essentially new design and of a new technology for their utilization, and the appearance of an intelligent systems industry. In a traditional technology the nonprogramming specialist (the user) is alienated from the computer. Intermediaries stand between him and the computing machine—mathematicians, programmers and operators. The solution of any problem demands the existence of the triad: a mathematical model, an algorithm for solving the equation of the model and a program which applies this algorithm in a given programming language. The dissemination of data base, the separation of data from programs, and the appearance of a dialogue system of communicating with the computer significantly simplified the situation. To begin with, the number of intermediaries standing between the computer and its users is reduced to analytical mathematicians, who have mastered the programming languages. In this case the so-called tripartite dialogue develops: the mathematician uses the computer with a directing interaction between him and the user. Second, a number of software programs have appeared, which enable us to organize the natural-language communication with the computer. Personal computers are particularly rich with such programs. However, nonetheless we cannot do without the analytical mathematician when it comes to solving complex problems.

Mathematical models extensively used today in information were created to solve problems in the area of the hard sciences (physics, mechanics, electrodynamics, electronics, etc.). They have a strong cognitive power and are universal by their very nature. For example, a model presented as a system of differential equations can describe processes occurring in a great variety of objects. However, if such a model is presented without any commentary, it is impossible to determine what specific object and what processes it describes. In this case, we find a complete analogy with a popular example in linguistics, according to which the syntactically accurate sentence "the sleb fraktily groms the munfree and nunks the munfrette" could be invested with any meaning consistent with its structure. It is important to emphasize that commentaries which provide specific knowledge of the object and, consequently, of the meaning (semantics) of mathematical models are outside the computer. They remain "in the head" of the person solving the problem. Hence the need for a three-sided conversation.

The information revolution, which brought about the establishment of a new technology in the use of computers and the intelligent systems industry became possible thanks to the fact that logical-linguistic models were developed within the theory of artificial intelligence.

Unlike the mathematical, the logical-linguistic models are of semantic nature. They reflect the specificity of a given situation and a given object of management and the knowledge of managers, planning workers, designers, developers and researchers. Usually, their specific nature is expressed in a descriptive (verbal) form and, naturally, is not presented as universal mathematical models. In sciences and areas of activities which are either difficult to formalize or cannot be formalized at all with the help of mathematical models, this role is played by logical-linguistic models. The use of computers in this case presumes the existence of the triad: logical-linguistic model- algorithm-program. Let us note that it is precisely logical-linguistic models that led to the appearance of bases of knowledge. For the sake of fairness let us point out that 20 years ago, even before the universal concept of logical-linguistic models had become established, they had already been used by D.A. Pospelov and his students in the situational management method they had suggested.

Since all intelligent systems are oriented toward knowledge and since in the use of computers we usually apply the concept of "data," obviously we must establish differences between the two. This is not so easy to accomplish, for data as well carry a certain knowledge. They are established in special bases (banks) and can

reflect the numerical parameters of mathematical models processed with the programs or, let us say, the current condition in the implementation of the plans of an enterprise in any given industrial sector. After such data have been processed, it becomes possible to provide summed up characteristics of the implementation of the plan by the sector, identify bottlenecks, make forecasts of future developments and so on or, in short, obtain new knowledge. Let us emphasize that data are always passive: it is only the programs which process them that are active. Unlike the passive nature of data, human knowledge is active. Scarcity of knowledge triggers the aspiration to increase it. Contradictions in knowledge and their elimination may lead to new knowledge. The individual parts of knowledge are connected and could be interpreted. To one extent or another, logical-linguistic models reflect these characteristics of knowledge.

Semantic networks are one of the varieties of such models. They enable us to enter into a computer any kind of knowledge codified in the guise of texts. However, this does not mean in the least any simple transfer of the text on magnetic tape or disk, which generally speaking, is also necessary. The text must be structured in advance: it must clearly single out objects or concepts and relations between them. The objects (concepts) are the peak of the network. Arcs which connect the peaks characterize relations among objects. Let us take the following text as an example: "The fisherman sat in a raft, moved to the other bank and took a basket with fish." The following five objects can be singled out in this sentence: fisherman, raft, other bank, basket, fish. These objects (peaks) are linked with the following relations (arcs): "sat in," "moved" and "took." Through a logical conclusion we establish connections which are clear to man but are not clear at all to a machine: this applies, first, to the new link "the fisherman took the fish" and, second, the new relation "to be at" ("the fish is at the other bank"). Introducing the relation "to be previously" would bring order in the events of this happenstance in terms of time. As studies of a number of natural languages have indicated, there is a finite number (not exceeding 200) of such relations. This gives hope that the base of knowledge as well could present descriptions of all problem areas of interest to us. Currently, systems of automatic structuring of semantic networks stemming directly from a text are being developed.

Let us indicate a major variety of semantic networks: the so-called functional semantic networks which enable us to solve design and planning problems based on their concepts and initial data, without programming. Let us illustrate this with the example of the triangle. In this case the peaks of the network will be the parameters of the triangle—the sides, angles, area, perimeter, height, etc., and the connecting arcs will be the mathematical relations or the familiar trigonometric formulas: the theorems of sine and cosine, the relation which links the height and the size to the area, the stipulation that the sum of angles in a triangle must equal 180 degrees, etc. The thus structured semantic network offers complete knowledge of a triangle. If we stipulate the necessary program modules and so-called program planning for each mathematical relation, any problem can be resolved on the basis of its formulation and initial data.

For example, we wish to find the area of a triangle if we have data on the side and adjacent angles, or else to find the area and the value of all three angles if the sides of the triangle are given, and so on. In all cases, the program planner, moving along the network from target peaks (area) to the initial data, will automatically collect a chain of modules which will solve the problem.

Used in current computers, the semantic networks, which have great possibilities of depicting various relations among concepts and objects, are not always convenient because of their excessively arbitrary structure. A certain regularity must be introduced within that structure and better regulated networks are being developed. They include the frames. A frame (a skeleton, a framework) depicts common concepts presented as several structures (such as "apartment," "furniture," "shipping freight," etc.). Related to the frame are slots, the filling of which refines the overall concept pertaining to a given situation. Thus, related to the "freight transportation" frame are the slots of "where," "from where," "what," "when" and so on. If we put in the "type of freight" slot "vegetables," this too will become a frame for the concept of "vegetables," the slots of which could be "potatoes," "carrots," "cabbage," etc. As this example shows, frame structures have the property of investing (hierarchically) simpler into more general concepts.

Therefore, a set of frames with empty slots may be built for each problem area; the slots are subsequently filled with a specific content characterizing a given situation.

Four interrelated areas may be singled out in studies related to artificial intelligence: systems which imitate individual creative processes; expert systems; new computer design; and intelligent robots.

Systems Simulating Creative Processes. The development of this area of research was undertaken before the others. It includes the writing of programs for solving game problems (chess, checkers, dominoes, etc.), machine translation, proof of theorems, program synthesis, recognition of drawings, analysis and synthesis of works of music, and situation management. It includes work on simulating the thinking of historical personalities and leaders, etc.

We must point out that an "anthropomorphic fog" is hanging over computers, a fog which became even thicker in connection with the development of studies of artificial intelligence. Occasionally, expressions will appear in the press, such as "the machine decided," "the machine diagnosed," "the computer drew up a plan," "the machine is playing chess," and the most perfect nonsense: "thinking machines," which are clearly the product of advertising.

Let us consider the game of chess. We do not know the processes which develop in the head of the chess player but we know precisely the way the machine will select one or another move in accordance with a program-instruction. Therefore, when we speak of a computer chess tournament, it is actually a tournament among mathematicians- programmers.

Anthropomorphism in terms of computers is harmful because of the opportunity to blame the machine for the consequences of decision making.

Intellectual systems based on knowledge. Currently this is a tempestuously developing and practically most important area. The use of logical-linguistic models makes a literally quantum leap in increasing the efficiency of automated systems and enables us to create the so-called "intelligent interface." This systems includes communications devices, a basis of knowledge and a planning program. Thanks to it the user acquires the possibility of communicating with the computer directly rather than looking at displays or, metaphorically speaking, over the shoulder of the programmer. Without exceeding the limits of the language of his object area (the sublanguage of a natural language) he can do the following:

From his work place, he can search in the data base the necessary information, addressing himself, if necessary, to library systems;

Solve design, planning, scientific and management problems based on their description and initial data, regardless of the complexity of mathematical models;

With the help of the knowledge of the subject area programmed into the computer, recognize and diagnose processes in complex systems, make decisions, formulate action plans, formulate and test hypotheses, and single out laws based on the results of observations, including in areas where the use of mathematical models presents difficulties.

The first possibility is achieved through intelligent information- retrieval systems; the second, through computation-logical systems; the third, through expert systems.

Intelligent information-retrieval systems enable us to introduce the problem in a natural language. The answer is formulated on the basis of information not only in its obvious aspect, stored in the memory, but also obtained through logical conclusions and computations. Computation-logical systems are based on the principle of the library organization of programs.

The process of selecting the necessary program or of writing it, if necessary, may be more complex compared to others stored in the computer memory. It takes place automatically as instructed by the user in a simple programming language ("UTOPIST" in the PRIZ system or "DESCARTES" in the "SPORA" system) or in his professional language (the "MAVR" system).

The efficiency leap which we mentioned above can be illustrated with the example of the "MAVR" system. A thermo-engineering design, consisting of 10 to 12 blocks, can be computed by about ten people, using computers, in approximately two months. The same work can be done by a single experienced thermal engineer, in eight hours of computer time with the help of "MAVR." However, there is more to it. A specialist who designs the system could change the blocks, combine them as he wishes, without any reprogramming being necessary. Everything takes place automatically. The mathematical model and the program will adapt to the new initial data. Such a fast reaction of the system to the intervention of the designer makes his work interesting and increases intuition and inventiveness which, in the final account, lead to improved quality of results.

The principles of structuring computation-logical systems were suggested in the USSR in the first half of the 1970s.

Expert systems make it possible to use computers where formalizing with the help of mathematical models is either more difficult or impossible. According to some forecasts, by 1990 90 percent of the world market (excluding the USSR) in artificial intelligence systems will consist of expert systems.

We should caution the reader against a rather frequently encountered confusion. The well known methods of expert evaluations used in forecasting the development of any scientific and technical area (for example, in the United States this applies to the "Delphi" method; in the USSR, to the method developed by Academician V.M. Glushkov) have nothing in common with expert systems. The use of computers in expert systems, as we pointed out, requires the use of the triad: logical- linguistic model-algorithm-program. Whereas in computation-logical systems, logical-linguistic models play a service role by ensuring the efficient utilization of mathematical models, in expert systems they become decisive. The most widespread in the expert systems is production, which is a variety of logical-linguistic models.

Production means a rule of the "if-therefore" type which has a left and right parts. If the left is a postulate and the right a conclusion, we are dealing with a basic act of logic. If the left part is a situation and the right part is an action, such a product is characteristic of the management system. In medicine, the left part of the product is the symptom of the disease and the right, the diagnosis. It is clear that such productions are inherent in all areas of knowledge and realms of activities, from street traffic rules or development of production technology to articles of the criminal codes (in this case the left part is the disposition and the right, the penalty). The values of other types of products may become part of the conditions of others. It is thus that complex chains are developed, which could be used for a logical conclusion. The program-planning which is found in the expert

system could provide both direct and inverse conclusions. The direct conclusion leads from conditions to the concluding fact; the inverse is from the concluding fact to a hypothesis which is confirmed or not confirmed by existing facts-postulates. In a product which is within the system, we have, in addition to the basic nucleus ("if-therefore"), a precondition and a postcondition. The former has restrictions, the observance of which allows or prevents the use of a given product. The postcondition could lead to changes in the content of the memory in the expert system, as a result of achieving a given product.

Today integrated or hybrid expert systems become particularly important. In such systems, logical-linguistic and mathematical models are used jointly. Such integration can be accomplished in two aspects: either the expert system is superimposed on the computation-logical system or entire program modules can be included in the product.

The structure of the expert system usually consists of the following parts: a communications system; a database in which facts and rules- products are accumulated; a working memory in which the condition of the system in the conclusion process is established; a system of acquisition of knowledge (consisting, for example, of experimental data) and, finally, a system which explains to the user how and why one conclusion or another was reached. The latter drastically upgrades the level of user reliance on a computer.

According to the area of application, expert systems may be used for diagnosis, data interpretation, projecting, forecasting, planning, training and monitoring (following processing in nuclear reactors, the condition of patients in reanimation wards, etc.).

The knowledge needed to operate an expert system is that of the customer. That is why the organization-performer usually develops instrument program-apparatus means and, on their basis, structures so- called "empty" expert systems. The systems are filled by the knowledge engineer of the customer (in some Western countries special training is provided for such specialists). On the one hand, the knowledge engineer is sufficiently well-informed in a specific area; on the other, he has a good idea of the possibilities and structure of the expert system. He closely cooperates with specialists and, with their help, fills the expert system with knowledge. Such a knowledge is of two kinds. The first is information which is more or less familiar to a wide range of specialists (contained in books, articles, instructions, etc.). Knowledge of the second kind reflects individual professional experience and is usually not published. It is accessible to highly skilled specialists and, as a rule, is unwillingly shared with knowledge engineers. Obviously, we should consider the conditions under which such a specialist would be interested in haring his experience.

New computer design. An important event in this case was the announcement of a Japanese intention to develop fifth generation computers. The United States and the Western countries reacted correspondingly. In 1983 the United States had formulated a program which was subsequently described as the strategic computer initiative. Similar projects were adopted in Britain, France and the FRG. Furthermore, the intergovernmental "ESPRIT" project was formulated by the Western European countries. The priority area of "electronization of the national economy" within the comprehensive program for scientific and technical progress of CEMA members until the year 2000 has as its first item the task of developing new generation computers the speed of which will exceed 10 billion operations per second, making use of the principles of artificial intelligence.

The new design computers will require not only an exclusively digital but also a symbolic information. Even in traditionally structured computers, oriented toward the processing of digital information, only some of the resources go into strictly computation processes. The rest are used for symbol processing (operational systems, translators, memory retrieval, organization of multiple-program systems, etc.). In this connection, traditionally designed computers proved to be insufficiently efficient. The new design computers call for the development of a series of systems programs and, as a result, the appearance of machine data bases, machine knowledge bases, linguistic processes, etc. This, however, is impossible without achievements in the area of microelectronics, which would make it possible to have highly efficient microprocessors within a single crystal.

Intelligent robots or third generation robots. These will be distinguished from the robots operating on the basis of strict programs by their ability to engage in more or less complex operations to achieve objectives set by man. Such robots include, in particular, autonomous transport vehicles. They are oriented toward the use of information concerning the outside environment, which is received by inboard computers from numerous sensors (visual, acoustic, radar, tactile, etc.). Since such knowledge is situational, it must be processed in a natural time frame. If the activities of a robot involve prognostication, information must be processed in supernatural time. For such reasons, the development of autonomous transport vehicles will demand of onboard computers a speed in excess of 10 billion operations per second (primarily for symbol processing of information). The development of intelligent robots will formulate specific requirements not only concerning the computers but also the set of sensory, mechanical, and energetic systems, etc.

Let us say a few words on the theoretical problems of artificial intelligence. The main one is feeding such knowledge to the computer. We discussed its nature in connection with logical-linguistic models. Closely related to this problem is the development of computer

linguistics and computer logic. The former is the base of a natural- language communication with computers and automatic translation from one language to another. The task of computer logic is to formalize the entire wealth of human judgments, which are not entirely covered by mathematical logic. We note in the development of computer logic a spiral movement which is a familiar phenomenon in dialectics. We must review the logic of the thinking of the Greek philosophers and of the logic of probable thinking of Bacon and D.S. Mill, with a view to formalizing it for computer use. Soviet scientists have expanded Aristotelian syllogistics and formalized a method for D.S. Mill's likelihood logic. Furthermore, in order to organize the work of intelligent robots, time, space, decision-making diffuse scales and many other "exotic" logical systems have been developed. Naturally, this does not cover all the "nerve centers" in this area of research. Artificial intelligence is a complex problem, the solution of which requires the joint efforts of mathematicians, engineers, electronic workers, programmers, philosophers, psychologists, sociologists and other specialists.

II.

Therefore, the creation of intelligent systems, based on knowledge (information-retrieval, computation-logical and expert) enables us to make extensive use of computers as an intelligent aid to man. In the final account, what is the result of their mass application? The establishment of local and global computer networks with the help of means of communications enables us to convert to a new, paperless information technology. Today society wastes a monstrous amount of paper. According to the UkSSR Academy of Sciences Institute of Cybernetics, in 1985 more than 800 billion documents were in circulation in our country. The average document size was ten typewritten pages. Consequently, there were more than 125 printed sheets per capita or five books of 25 printed sheets each. This is incredible! Furthermore, no more than 10 percent of this paper flood is read.

The introduction of new information technology will not only eliminate paper correspondence but will substantially upgrade the quality of decision making, thanks to the opportunity to take into consideration factors which are now simply ignored, for they cannot be presented in a visual form. It is true that the use of electronic correspondence triggers the problem of legal signatures by phone. Technically, however, the problem can be solved, for the human voice is as unique as fingerprints.

The use of intelligent systems will lead to most tangible changes in the areas of planning, management, designing and organizing the development of new equipment. For example, it would enable us to eliminate the gap between scientific and technical and production-economic planning or, in other words, to convert to related planning along the entire cycle of new goods and technological processes, something which M.S. Gorbachev spoke about at the 27th CPSU Congress. It will enable us to ensure the planned utilization of the achievements of science and to put an end to the notorious nonsystemic application once and for all.

Initial attempts at using intelligent systems in planning practices brought to light certain difficulties. In addition to the positive reaction on the part of planning workers we came across cases of negative reaction to such innovations. On the one hand, quite sincerely the people could not understand why all of this was necessary; on the other, there were also cases of obvious opposition, going so far as threatening to halt work on intelligent systems.

True automation and the course of developing "unmanned" production facilities become realistic only when the knowledge of technologists is fed into computers in the guise of expert systems, and when both new items and the technological processes for their manufacturing can be designed simultaneously at the same work place.

The program-apparatus means developed in the area of artificial intelligence will offer the possibility of solving a variety of problems collectively (cooperatively). Specialists would be able to work on a common field of information stored in the computer memory and through it to coordinate their actions. For example, thanks to expert systems, the knowledge of highly skilled workers would become accessible to a wide range of people, which will lead to substantial time savings in training cadres.

This brief enumeration of the changes which will be introduced in our life as a result of the extensive application of intelligent systems indicates that these systems have appeared precisely at the time and are directed specifically to the solution of problems which face most urgently the process of social development. This is also confirmed by the fast pace at which their production is growing. Thus, whereas in 1985 intelligent systems offered on the world market (excluding the USSR) totaled $350 million, including the cost of their development, according to forecasts, by 1990 this figure will reach $19 billion, $12 billion of which will be accounted for by the United States, $5 by Japan and $2 by Western Europe. This would be an unparalleled increase of 5,400 percent.

Our country as well faces major tasks in the computerization of the national economy. As Academician A.N. Tikhonov justly noted in one of his articles in the press, a difficult situation has developed in this most important area. Until recently, computers of different types, which could not interface were being produced; no steps for their efficient technical servicing were stipulated, there was no coordination in the area of software facilities, and so on. One of the reasons for this, in his view, was the lack of strong scientific leadership of the type which had

existed in applied nuclear physics and in the development of outer space, justifiably credited to I.V. Kurchatov, M.V. Keldysh and S.P. Korolev. All of this is true. However, we must bear in mind that the activities of such organizers of science were supported by efficient guidance on the part of governmental authorities in the implementation of nuclear and space programs which required major capital investments, the development of new production facilities and the redirection of old ones, the development and implementation of steps for the operation of the new equipment, etc.

Today as well we must apply a similar procedure, i.e., we must develop a state computerization program on a rather high level. Such a program must mandatorily be structured on the "descending" principle (from the target) and in no case on the "ascending" principle according to which the departments proceed on the basis of their possibilities and needs rather than the national long-term interests (which they may be unfamiliar with). From my viewpoint, a program drafted on the "ascending" principle cannot be seriously considered.

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Two Points of View on the Price-Setting Problem

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[Articles by T.M. Khabarova, candidate of philosophical sciences, and V.D. Belkin, doctor of economic sciences, professor]

[Text] The restructuring and renovation of socialist society are centered on the radical reform of economic management. The success of the reform depends, to a decisive extent, on the direct and interested participation in it of all working people in our country, and the profound realization on their part of the need for converting from primarily administrative to economic management methods.

Nonetheless, the editorial mail indicates that some of our readers have retained their faith in the beneficial properties of administrative- command management. Frequently the reason for this is found in the poor knowledge of the history of our economy and of economic science, as well as of individual stages in the development of both.

The administrative-command management system was established during the extreme conditions which governed the accelerated industrialization of the country and agricultural collectivization. Thanks to the ability to harness material and human resources within the shortest possible time, it answered to the highest extent the requirements of a war-time economy. In peacetime, however, its unsuitability in solving the variety of problems of economic and social development became apparent.

Nonetheless, in the the absence of openness and live and creative debate, the administrative-command management style became essentially canonized. Some scientists began to interpret it as the only possible and organically inherent in socialism for all times. The successes achieved in our science, technology and economics were unconditionally credited to the administrative system. Meanwhile, failures which in some cases were precisely the result of such a system, were generally ignored. All of this led to the mythologizing of the reality of the 1930s and 1940s in the minds of many people, including scientific workers. In identifying the administrative-command system with socialism and adopting such a perception of history, restructuring economic management and the extensive use of commodity-monetary relations appears as a virtual rejection of the basic principles of socialism. This is a grave error which, however should not be ignored. Whereas the administrative-command management system was organically combined with secrecy in social life and the suppression and defamation of dissidents, the establishment of economic management methods is inseparably linked to the democratization of society and extensive glasnost. In turn, this presumes the free expression and creative discussion of a variety of opinions and viewpoints.

In our view, the consistent and thorough views held by the supporters of the administrative economic management system is expressed in the article by T.M. Khabarova, candidate of philosophical sciences, which follows. The cornerstone of this system, in her view, is a corresponding modification of value—a dual price system, on which the author particularly concentrates. We asked Professor V.D. Belkin, doctor of economic sciences, to present a different view on the problem.

T. Khabarova: On the Socialist Modification of Value

The question of the socialist modification of value was raised in our country in connection with the 1965 economic reform. Slowly, though, the discussion of it found itself at a dead end and was relegated, in all likelihood, to better times. However, no somewhat sensible mechanism of economic management can be formulated without solving this most important problem, for such a mechanism is, precisely, the definitive "binding" and "rounding up" structural economic unit in which the forms of ownership and the objectively inherent modification of value, consistent with a given system, must organically combine. If the economic mechanism does not reflect or transmit objective specific historical features of either, it is ineffective, with all the consequences this entails for society. We are firmly convinced that we must resume the interrupted discussion and offer an opportunity of expressing his viewpoint to anyone who anything to say on this subject.

And so, as far as the socialist modification of value is concerned: what is its distinguishing feature and should we speak about it as though it has not been found yet, as though it is still concealed, or else was it found at a certain time and then lost by virtue of some circumstances?

The current answer given by many of our authors to this question reads that the prototype, the "model" of organization of value relations under the conditions of a socialist ownership of means of production is the NEP. One can easily see that such an interpretation cannot withstand criticism.

We know that the activities of production units of the NEP model (the trusts), which functioned on the basis of the principle of extracting maximal profits and benefited from quite extensive economic independence, including the right independently to set prices for some of their commodities, ended, in the final account, in a tremendous national economic fiasco: inflation in the prices of industrial commodities, which exceeded all limits, and the appearance of the notorious price "gaps," which triggered the sharp discontent of the working people in town and country and led to a general slowdown in economic building. In the course of the elimination of such gaps, most fundamental ideas, such as stability and firm state-centralized controllability of the overall price level in the country, the inadmissibility of the enrichment of industrial enterprises by raising the prices of their output and the unconditional preference given to upgrading the well-being of the masses not by splitting manipulatively extracted profits but above all by lowering the level of retail prices and saturating the market with good quality as well as inexpensive consumer goods, gradually crystallized and were firmly adopted by the party.

Such principles lead us to low and steadily reduced wholesale and retail prices, the acknowledgment of internal accumulations as the only proper source of profit under socialism, a strict structural and quantitative "linkage" of the dynamics of profits with that of production costs, etc. They became the foundation of the type of economic system which replaced that of trusts and "syndicate cost accounting." Having fulfilled its quite short specific historical mission of reviving trade and exchange of goods within the state and economically supporting the connection between the proletariat and the noncollectivized peasantry, like the earlier initial economic "hypostasis" of the transitional period—war communism—the NEP had to leave the stage of history. The "syndicate cost accounting" proved its inadequacy in the face of the greater strategic objectives and plans of the Soviet system, which were put on the agenda: the industrialization of the country, building socialism within its decisive economic-political boundaries, achieving the total autonomy of the Soviet state in terms of the foreign capitalist encirclement. Therefore, both war communism and the NEP were the specific economic aspects of the transitional period. The stage which followed, during which a socialist society was actually established in our country and, subsequently, the victory was won in the Great Patriotic War and the national economy dislocated by the war was successfully rebuilt, was serviced by an economic structure which was qualitatively different from the NEP. It assumed its expanded and relatively complete aspect in the course of the 1936-1940 wholesale price reform and enabled us to win the **economic** victory over Hitlerism in the military confrontation and had its "starry hour" between 1947 and 1954. At that time the policy of low prices of means of production also yielded its "peaceful" results by offering the possibility of annual mass reduction of prices of basic consumer goods, at which point both the state and the people became enriched or, in other words, actually, and without loud statements, that same combination between the economic interests of the state and the individual worker which we subsequently emphasized so ostentatiously, was achieved.

The interpretation of the socialist modification of value we support is that the initial modification consisted of the so-called dual-scale price system which developed and functioned in our national economy essentially from the second half of the 1930s to the second half of the 1950s.

The dominant factor for the members of the socialist society is not the means of production for their own sake but their later, their constructive potential, historically emancipated as a result of state control over material and technical prerequisites. That is why in a socialist country the value modification should be such as to allow primarily labor to have the possibility of benefiting from the social income generated through the economic process. It was precisely this prerequisite that was met in practical terms and completely by the dual- scale price system. The bulk of the social income, consisting of the turnover tax, was added to the cost of consumer goods. However, consumer goods or means used for the reproduction of manpower are, in the final account, the comprehensive and total material "representatives" of labor in the field of assessed values, for labor cannot have an intrinsic value and it is only the means for the reproduction of manpower which is the facet it displays in the world of commodity and market relations.

After the decisive portion of the social income shifted to the prices of consumer goods (i.e., with the assumption of the form of "labor profit" by this part of the income) the prices of the means of production became greatly relieved nd "freed" from the income-forming component, from the value of the added product. The consequence of this was the appearance and establishment of an entirely new most powerful economic mechanism in the history of the global economy, consisting of low and steadily declining prices of all material and technical components in the production process without exception. In turn, this meant a steady drop in the cost of all goods produced in the country. The "chain reaction" of reduced production costs (and, naturally, corresponding

prices) affected the mass consumer goods, making possible the annual quite tangible reduction in such costs. It was precisely the reduced cost of basic categories and groups of goods, rather than simply depreciating unmarketable items, that has been lately extensively publicized in our country as "price reduction."

The social "end result" of the functioning of an objective "labor" modification of value, which is a specific feature of our system (naturally, providing that it functions and is not broken up and dismantled!) is the fact that, with every passing year, an increased amount of ever more qualitative and real consumer values are added to the ruble at the disposal of the working person. With such a system of ensuring the people's well being, which excludes in principle any significant imbalance between money and its commodity backup, there are no grounds for the development within society of harming and economically destabilizing forms of "prestige" and wasteful consumption with its eternal companion—deficit—which is frequently artificially encouraged. Conditions are created for developing a sensible and moderate attitude toward consumer goods. Thus, at the beginning of the 1950s, people did not buy entire rolls of salami, tangerines or oranges by the case or strings of sausages, cans of sardines or canned crab, which is in extremely short supply now. They calmly bought the individual items they needed not only because at that time we were "poorer" but simply because it was unnecessary to hoard, for all such items could be found at all times and in their customary place on store shelves.

In the production area itself the gradual yet steady lowering of wholesale prices was a most efficient instrument for the equitable, substantiated and necessary economic pressure exerted on the commodity producer, naturally encouraging him to seek means of lowering production costs and, therefore, forcing him to take scientific and technical progress into consideration. Our "pre-reform" economy (in reference to the 1965-1967 economic reform and its immediate structural "predecessor" the sovnarkhozes) was virtually free from problems of fluctuating profitability based on the amount of material resources spent in commodity production, as well as the unfortunately quite "typical" extremely stupid situation which developed after 1967, when cumbersome, material-consuming and technically quite inefficient variants invariably proved to be **incomparably** more "advantageous" to the manufacturer than progressive engineering developments needed from the viewpoint of national economic interests.

It is self-evident that the added product is created only where manpower is invested and not in the consumer area as such. However, in order to be socially "summed up" under socialism, it could be manifested only on the "market" of reproduction of labor and not on the market of capital investments. This is objectively predetermined by the type of social class which "sets" the historical order in a given social system. Furthermore, the binding link which alone can provide the invisible structural "shifting" of the value of the added product from the area of investment of labor to the area of its self-reproduction is the socialist state.

Therefore, the state (using all its specific control instruments) is the representative and objectively necessary and essentially significant "participant" or "term" in the socialist modification of value. It is our firm conviction that from this viewpoint the current concepts concerning "economic" and "administrative" economic management methods, which have assumed the durability of an old prejudice, must be thoroughly corrected. It is believed that where there is "less government" there is "more" of something "economic." In my view, however, this is a "cultivated" confusion which harms the normal development of the socialist national economic organism. The variety, "total access" and power of precisely the economic functions of the Soviet state are not a "fault" of our economic system but its new historical quality which is truly decisive in terms of achieving overall social production victory over contemporary highly developed capitalism.

Unquestionably, today our state is by no means as yet free from bureaucratism and other shortcomings. However, efforts to shift the center of gravity of "economic authority" in the society from state agencies to individual enterprises, whether under the banner of the struggle against bureaucratism or of any other slogan, nonetheless proceed from a lack of understanding of the nature of the most profound, the "daring" structures of our system and the results could be (as has been the case invariably so far) only the opposite of those expected.

The knowledgeably interpreted economic methods are exclusively (and exhaustively) those which are consistent with the objective economic laws of the dominant production method. If an unavoidable and powerful agent is "wedged in" in the modification of value of a given governmental system, naturally, it should play the most essential role in terms of specific economic methodology. This would not be a "bureaucratic administration" but specifically an "economic management," of the purest kind. Conversely, if the state acts as a structural element in the modification of value while stubborn efforts are being made to "get rid of it" and restrict in all possible ways its interference in daily economic affairs, the result will be not a struggle against administrative arbitrariness but the encouragement of anti-economic manipulations and arbitrariness, removed from a truly economic approach, based on the possibly strictest observance of the real, historically mature and urgently needed laws governing economic activities.

It should be finally recognized that in our country, in our society, we have the type of specific historical aspect and specific historical "formula" of the law of value under which this law can no longer simply operate without the most active, constant and comprehensive centralized "mediation" of the state. We must not be like our critics

and "well- wishers" in the West and consider the historically developed new situation as the scourge of a "command economy." Conversely, we must enhance and strengthen this most important new development, for without relying on it we would be unable to win in the economic competition against world capitalism. Equally, the "dual-scale" prices are by no means any kind of "violation" of the law of value in its socialist modification or a "retreat" from it. The price of the means of production, with a minimal income-forming component, plus the consequent prices of consumer goods, with an energetically declining production cost and less sharply declining upper limit of specific historically established price levels are not "violations" of the laws of value under socialism but their exclusive adequate aspect and a modification of value under socialist conditions similar to the "production cost" within the system of capitalist basic relations. Therefore, no one should be astounded by the fact that the added value which is created entirely and exclusively through labor is eventually "summed up" in a market- competitive economy on the basis of the formula of "equal profit for equal capital." We believe that there are even fewer reasons to be astounded by the fact that in a historically superior and more advanced economic organization created by labor, the cost of the added product can be as independently and fully "separated" from the economic process exclusively through the means of the reproduction of manpower—the legitimate equivalent cost to that same labor.

As a result of the 1967 wholesale price "reform," there was an actual substitution of the principle of accumulation of income through labor (the means of reproduction of manpower): it was replaced by the principle of the accumulation of income from object and material- technical elements of the economic management process (stocks).

Today in our country we are obviously and somehow "unfairly" belittling and ignoring the destructive influence of said "reforming" on the entire course of our economic development.

The true crux of the matter, the pivot of the entire problem in organizing an efficient planning-evaluation (computation) mechanism in the economy involves lifting the long years of fog which has prevailed on the question of the modification of value, objectively typical of socialist socialized production and the honest acknowledgment and display of what, when and how was socialist modification of value established, what it looked like and to what (or to whom) we owe its destruction as well as, above all, how to restore it.

V. Belkin: Myth and Truth of Socialist Price-Setting

The article by T. Khabarova, candidate of philosophical sciences, justly mentions the important role of the modification of value, which is the foundation of prices, in terms of cost accounting, presuming that earnings from the marketing of goods and services exceed their production outlays. T. Khabarova considers that the value modification most consistent with socialism is the twin-level or twin-scale price system which existed in our country from the 1930s to the 1950s. She recommends that this system and the economic structure consistent with it be restored today. All that existed in our economy until that time, during the NEP and subsequently and, particularly after the 1965-1967 reform should, in her opinion, be decisively rejected. In support of this view, she cites in her article logical as well as historical documents.

As far as the logical substantiation is concerned, let us note above all that the dual-scale price system is inconsistent with the task of correlating production results with outlays. Measurements using different scales cannot be considered as such. It is impossible to use them in measuring current material outlays among themselves and between than and wages. This system, which does not allow us to organize the current curtailed cost accounting, would be even less suitable with the use of full cost accounting, which organically includes self-financing, i.e., the reproduction of fixed assets.

Matters are different in the area of historical substantiation. A reader insufficiently familiar with economic history may find such arguments convincing. However, a comparison between Khabarova's views and historical reality easily shows that the arguments she formulates are essentially based on the author's subjective perception of economic history and not on scientific analysis.

To begin with, it is incorrect to equate the policy of war communism, which was related to an emergency situation, and the NEP which, as V.I. Lenin pointed out, took a long time to introduce. Despite the fact that, ignoring this Leninist instruction, the period of the NEP was relatively short, the New Economic Policy proved to be exceptionally successful. Khabarova insists that the NEP and the value mechanism which was created at that time ended in a fiasco. This conclusion is based on considerations about the price "gap" which allegedly marked the end of activities of cost accounting trusts. Someone confident of possessing the truth does not bother to compare his views with even the most familiar historical facts. Nonetheless, the greatest "gap" occurred not at the end of the NEP but in the course of its establishment: the price index correlation between industrial and agricultural commodities compared with 1913 reached its peak in October 1923 and equaled 3.1. On an average for that year, however, it was consistent with the actual dynamics of costs and volumes of industrial and agricultural output for 1913-1923. In 1923 agricultural output had reached four fifths and industry more than two fifths of their levels of output in the prewar 1913. It was precisely for this reason and not for reasons of the artificial price increases that we should seek the prime reason for the notorious "gap." The situation was stabilized as a result of the growth of industrial output, which doubled between 1923 and 1925. The price "gap" dropped to

1.1-1.2. In analyzing the dynamics of prices of that time, naturally, we must not forget the role which trusts and syndicates played in raising them, as they tried to use their monopoly status. However, this makes it even more interesting to consider the experience in economic price controls, which made the fast elimination of such disproportions possible.

In subsequent years the shortened length of the working day and higher wages increased the cost of industrial output. The elimination of various taxes, fees, leases and purchase payments for land increased the solvent demand of the peasantry. As a result, by the end of 1926 and beginning of 1927, the price correlation index between industrial and agricultural output somewhat increased, reaching 1.33, which was also described as a price "gap." Thanks to thrift and improved production efficiency, by the end of 1927 this problem was solved. Once again the gap was narrowed to 1.1-1.2.

The following question arises: why is the price "gap" of the period of the NEP discussed so extensively in our economic publications? Such "gaps" took place later as well, and were much wider. Nonetheless, they are being virtually ignored. Obviously, the most important reason for this is the high standard of economic research and the existence of most interesting published statistical works which enable us comprehensively to study the processes which were taking place at that time in the national economy.

The concept that the national economy controlled through economic methods allegedly developed more slowly than with administrative management methods has prevailed in our economic literature since the 1930s. Historical truth refutes this obsolete stereotype as well.

During the period of the NEP both industry and agriculture developed at a high and stable rate. Between 1922 and 1928, i.e., in 7 years, gross industrial output more than quadrupled while agricultural output roughly doubled. Within that period the national income tripled compared with 1921. Let us note that these growth rates have remained record-setting in the entire history of our economy. In the 7 years of accelerated industrialization of 1929-1935, which followed the NEP, industrial output increased by a factor of 3.1 whereas agricultural output somewhat declined. After the Great Patriotic War, in the 7 years of restoration, from 1946 to 1952, gross industrial output increased by a factor of 2.5 and agricultural output by a factor of 1.5.

Exaggerated views on price "gaps" frequently lead to other chimeras: of the imbalance which prevailed in the economy in the 1920s. Actually, despite the existence of real disproportions, which are natural under conditions of postwar restoration and fast economic growth, the economy was more balanced at that time than at any other period. This is confirmed by the relatively small price differential between private and socialized trade alone. Thus, in the 1926/27 economic year the correlation between the former and the latter was 1.2 for agricultural as well as industrial commodities.

Subsequently, particularly starting with 1930, the balance was severely disturbed and disproportions intensified sharply. Actually, subsequent to Stalin's speech at the 1929 conference of Marxist agrarians, the term "balance" itself was ostracized and totally disappeared from Soviet economic vocabulary.

Let us note that the most important basic category of balance has still not been suitably considered in our economic science. This not only impoverishes theory but also adversely affects practical activities in economic planning and management, for imbalance is one of the main and most durable shortcomings and the prime reason for many other.

Unbalanced development led to the establishment of the twin-scale price system. Let us see the way this happened.

Industrialization, which was started at the end of the 1920s, led to a fast increase in the number of workers and employees and in the wage fund. It was essentially heavy industry that became the target of accelerated development. Light and food industries developed at a considerably slower pace. As a result of gross errors and distortions in collectivization, great harm was caused to agriculture. In turn, this adversely affected food production. The gap between the monetary income of the population and its material backup had to be compensated with an increase in consumer good prices.

Whereas in the period between 1922/23-1927/28 the price level increased by 30 percent, between 1929 and 1940 retail prices increased by a factor of 6.4. Within the same period prices of heavy industrial goods increased by a factor of 1.4. The living standard of large underpaid urban population groups declined and kolkhoz income remained low.

Such price dynamics did not correspond in the least to the dynamics of production costs of consumer goods or industrial commodities. The difference between retail and wholesale prices of consumer goods was what formed the turnover tax which, through the state budget, was used to cover losses in heavy industry, where prices remained below production costs.

The different price scales had always been tolerated because the country's economy had been governed by strictly administrative methods. Cost accounting was formal and prices of means of production played a lesser role. The leitmotif of this attitude toward them both in economic theory and economic practice was based on dogmas which could not be criticized, according to which under socialism commodity production was limited to objects of personal consumption in which the range of action of the law of value was equally limited.

In her article Khabarova repeatedly emphasizes the basic feature of the "economic structure" based on the dual scale price system: low and steadily lowered wholesale and retail prices. Such an attractive feature could be truly used as an argument in favor of the dual scale price system. However, the data we cited on the price dynamics which prevailed between 1929 and 1940 indicate that the dual scale price- lowering system does not have any magic properties. But did this become possible when the respective economic structure assumed its relatively final shape in 1936-1940? Not even then. Both in 1936 and in the 1939- 1940 period wholesale prices of commodities produced by heavy and light industry increased. In the 1937-1940 period retail prices in state and cooperative trade increased by an average of 20 percent.

Nor did the dual scale prices possess other magic properties as discussed in that article: they did not ensure equal profitability and equal interest in producing various commodities as stipulated in the plan. With a view to moderating the desire of cost accounting enterprises to produce a variety of items which were profitable for them put not for the national economy, a price reform was even made in 1939 in light industry.

Let us now turn to the so-called starry hour of the administrative- command management system of 1947-1954 during which, according to Khabarova, "the policy of low prices of means of production brought... its 'peace-time' results, creating the possibility of an annual comprehensive lowering of the prices of basic consumer goods." Let us note, above all, that the assertion of the author notwithstanding, the steady lowering of prices of all material and technical components of the production process without exception did not take place at that time as in other periods. Starting with January 1949 wholesale prices of heavy industrial commodities rose by an average of a factor of 1.6; this included a factor of 3-4 in the timber and coal industries and ferrous metallurgy. After that, until 1955, prices were repeatedly lowered although those of coal and timber remained double those of 1948. Between 1948 and 1954 retail prices, based on the 1947 level, during which they will triple those of the pre-war 1940 level, were reduced by a factor of 2.2. Let us recall some specific features of this period: wage restrictions and increased output norms (the average monthly wage in 1950 was 64 rubles); annual mass loans which, as a rule, were the equivalent of a monthly wage; exceptionally low procurement prices which could compensate no more than one tenth of kolkhoz outlays in grain production, one twentieth in meat production and one fifth in milk production.

Since these products were taken from the kolkhozes virtually free of pay, payments to kolkhoz members based on labor days were correspondingly low and frequently symbolic. At that time kolkhoz members and their families subsisted primarily by cultivating their private plots on which, furthermore, high taxes were levied in cash and kind. The uninformed reader may wonder: why did the kolkhoz members work in the public farm for almost nothing? Because a minimum number labor days had been set which they had to meet. Failure to meet it was a criminal offense; the punishment was subsequently reduced: the culprits were deprived of their private plot.

At that point the second question arises: after losing one's plot, why not go to the city? The peasant had no legal right to do so. Starting with pre-war times and through the 1970s kolkhoz members had no internal passports. They could leave their native village to go to school or hire out on the basis of organized recruitment for construction only on the basis of a certificate issued by the rural soviet, something which was difficult to obtain.

The share of kolkhoz members employed in public farming in the kolkhozes and cultivating their auxiliary plot accounted for 44 percent of the total number of working people, based on 1950 data. Therefore the "peace-time" results of low prices benefited one portion of the population at the expense of another.

The low-paid workers and employees, the retired and those who, based on today's legislation would have been entitled to a pension but were not then, benefited little from the reduction in prices. After the rationing system was lifted they were able to purchase slightly more goods than they could obtain previously with their rationing points.

Let us recall yet another situation which lowered the purchasing power of the population: tuition fees for attending secondary and higher schools.

A hungry person does not think of delicacies. The insufficiency of calories is confirmed by the fact alone that in 1954 the gross grain harvest was 11 percent below that of the pre-war 1940. Despite the low level of domestic consumption, the country continued to export food. In 1950 grain exports totaled 2.9 million tons. It was all of this and not the consumption standard, as Khabarova assumes, that explained the abundance of tinned crab.

Let us now consider the question of whether indeed the dual scale price system ensured a commodity-monetary balance. It is obvious that Khabarova bases her view on this problem on a purely visual fact: the Moscow stores. In reality, such a balance did not exist. The reduced procurement prices of agricultural commodities allowed, by keeping a low standard of the real income of kolkhoz members, to limit costs in the food industry. At the same time, however, they undermined the material incentive in broadening the raw material base in food production. With the reduced prices of individual foodstuffs not only the correlation between supply and demand was ignored but so was production dynamics. As a result, during the "starry hour" of 1955 prices on the kolkhoz market exceeded state retail prices by an average of more than

100 percent. Such a price "gap" convincingly proves the imbalance between food supply and demand. As to industrial consumer goods, here the balance was somewhat better, although some types of clothing and shoes were in short supply and sold "under the counter." And that was when the population had little money at its disposal. After the 1947 reform and the currency change at a 1:10 ratio and the reassessment of deposits, the population's cash savings declined sharply.

The lowering of retail prices between 1948 and 1954 was the virtually only way to improve the well-being of the Soviet people, which had been undermined by the war. The population's gain from the lowering of prices equaled 30 billion rubles. Meanwhile, the national debt created as a result of the mass loans floated at that time and still being repaid totaled about 20 billion rubles.

A retrospective study indicates that raising the living standard in this manner alone was by no means the optimal way. During that period many social problems accumulated and aggravated while agriculture was neglected. Whereas in terms of gross industrial output the level of the prewar 1940 had been nearly tripled by 1954, in agriculture it had increased by no more than 9 percent. Housing conditions were extremely poor. Although the war had caused a tremendous destruction of houses, the percentage of housing construction in the overall volume of capital investments remained on the low level of the prewar third 5-year plan. Throughout the entire "starry hour" urban crowding remained virtually unchanged. At that time the standard for the majority of urban residents was one room per family in a communal apartment or a hut.

An assessment of the administrative-command management system on a broader sociopolitical aspect shows that with its establishment democratic centralism in economic management was replaced by bureaucratic authoritarian centralism. The period during which this structure assumed its expanded and relatively final shape coincides with the blossoming of the cult of personality and mass repressive measures. That is why to present that period as the "golden age" or a period of prosperity for the state and every working person means to violate historical truth.

All of this does not belittle in the least the greatness of the heroic accomplishments of the party and the people: the industrialization of the country, victory in the Great Patriot War, and the postwar restoration of the national economy. However, we must realize that with a different—economic and not administrative—management and under conditions of expanded democracy the casualties, losses and privations could have been significantly fewer and the results, greater.

In order to gain a better understanding of the features of the "starry hour" of the administrative-command management system, let us consider, albeit briefly, the long subsequent period during which, according to Khabarova, it began to break down. There was indeed no mass lowering of retail prices during that time. However, other steps were taken to upgrade the living standard and a more active and humanistic social policy was pursued.

Between 1952 and 1960 procurement-purchase prices were raised by a factor of 7 for grain, 12 for meat and 4 for milk. This drastically improved the income of kolkhoz members and their material incentive in increasing the production of such commodities. Rural taxes were reduced by a factor of 2.5 and mandatory procurements of goods from the private plots were abolished. The balance between food supply and demand improved: compared with state prices, the prices charged at kolkhoz markets dropped from a factor of 2 to a factor of 1.5.

Improvements in pensions represented a significant contribution to the well-being of the Soviet people. According to the 1956 law on pensions, their average was roughly doubled and the group entitled to a pension was widened. The total cost of pensions increased from 3 billion in 1955 to 8.2 billion rubles in 1962. It was also then that the floating of mass loans was stopped and secondary schools and VUZ tuition fees were abolished.

The development of mass housing construction was a major social step. Whereas from 1947 to 1954 housing totaling 346.9 million square meters was completed, a total of 734 million square meters of housing were completed in 1955-1962, i.e., double the previous amount. For the first time the availability of housing improved substantially. In the cities it showed a 40 percent per capita increase. Housing standards began to change as well: instead of one room in a communal apartment, individual apartments became available. Subsequently, it was precisely the halt in the process of renovation of socialist society, which had been initiated in the 1950s, and the stabilization of the administrative-command management system that prevented the continuation of accelerated improvements in the living standard of the population.

We already described when and how the dual price system was established. Let us now answer the other questions raised in Khabarova's article: "To what and to whom do we owe the senseless destruction of said system?"

Let us note above all that this destruction was by no means senseless. No single economic problem had been the subject of so much thought by scientists and practical workers—political economists, planners, financiers and statisticians.

In 1959 the USSR Academy of Sciences Presidium set up a special commission to compute values within the socialist economy.

The scientific report presented by its chairman, Academician V.S. Nemchinov, noted the following: "Differences in price scales are not a mandatory and permanent feature of the socialist economy. Contemporary scale differences in wholesale and retail prices are a temporary phenomenon which is adversely affecting economic progress at the present time."

It was under the aegis of the State Economic Council that economic- mathematical models of prices based on a single standard and on different price-setting concepts were formulated between 1959 and 1961. Based on intersectorial commodity balances, basic assets and material working capital for 1959, computed by the USSR Central Statistical Administration, the indices of conversion from current prices to prices consistent with the level of costs and production prices for the entire national economy, covering 72 sectors, were determined with the help of computers. Starting with 1 July 1967 dual prices were replaced by wholesale prices structured on the basis of new principles. On the sectorial level the price of commodities was made proportional to the fixed and working capital. For many leading items the new prices were close to the standard whereas for others this was planned for a latter date. V.K. Sitnin, then chairman of the USSR State Committee for Prices, wrote that profitability deviations shown by different sectors in heavy industry from the average had been reduced in the new prices by nearly a factor of 3: from 4:1 to 1.4:1, and that in the future "we should ensure the maximally possible closeness among levels of profitability and between them and the average." Therefore, dual prices were essentially eliminated.

This was consistent with the objective requirements of the economy and the conditions of the economic reform of 1965-1967. The resolutions of the September 1965 CPSU Central Committee Plenum stipulated the introduction of payment for production assets, setting up enterprise incentive funds, expanding direct contractual relations and converting in the future to wholesale trade in means of production, with which the 1967 prices were more or less consistent. They provided the necessary prerequisites for the economic reform of the 1960s: compensating for production and turnover costs, making all normally working enterprises profitable, ensuring a relative equivalence of trade and providing the possibility of adopting true cost accounting.

However, the reform was carried out sluggishly and partially and all of its components were incomplete. No conversion to wholesale trade in means of production was achieved and the funding of material and technical procurements was retained. Neither money nor prices were allowed to function at full capacity in trading in means of production. Prices did not acquire the necessary flexibility and did not react to the dynamics of production costs, changes in supply and demand, etc. The lack of the necessary dynamics and flexibility in prices and their indifference toward supply and demand were almost presented as an advantage and price stagnation was raised to the level of a virtue. Delegates to the 7th Session of the USSR Supreme Soviet, 11th Convocation, at which the question of restructuring national economic management at the contemporary stage of the country's economic development was discussed, noted that "the forces of inertia and stagnation assumed the upper hand at that time and everything went back to the old situation, but only worse."

The result of all this is familiar. During the 8th 5-year period (1966- 1970) when, although truncated, the economic reform was nonetheless being pursued, the national income increased 41 percent, compared with 32 percent during the 7th and 28 during the 9th. Correspondingly, real population income increased by 33 percent in the 8th 5-year period, compared to 19 in the 7th and 24 in the 9th. During the 10th and 11th 5-year periods the growth rates declined even further. It turned out that the excessively centralized administrative system could not deal with the distribution and redistribution of costs and materials.

The direct participation of state authorities in all economic processes without exception today is not only inefficient but simply impossible. However, the "comprehensive state-centralized 'mediation'" is by no means the base of the advantages of socialism as a social system. Its advantages are found in ownership relations. Despite the stereotype which prevailed in our country for a long time, including during the "starry hour" of the administrative system, under socialism the individual is not a voiceless cog in the state-economic mechanism. Public socialist ownership of the means of production is the main prerequisite for the all-round development of the individual and the transformation of the working person into the full owner of the production process and in social and governmental life. Our restructuring is aimed at using this advantage of socialism. Its most important component is democratization, glasnost, electiveness of managers on all management levels, and radical economic reform. The main tasks of the reform are to subordinate the production process to the interests of consumers, ensure a maximum autonomy as well as responsibility on the part of labor collectives of enterprises and associations on the basis of full cost accounting and minimal interference in their activities by superior state and economic authorities. It is precisely these principles that prices under socialism must observe. As to Khabarova's last question of "how to restore the dual price system?", which would include constant administrative mediation, the answer is simple: we cannot return to it.

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05003

Do Rainbows Really Have Two Colors?: On Discussions in the Soviet Press and Responses in the West

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[Article by Doctor Josef Turf, member, Belgian Communist Party Central Committee Politburo, with introduction by V. Dymarskiy, APN commentator]

[Text] The following letter needs, perhaps, some clarification. In the summer of 1987 Josef Turf, political director of the weekly RODE VAAN (organ of the Belgian Communist Party), came to the USSR to write a series of articles on the 70th anniversary of the October Revolution. As a staff member of the APN, I was assigned to accompany him and to offer what is officially known as "journalistic cooperation."

The best way to celebrate this anniversary is to see today's USSR. This is how the Belgian guest explained the main idea of his trip and planned articles. J. Turf said: "I last visited the Soviet Union 10 years ago. Why such a gap, you may ask? Because, frankly, during that particular period, which you refer to as stagnant, I was simply uninterested in visiting a country where, at times, it seemed as though the course of history was slowing down, as though time had stopped..."

In the 10 days our guest spent in the USSR, his official and casual meetings, talks and discussions impressed him so greatly that, in an APN interview, he referred to them as "stunning." The main "shock" was the specific displays of glasnost in Soviet society and the open and public nature of discussions. His comment: "In my last trip to the USSR it was obvious that the people I talked to were trying to avoid problems, to conceal them. Yet today, I noticed that people are virtually rushing all over themselves to express their personal views on these problems, suggesting different, sometimes even conflicting solutions, as though 'unearthing' that which they had buried within themselves for many years."

Turf's familiarity with Soviet publications also helped him reach this conclusion. He was interested in literally everything—from briefs in the daily press to theoretical and political articles in thick journals. He showed particular interest in the then developing polemics on the correlation between social justice and economic efficiency under socialism, the compatibility of centralized planned economic management with commodity-monetary relations. Those who see only in black and white, who argue in favor of views according to which social justice, social concern for the individual should be mandatorily compensated by relinquishing hope for a highly productive economy, Turf calls "color blind."

Our guest expressed a desire to contribute to the discussion, not from a speculative viewpoint, but from the reality of capitalist society with which he is quite familiar.

So, an envelope arrived from Belgium with the promised letter, which I hereby forward to KOMMUNIST:

If you repeated ten times in a row that everything is either black or white, you could, conceivably, convince yourself that there are no other colors. This is roughly how I shall summarize the contents and logic of publications which argue the idea of plan versus market.

However, above all, I would like to say that, like many publications, I also reject the unrestrained use of citations from the works of our great teachers. There is a surprisingly stubborn tendency to bombard each other with citations, granting them an almost biblical status. In the classics it is possible to find an antithesis for each thesis— precisely because they repudiated all dogma, guided by the study of specific situations.

However, those who gripe about "quotation mongering" often, as I was surprised to discover, attribute a supernatural ability to the classics to voice the immutable truths. They thus conclude that socialism and the market are mutually exclusive; any attempt to overcome this contradiction has ended and always will end in failure; there is not and cannot be any alternative to the highly centralized, fully defined model of socialism bereft of any imagination. The authors of such publications contrast this with the "free market" economy which, they claim, has a bright future.

The flaw in such publicistic expatiations of one's own credo is that they are completely out of touch with the realities of life. Just what is this market economy, which supposedly functions according to identical laws for everyone?

There is no such market with constant features; its properties change with the times. They reflect the relationships among commodities and therefore, certain relationships among people. The market existed long before its capitalist form became prevalent. Today it appears in different variants.

Today this "free market," as many obstinately call it, has the following features: a lack of free choice, which would exceed the framework of decisions made by large financial groups; a monopolistic nature in sectorial and regional planning; the regulation of economic activity through quotas; protectionism and the creation of thousands of national and multinational prohibitions and laws (examples: ferrous metallurgy, textiles, petroleum and electronics industries, agriculture); the subordination of social and cultural life to the laws of the capitalist market; the dependence of science on the interests of capital and, as a result, the militarization of the economy; a change in the role of government, which instead of the sociodemocratic policy of compromise implements the authoritarian policy of "neoliberalism;" a sharp growth of parasitic capital, which has gained prevalence over production capital; the transition to a "dual" society and market, in which an increasing number of

workers are displaced from the "free market;" the growing subordination of poor to rich countries, "thanks to" the constant worsening of trade conditions and loans granted by the IMF; and the rapid exhaustion of raw material resources and the destruction of the environment.

This incomplete list of distinguishing features of contemporary capitalism shows the absurdity of considering it an attribute of the "free market." In as much as freedom exists, it is the freedom of the ruling class frivolously to relate to the interests and needs of the people, to hold the future of our planet hostage.

The results of applying the current model of capitalist growth are quite familiar: scientific and technical progress which threatens the existence of the earth itself; increasing degradation of the living conditions of entire nations; the appearance of the technical possibilities for total annihilation of the world; mass unemployment which generates poverty, etc.

Of course, anyone may interpret this as an advantage and proof of the "efficiency" of the capitalist system, despite some "drawbacks," and may think that such a model of economic growth occurs only at the very beginning and that it has a serious future. However, it would be interesting to find out what the proponents of similar views, according to which socialism allegedly is less capable than the "free market" of satisfying the needs of the people, think. Unfortunately, I have not come across any such explanations.

Many assert that a socialist economy can exist only as it was originally designed: paralyzed, incapable of improvement, forever unable to satisfy the real needs of the people. It seems unable to react to changes in external conditions (for example, the beginning stage of building socialism, the Great Patriotic War, the postwar restoration) and should content itself with low quality goods, shortages and invincible bureaucratism. Stagnation—on principle!

Taking steps to raise quality, organizing production so that it actually responds to collective and individual needs, ensuring the growth of labor productivity via new technology—none of this, it turns out, makes any sense: it is either socialism (without a market), or a market (without socialism).

Naturally, there is no place for restructuring in such naive thinking. Following such reasoning, creating a socialist economy based on a society in which there will be no injustice, bureaucratism, poverty or profiteering, in which material and spiritual freedom will exceed anything currently known to man, is a task beyond our strength. As it has always been, so will it be. Either good, or bad. The bad cannot be improved; the good cannot be worsened. The fact that people create history, learning from real practice, making a choice each time and drawing lessons from past experience, turns out to exceed the limits of "color-blind" dialectics. I would like to direct attention to two concepts of such dialectics.

Like Milton Friedman (**editorial note**: Milton Friedman is an American economist, a monetarist, ideologue of neoconservatism and "Reaganomics" and Nobel Prize laureate) and his followers, supporters of the first claim that the experience of underdeveloped countries argues in favor of the free market and against socialist planning. Of course, I do not believe that the artificial transplantation of a socialist model within developing nations leads to unquestionable successes. However, saying that the free market is the best solution for them means overlooking the merciless exploitation of the third world by supranational authorities in which such financial big shots as the IMF, the International Bank for Reconstruction and Development and others are involved, an exploitation which, for these nations and their populations, becomes poverty and debt. The existence of countries such as South Korea and Taiwan within the framework of the international division of labor among large capitalist groups in no way refutes said facts.

The second concept: in speaking of Western European social democracy, neoliberals essentially claim that social democracy has disrupted the free market mechanisms and thereby provoked a crisis. This implies, of course, that the reasons for said crisis are not based in the capitalist model itself. However, the role of social democracy in Western Europe always has been limited only to the "ennoblement" of capitalist society by defending the rights of workers, and you never hear of encroachments upon the foundation itself, the basis of capitalist structures. Thanks to social democracy's economic class struggle, during its rule definite results were, of course, achieved, for which reason capitalism in some areas adopted a more "human face." In defending the purchasing power of labor strata, social democracy improved the functioning of the capitalist market and succeeded in partially avoiding those consequences of the crisis experienced by workers in the 30s.

Today the "tough" policy of neoliberalism, which has replaced social democracy's policy of "social consensus," is methodically destroying earlier gains. If neoliberalism succeeds in achieving all of its goals (and the matter is coming to that), it will become obvious that "free market capitalism" in no way accords with social progress. However, this does not in the least indicate that socialism is incompatible with flexible concepts of combining planning with a market. One could say that a planned socialist economy is a necessary but not exclusive prerequisite for the development of socialist society. As regarding social democrats, nowhere have they ever tried to follow a "third path," beyond the logic of capitalist development.

Finally, I cannot agree with statements that our age will turn out to be so savage because free enterprise was smothered. It has always seemed to me that both world

wars were caused by the struggle among capitalist powers to redivide the world, by deals between financial bosses and fascist ringleaders for the sake of gaining new territories for the "free" world. The basic question of any social discussion of today concerns the urgency of averting a third and final world war. It is clear that seeking the causes of wars in the survival of feudalism and the policy of social democracy indicates the lifting of any responsibility for the present-day arms race from the "free market."

I have also come across the following assertion: it is not, they claim, all that important to know where the ideological sympathies of a given person lie, with the plan or the market. In any case, considering the interpretations suggested by my opponents, both exclusive plan versus market supporters are, I believe, opponents of restructuring. In their own way they are right: if restructuring is to succeed, there will be little breathing space for dogmatists of either side.

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05003

Onward Along the Path of Socialism With a Chinese Face

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[Report by Zhao Ziyang, CPC Central Committee General Secretary, submitted at the 13th All-China Chinese Communist Party Congress on 25 October 1987. Abridged]

[Text]

I. Achievements of Historical Significance and Tasks of the Present Congress

The All-China 12th Party Congress, which supported and developed the line of the 3rd CPC Central Committee Plenum, 11th Convocation, formulated a program for the creation of a new situation on all fronts of socialist modernization. Nine years separate our congress from the 3rd Central Committee Plenum, 11th Convocation. The past 9 years inaugurated a new period in the history of the party's development, based on the tremendous successes achieved in building socialism after the founding of the PRC, and profoundly changed China's appearance. In the past 10 years the state's gross national product and revenue and the average income of the urban and rural population essentially doubled. It is now clear, and we can be entirely confident of it, that we shall be able to fulfill by the end of this century the tasks of economic development set at the 12th Congress.

After the development of production, we initiated the solution or found means for solving a number of major socioeconomic problems which had been concerning us for many years:

Today the absolute majority of the 1-billion strong population in the country is secured with food and clothing. Some areas have begun to reach the level of a medium-prosperous life. Life in some areas has improved although the problems of food and clothing have not been entirely solved.

Extensive opportunities for jobs have opened in cities and rural districts. Thus, 70 million people were provided with jobs in the cities and, thanks to the opening of a huge number of district and settlement enterprises in the rural areas, 80 million peasants converted fully or partially to nonagricultural production.

Marketplace supplies have improved greatly. We have essentially ended the acute and lengthy shortage of consumer goods.

The major disproportions among the most important economic indicators in the economy have been reduced substantially; gradually, the economy has been switched to the track of an essentially harmonious development.

Let us note that the past 9 years have been a period of the fastest possible growth of the country's economic power since the founding of the PRC, which gave the people the greatest possible benefits. This time was strikingly different from the 20-year long period which lasted from the end of the 1950s to the 3rd Central Committee Plenum, 11th Convocation, when under the influence of leftist leadership views the "class struggle" was considered basic, repeated breakdowns occurred in economic development and the life of the people improved insignificantly little.

All achievements in our economic building for the past 9 years are inseparable from the firm implementation of a global reform and the expansion of foreign relations on the basis of correcting the errors and restoring proper views.

Having eliminated the ossified economic system, the reform and the policy of expanding foreign relations revived the economy. The tempestuous development of a socialist commodity-oriented economy is developing with insurmountable power. The maritime areas, from north to south, now form a vast progressive area open to foreign contacts.

The reform and the expansion of foreign relations also ensured the further spiritual emancipation of the Chinese nation. A number of old concepts which have long shackled the might of the people were largely debunked. A number of ideas appeared, consistent with the trends of social progress. The foundations were laid of a hitherto unparalleled new mechanism. The reform of the

socialist mechanism, bearing in mind the scope and depth of the social changes it has caused, is the equivalent of yet another revolution.

The political situation of stability and unity was strengthened and developed as a result of the proper resolution of various social contradictions and the timely elimination of all kinds of "leftist" and right-wing obstacles. Public order has improved significantly. The healthy development of the struggle against bourgeois liberalism increased the consciousness of the people and enabled us to gain greater experience in the struggle against erroneous ideology not through political campaigns but through positive upbringing and properly practiced criticism.

The building of socialist democracy and legality is gradually expanding. The foundations of a socialist legal system have appeared, based on the PRC Constitution. The political life of the people is being increasingly revived. The united patriotic front has strengthened incredibly. The multi-party system of cooperation and consultations, in which the Communist Party is the leading force, is developing its positive role. The fraternal unity among the different nationalities in the country has become even stronger.

Major changes have occurred in the building of a socialist spiritual culture. The entire society is being raised in a spirit of lofty ideals and moral and legal education. Compulsory 9-grade education is being gradually introduced.

A strategic change has been achieved in building national defense in terms of guiding ideas. Tremendous successes have been achieved in streamlining and staffing the troops and in accomplishing a military reform. New changes have taken place in terms of reducing the army by 1 million men, in revolutionizing and modernization it and in turning it into a regular force. Our possibilities in waging defensive combat have increased even further.

Based on the principle of "one country and two systems," China and Great Britain and China and Portugal have reached agreements on solving the Hong Kong and Goa problems. Guided by the same principle, we shall try to solve peacefully the problem of Taiwan. History will confirm that the idea and practice of completing the unification of the homeland based on the principle of "one state, two systems" is a great accomplishment of the political mind of the Chinese nation.

We have ensured the development of a foreign policy of independence and autonomy, struggle against hegemonism and preservation of peace the world over. We have acquired an even greater number of friends abroad.

Nine years of practical work have confirmed that our party can justifiable consider itself a great, glorious and correct party and that the line charted at the 3rd Central Committee Plenum, 11th Convocation, is the accurate Marxist line. This line is the quintessence of the mind of the party and the people, the collective mind of the CPC Central Committee. Comrade Deng Xiaoping made a most important contribution to the process of establishing and developing this line, formulating decisions on a number of key problems and creating a new situation in the areas of building, reform and expansion of foreign relations, with the daring of his Marxist theoretical thinking, realistic approach to the matter, rich practical experience and the ability to look far into the future.

However, we have no reasons whatsoever for complacency. We are facing many more problems and difficulties, more than we assumed. We have made many errors in our management. Many regulations remain imperfect. Not all management and control activities are in step with the development of events. In the area of economics there is still a tendency to go after instant success. The contradiction between overall social supply and overall social demand, which substantially exceeds it, has not been radically eased. The ideological trend of bourgeois liberalization still finds sympathizers. As in the past, mental inertia is fettering the minds of some comrades. The party members and the broad masses are particularly dissatisfied with phenomena of bureaucracy and corruption which may be noted to a different extent on several levels.

We must also clearly realize that we are facing a long road and even more difficult tasks than in the past. We lost a great deal of time and we are still quite behind. The headlong development of the new technical revolution, the competition on markets, growing with every passing day, and the fluctuations in the international political situation in the contemporary world present us with a major and severe challenge. Unless we become fully aware of this and double our efforts, our country and nation may fall even farther behind, at which point we shall be unable to assume our suitable position in the world.

The main task of our congress is the acceleration and intensification of the reforms which are the only way to China's revival. They reflect the will of the people. They are an irreversible trend in overall development. The proper solution of this problem will be a guarantee for our further progress on the path of socialism with a Chinese face.

II. The Initial Stage of Socialism and the Party's Basic Line

The proper understanding of the historical stage currently reached by our society is the prime problem in building socialism with a Chinese face. Our party has already clearly answered this question: China is in the initial stage of socialism. This concept has two meanings. First, our society is already a socialist society and we must firmly hold on to socialism and not deviate from it.

Second, in our country socialist society is still at its first stage of development and we must not skip this stage but proceed on the basis of this reality.

The capitalist way proved unsuitable for China. The only solution was to overthrow the reactionary rule of imperialism, feudalism and bureaucratic capitalism under communist party leadership and take the path of socialism. However, socialism in our country originated in a semi-colonial and semi-feudal society and in terms of development production forces are far behind the developed capitalist countries. It is precisely this circumstance that predetermined, in our case, the need to undergo a rather lengthy initial stage of development in which we must industrialize the country, promote the commercial aspect of the production process and its socialization and modernization, i.e., accomplish that which many other countries accomplished under capitalist conditions.

A socialist economic system based on the public ownership of means of production already exists in our country; a socialist political system of democratic dictatorship by the people has been established and Marxism has assumed a dominant status in ideology. We have already eliminated the exploiting system and exploiting classes. The country's economic power has greatly increased. Public education, science and culture have been developed quite substantially. On the other hand, however, we have a huge population, and a weak economic base and we still are in one of the last places in the world in per capita GNP; 800 million out of 1 billion people in the country live in the countryside and are still supporting themselves essentially with manual labor. Along with a small number of modern industrial enterprises, there is a tremendous number of enterprises which decades and even hundreds of years behind contemporary standards. Along with a small number of economically developed areas, we have many areas which are undeveloped and poor. No more than a small part of our scientific and technical achievements match global standards, while the overall scientific and technical level remains low and nearly one quarter of the population is either illiterate or semi-illiterate. In production relations the backwardness of production forces is caused by the low level of production socialization, which is a necessary prerequisite for the development of socialist social ownership, the extremely underdeveloped nature of a market economy and a domestic market, a substantial share of a barter and semi-barter economic and an immature and imperfect socialist economic system. In the superstructural area such backwardness leads to a severe lack of a number of economic and cultural prerequisites which are necessary in developing a style of management based on a highly developed socialist democracy; nefarious feudal and bourgeois views are still extensively influencing the society; the habits of petty producers, who are constantly corrupting the ranks of party cadres and state employees, remain strong. This confirms the fact that we are still far from coming out of the initial stage of socialism.

The building of socialism in a huge eastern country such as China is a new problem in the history of development of Marxism. We found ourselves not facing the problems anticipated by the founders of Marxism—building socialism on the basis of highly developed capitalism--and not entirely in the face of problems which the other socialist countries had to solve. The letter of the theory cannot be mechanically followed and nor can we duplicate foreign experience. Since the end of the 1950s, under the influence of left deviationist errors, we started pursuing hasty successes, thoughtlessly reducing everything to a state of "ideal purity," assuming that on the basis of subjective wishes and mass campaigns alone one could drastically enhance the level of development of production forces, assuming that the more socialization of socialist property we achieve in terms of scale and degree, the better. For many long years we gave second priority to the development of production forces and even after laying the foundations of socialist change we continued "to base everything on the class struggle." We stubbornly held on to many concepts which, in terms of their nature, were not socialist and which fettered the development of production forces and things which were suitable only under specific historical conditions, labeling them as the "principles of socialism." Conversely, we opposed a great many things which favored the development of the production process, marketing, socialization and production modernization under socialism, considering this to be the "restoration of capitalism." The consequent excessively uniform structure of ownership and the ossified economic and political mechanisms related to it, with an excessively high centralization of power, severely hindered the development of production forces and a socialist market economy. This circumstance helped us to understand the exceptional importance of identifying the historical stage reached by socialism in our country.

This is not the general initial stage experienced by all countries which adopt the socialist system. It is a particular period of China, which we were bound to cross in building socialism under the conditions of backward production forces and an underdeveloped market economy. The entire period, starting with completing the socialist reorganization of the private ownership of means of production in its essential lines in the 1950s, and ending with the implementation, in its essential lines, of socialist modernization, which requires a minimum of a century, is what in our case constitutes the initial stage of socialism. This stage is distinct from the transitional period, before the foundations of a socialist economy have been laid, as well as the period in which socialist modernization has already been completed. The main contradiction which we face at the present stage is the one between the growing material and cultural needs of the people and a backward public production system. The class struggle will remain for a long time to come within a certain limit. However, it no longer constitutes the main contradiction. In order to solve the main contradiction at the present stage we must comprehensively develop a market economy, upgrade labor productivity, gradually modernize industry, agriculture, national defense, science and technology and, to this

effect, also restructure that part of production relations and the superstructure which are inconsistent with the requirements of the development of production forces.

In general terms, the initial stage of socialism in our country is one of gradually leaving poverty and backwardness behind, a period of gradual conversion of an agrarian country with a predominant rural population and mostly manual labor into a modern industrial country with a predominantly nonagrarian population, a period of conversion from a barter and semi-barter economy, which accounts for a tremendous share of the total, to a highly developed market economy, a period of creating and developing through reform and seeking an unusually active socialist economic, political and cultural mechanism, a period of the great revival of the Chinese nation, achieved through the efforts of the entire people.

What guiding and far-reaching course must we adopt based on the actual conditions prevailing at the initial stage?

First, we must concentrate our efforts on modernization. The basic task of socialist society is to develop production forces and, in order to get rid of poverty and backwardness at the present stage, it becomes even more necessary to consider their development as the focal point of all efforts. The question is, does this favor the development of production forces and should it become in our case the starting point in the study of all problems and a basic criterion against which to check our entire work?

Second, we must firmly pursue a total reform. Socialism is a society which advances through reform. At the initial stage, particularly at the present period, considering that the ossified mechanism which took many years to develop is seriously obstructing the development of production forces, reforms become an even more vital historical requirement. They imply the self-advancement of socialist production relations and the socialist superstructure and are the motive force of all work.

Third, we must firmly continue to expand foreign relations. At the present time, when international economic relations are becoming increasingly interwoven no country can secure its development behind closed doors. The building of socialism on a backward foundation makes it even more mandatory to develop technical and economic trade and cooperation with foreign countries, make comprehensive use of the achievements of global civilization and reduce the distance which separates us from the developed countries. Exclusivity leads to even greater backwardness.

Fourth, we must comprehensively develop a planned market economy in order to preserve the leading role of public ownership. The full development of a market economy is an inevitable stage of socioeconomic development. It is a mandatory and a basic prerequisite for production socialization and modernization. The forms of ownership in the area of distribution in a socialist society do not require in the least any kind of "ideal purity" or absolute equalization. What is especially needed at the first stage is to develop a mixed economy, providing that we preserve the leading role of public ownership and apply a variety of forms of distribution, while ensuring leading priority to the principle of distribution according to labor, proceeding from ensuring universal prosperity and encouraging the aspiration of some of the people to become prosperous before others through their honest toil and legitimate work.

Fifth, we must comprehensively develop political democracy while protecting stability and unity. It is mandatory for socialism to have a highly developed democracy, complete legality and a stable social environment. It is most important to maintain stability and unity at its first stage, when instability factors are quite numerous. Contradictions within the people must be accurately solved. We must not weaken democratic dictatorship by the people. The building of a socialist political democracy becomes particularly vital bearing in mind the profound influence of feudal absolutism. Nonetheless, it must take place in an orderly fashion, step by step, again because of the limitations imposed by sociohistorical conditions.

Sixth, we must comprehensively create a spiritual culture based on Marxism. The modernization and reform we are implementing and the broadening of relations with foreign countries provide a tremendous incentive in building a socialist spiritual culture. At the same time, they formulate very strict requirements toward it.

Comrades! **The basic line of our party in building socialism with a Chinese face at its initial stage is a line which requires the leading and rallying the multinational Chinese people in the struggle for firmly defending, while putting economic construction in the center of our attention, the four basic principles and firmly follow the reform and expand foreign relations, relying on our own forces and dedicated work, convert our country into a rich, powerful, democratic and civilized modern socialist state.** The four basic principles are firm support of the socialist way, democratic dictatorship by the people, leadership by the CPC and Marxism-Leninism and the ideas of Mao Zedong, which are the very foundation of our state. The general course of firm implementation of the reform and broadening foreign relations is the further development of the party line charted at the 3rd Central Committee Plenum, 11th Convocation, which gave the four basic principles a new modern content.

We must not approach the four basic principles from the positions of ossified views, for otherwise we would begin to question and even to reject the general course of implementation of reforms and the expansion of foreign relations. Nor should we contemplate the expansion of foreign relations and the reform from the positions of liberalization, for this would make us drop out of the

socialist orbit. The elimination of hindrances created by ossification of the mind and liberalization, and surmounting the influence of such erroneous ideological trends will imbue the entire process of the development of socialism at its initial stage. Since leftism has sunk very deep roots and since this is the main obstacle to reform and to the expansion of foreign relations, the elimination of ossified views will remain our main task for quite some time in the future.

III. On the Strategy of Economic Development

After the 3rd Central Committee Plenum, 11th Convocation, our economic building was strategically divided into three steps. The first presumed doubling the GNP compared with 1980 and solving the problem of ensuring the people with food and clothing. We have already essentially implemented this task. The second step is once again to double the GNP by the end of this century in order to ensure for the people an averagely prosperous living standard. The third step calls for raising the per capita gross national product by the middle of the next century to the level of averagely developed countries, ensuring a more prosperous life for the people and completing our modernization in its essential lines.

The most important thing today is to take the second step. The implementation of its tasks will lead to new huge changes in the modernization of the country. The main areas of industry will come technically closer, in their essential lines, to the level which the economically developed countries had reached in the 1970s and beginning of 1980s. The technical standard of agriculture and other production sectors will be substantially enhanced. Universal partial secondary education will be introduced in cities, settlements and the absolute majority of villages; a universal full secondary education and vocational-technical training of equal value will be introduced in the large cities. The life of the people's masses will reach a sufficiently prosperous average level. In a heavily populated and backward country such as ours, supplying the entire population with adequate clothing and food and ensuring it a peaceful and tranquil toiling life is, unquestionably, a tremendous, grandiose and, nonetheless, incredibly difficult matter.

We have several favorable prerequisites for implementing the combat assignments of the second step. However, there are many difficulties and contradictions as well. The crux of these contradictions is the excessively low efficiency of economic activities. It is only substantial and conscientious work on upgrading economic efficiency, which leads to progress in this direction with every passing year, that would enable us gradually to reduce the contradictions created by the size of the population, the relative scarcity of natural resources and the severe shortage of financial resources, and to guarantee a higher pace of continuing development of the national economy. In this connection, we must emphasize the solution of the following three important problems:

1. Concentrate on the development of science, technology and public education, so that economic building may be based on scientific and technical progress, and upgrade the level of training of the working people.

We must emphasize the modernization of production technology and equipment in large-scale production in order substantially to improve the technology in the main areas in agriculture, the power and extraction industries, transportation, communications, machine building and other leading production sectors. We must intensively apply the world-wide achievements of science and technology and accelerate the technical reconstruction of enterprises. Furthermore, we must organize the best forces and, wasting no time, develop research in high technology, particularly in the study and development of microelectronics, software, bioengineering, and the technology of new materials. We must continue to intensify basic research. By accelerating the reform we must develop a mechanism for the close coordination between science and technology, on the one hand, and the economy, on the other, and motivate even further and force the enterprises, the large and leading ones above all, to make use of scientific and technical achievements. We must accelerate the process of expanding the technical market and the commercial application of technical achievements. We must shorten the cycle of application of the results of scientific research in industrial construction. We must continue to make intensive use of advanced achievements in foreign equipment and technology and, in close connection with domestic scientific and technical research, actually intensify the process of the study, mastery and creation of new developments on their basis.

The development of science and technology, an economic upsurge and overall social progress depend, in the final account, on upgrading the standard of training of the working people and on the huge army of trained cadres. As the economy develops, with every passing year state will increase allocations for education and, at the same time, continue to encourage all social forces in creating schools with the funds they have acquired. We must steadily improve the structure of education and upgrade the quality of training on the basis of actual needs, close the gap between education and real life and eliminate the one-sided pursuit of percentages for people who go into higher training. We must continue to develop a social atmosphere of respect for knowledge and for specialists, improve the working conditions of the intelligentsia and do everything possible in order maximally to bring to light the capabilities of the people and ensure their full utilization. We must intensify the exchange of specialists with foreign countries in addition to enhancing the role of our scientific and technical cadres.

2. We must support an overall balanced social supply and demand and ensure the rational control and reorganization of the production structure.

The key to this lies in the efficient determination of the overall volume of investments in the country's productive capital, consistent with its real possibilities, and set a sensible limit to the growth of individual consumption, consistent with the level of development of the production process. We must truly intensify and improve the comprehensive balancing of the national economy, so that finances, credits, foreign exchange and material facilities can be internally balanced and, at the same time, maintain an essential balance among themselves. In all of our practical work we must be able to see the requirements of the time. We must constantly and promptly eliminate any imbalance which appears in economic life and, through constant minor adjustments, avoid resorting to major regulatory measures which become necessary after major disproportions have appeared. Decisive steps must be taken to contain even more strongly the noted trend toward excessive price increases.

The pace at which the population engaged in agriculture shifts to nonagricultural production accelerates in the course of the progress toward an averagely prosperous living standard; there is a growing need for the development of the industrial sectors and the building of infrastructural projects. Demand for improved consumer goods is growing; selectiveness is increasing noticeably. All of this put together formulates new requirements concerning the reorganization of the production structure.

The main trend in regulating and reorganizing the production structure, based on a rather long period of time, must be one of firmly preserving the very important strategic position held by agriculture and ensuring the comprehensive development of the rural economy; in addition to the increased production of consumer goods, maximal attention must be paid to industrial sectors and to building infrastructural projects. We must accelerate the development of power industry, based on electric power, and of the extracting industry, emphasizing the production of steel, pig iron, nonferrous metals and chemical raw materials, and the development of transportation and communications, the backbone of which will be a corresponding comprehensive transportation and information transmission system; machine building and the electronic industry must be comprehensively enhanced and provide an increasing amount of advanced technical equipment to meet modernization requirements. In a key area, such as the intensive development of housing, we must solve the problem of comprehensively developing the construction industry and gradually making it one of the most important foundations of the national economy. Precedence must be given to promoting the important role of economically developed eastern maritime areas, while gradually accelerating the development of the central and western areas. Proper support must be given to the ethnic and poor areas and the dynamics of their progress must be intensified.

We must achieve a rational production and enterprise structure and optimize the location of resources, not only by enhancing the role of the market and free competition. This also requires for the state to formulate an accurate industrial policy and a policy relative to the organizational structure of enterprises. With the help of prices, finances, taxes, credits and other economic instruments, the state must perform intervention and regulatory functions. In other words, with the help of the reform the state must stimulate the healthy development of the economy and, through the development of the economy, create favorable conditions for the implementation of the reform. This alone would enable us to link development with reform, planning with the market and macromanagement with microrevival and open a new path in the area of planning.

At this point we must especially consider the agricultural problem, which is of exceptional importance in the areas of construction and reform as a whole. The stable growth of agriculture, and improving the production structure in the countryside are the foundations for the long and stable development of the entire national economy. We must pay particular attention to grain production and significantly increase it in the next slightly more than 10 years. Furthermore, we must continue the rational deployment of the urban and rural economy and the production structure in the countryside. We must intensively develop multisectorial farms and district and settlement enterprises. We must strengthen and improve the various forms of contractual systems of responsibilities in which family farming is the main feature. We must actively encourage the combination of industries and develop a system of socialized services. Wherever suitable conditions exist, on the basis of voluntary participation and mutual advantages, we must encourage and develop various types of cooperation and unification and gradually establish sensible farm sizes. We must see to the comprehensive nature of urban and rural reforms and properly solve the contradictions between town and country. We must strengthen the alliance between workers and peasants. Along with the intensification of the reform in the countryside, the state, the collectives and the individual farmers must increase their investments in agriculture. The production of chemical fertilizers, polymer fabrics, toxic chemicals, diesel fuel and agricultural machinery must be increased substantially. In addition to the accelerated development of agricultural production, we must properly define and control the structure of population consumption, particularly nutrition, which must be made consistent with the nature of our agricultural resources and our production level.

3. Expand and intensify foreign relations even further; continually develop technical and economic exchanges and cooperation with foreign countries.

We have already achieved major successes in the implementation of the basic governmental stipulation of broadening foreign relations. In the future as well we

must more boldly enter the arena of the world economy, choose a correct import-export strategy and a strategy for the use of foreign capital; we must expand even further technical and economic cooperation and trade with all developed and developing countries.

We must intensively expand facilities working for export and the production of export goods. At the same time, we must intensively develop tourism, export services and technology and comprehensively increase noncommercial foreign exchange revenue. In imports, the emphasis must be on advanced technology and crucial equipment. All most important types of equipment and other commodities, the domestic production of which would be expedient, should be produced by ourselves. We must actively develop import-replacing production facilities. We must decisively and consistently restructure the foreign trade mechanism.

As to foreign resources, taking into consideration our own possibilities for repaying loans and adding to our domestic financial and material facilities, we must establish a proper scale and a rational structure and comprehensively upgrade the economic efficiency of their utilization. We must pursue a policy of preferences and improve investment conditions, allowing foreign enterprises to set up enterprises in our country, based on universally accepted international rules and thus attract even greater foreign investments.

We must continue to strengthen and develop the existing initial structure of expanding relations, gradually developing along the line of "special economic zones-open maritime cities-open maritime economic areas-internal areas."

Let us also particularly emphasize that restricting population growth, environmental protection and maintaining the ecological balance are important problems, which determine overall economic and social development. Our country has achieved noticeable successes in restraining the size of the population. However, we must realize that the basic size of the population in our country is high and, at the present time, it has reached a higher birthrate, for which reason encouraging planned parenthood should not be weakened.

The modernization of national defense is an important component of socialist modernization. We must intensify defense training and upgrade the level of defense awareness among the people. In the future, on the basis of economic progress, we must continue to develop defense technology and the equipment of the armed forces and pursue even further the modernization of defense with Chinese features.

IV. On the Reform of the Economic System

In our country the reform of the economic system yielded tremendous results. It instilled new vital strength into socialism. All the reforms we have made, from the development of the economy, based on various forms of ownership, in which the leading role belongs to public ownership, to the existence and development of private industry, were based on the actual condition of the production forces at the initial stage of socialism. The steps taken in the course of the reform, such as developing a market for means of production, a financial and technical market and a labor service market and floating bonds and stocks proved inevitable as steps paralleling the development of large- scale socialized production and a market economy and today are being applied by no means exclusively under capitalism. Socialism can and must put all such instruments at its own service, limiting their negative role in the course of their practical application. A great deal of what was used in the past, such as issuing to enterprises an excessively high number of mandatory indicators, centralized purchasing and marketing and distribution as a form of state insurance is not something permanent, inevitably based on the nature of the socialist system.

The CPC Central Committee resolution on the reform of the economic system, which was adopted at the 3rd CPC Central Committee Plenum, 12th Convocation, clearly notes that the socialist economy is a planned market economy based on the social form of ownership.

The mechanism of the socialist planned market economy must embody the organic unity between planning and market. It would be a good idea at this point to explain some basic features. First, the substantial distinction which exists between a socialist market economy and a capitalist one is that they are based on different forms of ownership. A socialist market economy, based on the social form of ownership, provides to the entire society the opportunity consciously to ensure the harmonious development of the national economy. Our task is precisely by skillfully applying both forms and both means—control through the plan and the market—to turn this possibility into reality. The development of a socialist market economy is inseparable from the development and advancement of the market; regulation through the market is by no means equivalent to the introduction of capitalism. Second, planning must be based on commodity exchange and the law of value. The forms of direct management, which are based on mandatory planning, are inconsistent with the requirements governing the development of a socialist market economy. We must not consider planned control the same as planning by directive. We must gradually narrow the area of planning by directive by concluding order-contracts between the state and the enterprises and among the enterprises themselves, based on the principle of equivalent exchange and the use of other means. The state must gradually convert to an essentially indirect management of the economy. Third, the effect of plans and markets covers the entire society. The new working mechanism for the economy, speaking as a whole, should be a mechanism of "state control of the market and market guidance of enterprises." Mainly with the help of

economic, legal and necessary administrative instruments, the state will regulate the correlation between market demand and supply. It will create a favorable economic and social climate and will thus indicate to the enterprises the accurate economic decisions.

At the present time the task of intensifying the reform consists essentially of gradually building up the framework of the new system for a planned market economy by gradually adding reforms to the planning system in the areas of investments, material resources, finances, monetary circulation, foreign trade, etc., around the main link, which is changing the economic mechanism of the enterprises.

1. National enterprises must be revived on the basis of the principle of separating the right of ownership from that of economic management.

Enterprises which are national property cannot be managed by the entire nation. In general, it would be inexpedient for them to be directly managed by the state as well. To do this, ignoring common sense, means to deprive the enterprises from their vital forces and energy. Separating the right of ownership from that of economic management and truly granting the latter to the enterprises and harmonizing relations between owners of enterprises and their economic managements and the producers, and providing efficient safeguard for the legitimate rights of enterprises in the interest of their true conversion to the principles of self-management and self-support are an internal need in creating the mechanism of a planned market economy. This does not change in the least the nature of the enterprises as units of national property.

Whatever economic management system may be practiced, it is always necessary to define the rights, obligations and interests of the state and the enterprise, and the owner and manager of the enterprises, with the help of juridical means in the form of contracts; to select on a competitive basis fully capable economic managers and consider the end results of the daily management of enterprises, including increases in their assets, the main base for rewarding or penalizing them, and to help navigate on the tempestuous waves of a market competition a tremendous number of talented entrepreneurs who engage in daring searches; to implement a system of responsibility of directors (managers), to improve all types of internal economic responsibility of enterprises, to streamline labor discipline, and to manage on a strictly scientific basis; to develop the activeness and creative initiative of workers and employees, promoting the unchallenged administrative authority of economic managers and the status of workers and employees as the owners, and to shape new relations between economic managers and producers which will support each other and engage in close cooperation.

2. We must assist the further development of the horizontal economic association.

The horizontal economic association is an inevitable trend in the development of large-scale socialized production and a socialist market economy. We must firmly abandon our support of a closed barter economy, put an end to backwardness which calls for the establishment of general large and small enterprises, through joint investments, shareholding and other forms of cooperation in the efficient shifting and new combination of cadres of specialists, meet financial needs, equipment, technology, resources and other important production components. We must intensively create enterprise groups and blocks on the basis of primarily large and medium-sized enterprises and rely on the accelerated combination of science with production. The right to decision making concerning such associations must be granted to the enterprises themselves. The principles of developing advantages and filling gaps, the variety of forms, voluntary participation, mutual advantages and joint development must be firmly observed; the organization through administrative steps of any kind of companies of an administrative nature must be prevented.

In order to develop a horizontal economic association, we must determine to the fullest extent the role of the towns. The towns, the large and medium-sized towns above all, must become multifunctional contemporary economic centers. They must meet not only their own needs but also the needs of adjacent rural areas and the entire economic zone linked with them.

3. The creation and advancement of a socialist market system must be accelerated.

The system of a socialist market includes not only markets for consumer goods and means of production. It includes also money markets, markets for labor services, equipment and technology, information, real estate and other most important production components. The uniformity of the commodity market does not allow the full determination of the role of the market mechanism. Furthermore, the socialist market system inevitably presumes competition and expanded relations. Monopolizing and division of markets does not encourage commodity producers to enhance efficiency; closed markets are unsuitable for the development of an efficient division of labor within the country and for stimulating international trade.

In developing a socialist market system we must actively and confidently carry out a reform of commodity prices. We must harmonize the prices of commodities and of all most important production components. We must gradually convert to a system of state price control over a small percentage of the most important types of commodities and services and a market control of prices on the basis of a substantial share of commodities and services. The price reform must be coordinated with the policy of income control. We must not allow any lowering of the real living standard of the popular masses in the course of the reforms. Conversely, we must ensure its gradual enhancement with the development of the production process.

4. The system of macroeconomic control, in which indirect management plays a leading role, must be gradually perfected.

Macrocontrol and the revival of enterprises and the market are three indivisibly connected units. The lack of macroregulation of the market and enterprises initiates anarchy. However, a return to the previous forms of direct management and centralized funding and allocation of production components deprives the enterprises of the right to autonomy, hinders the shaping of a market and makes the creation and development of a planned market economy impossible. Therefore, based on the interests of securing the essential balancing of the overall social supply and demand and cooperation with scientific and technical progress and optimizing the production structure, it is necessary to accelerate the restructuring of the forms of macroeconomic management. The center of gravity in planned management must be shifted to the development of a production policy and to stimulating its implementation through the comprehensive utilization of a variety of economic instruments. We must intensify the reform of the financial-banking system and strengthen the status and role of banks within the macroeconomic control system; in accordance with the laws of monetary circulation, we must suitably control the size of credits and the emission of money; while reserving the leading role for the Central Bank and a leading position for the state banks, we must create a variety of financial and banking institutions and, through a variety of means and financial-banking instruments, ensure the accumulation and circulation of monetary funds in the interests of the harmonious growth of the economy and of regulating its structure.

5. It is necessary to ensure the further development of the economy, based on different forms of ownership, while preserving the leading role of public ownership.

The social form of ownership plays a leading role in the ownership structure at the initial stage of socialism. At the present time, all economic systems other than the one based on the nationwide form of ownership, have been extremely underdeveloped in our country. For that reason we must continue to encourage in town and country the development of cooperative, individual and private industries. The economy based on public ownership itself is distinguished by a variety of forms. In addition to enterprises which are national and collective property, we must develop public ownership enterprises through the joint efforts of enterprises which are part of the national and collective ownership, as well as public ownership enterprises based on the share participation of areas, departments and enterprises.

Private economic management is the economic system in which relations of hired labor exist. Under socialist conditions, however, it is inevitably linked with an economy based on the public form of ownership, which holds a prevalent position, and is under its tremendous influence. Practical experience has indicated that a certain development of private enterprise favors the stimulation of the production process, the revival of the market and increased employment. It enables us to meet even better the variety of vital needs of the people and is a necessary and useful addition to an economy based on public ownership. That is why within the shortest possible time we must formulate a policy and draft laws relative to private enterprise, in order to protect its legitimate interests, strengthen its guidance and improve its control and management.

Mixed enterprises operating with Chinese and foreign capital, enterprises based on production cooperation and those operating exclusively with the capital of foreign merchants are also necessary and useful additions to our socialist economy. We must properly protect the legitimate interests of foreign investors and improve investment conditions even further.

6. It is necessary to apply a variety of forms of distribution, the main among which is distribution according to labor, and to exercise an accurate distribution policy.

There cannot be a single form of distribution at the initial stage of socialism. We must firmly hold on the principle according to which the main distribution is the one based on labor and all other forms of distribution are supplementary. In addition to distribution according to labor, as the main form, as well as income from individual labor, other types of income are generated. Thus, in connection with the issuing of bonds by enterprises with a view to acquiring funds, the owners of such bonds must mandatorily earn interest. Shareholding leads to the appearance and distribution of earnings based on such shares. The income of economic managers of enterprises includes a partial compensation for risk. The hiring of a certain number of workers by a private enterprise would bring its owners a partial unearned income. All such types of income, as long as they are legitimate, are admissible. Our policy of distribution must be such as to help enterprises, who manage skillfully, and individuals, who work honestly, to become prosperous before others and sensibly to increase income differentials. At the same time, this policy must be such as to prevent a drastic contrast between poverty and wealth and ensure a firm orientation toward universal prosperity and social justice, based on upgrading efficiency. Efficient control measures must be taken in the case of excessively high private income; most severe punishment, according to the law, must be imposed for earning illegal fabulously high profit. At the present time the main trend in distribution remains "feeding from the common trough," equalization and unjustified equalization. All of this must be eliminated both ideologically and in practical work.

At the start of the reform the growth of consumption easily and steadily exceeds the growth of output. For a long period of time we must firmly follow a course of persistent struggle, industriousness and thrift. We must

decisively prevent any excessive growth of consumption and ensure an increase in social consumption within limits which will not exceed the increased national income subject to distribution; increases in average earnings and bonuses of workers and employees must be within the limits which will not exceed the growth of labor productivity. At the present time the features which influence economic efficiency most noticeably are the low quality of the goods produced by a large number of enterprises. We must learn that the level of quality of output is an indication of one of the aspects of the standards reached by a nation.

The tasks of the reform of the economic system are exceptionally labor intensive. On the one hand, we must eliminate or correct in the area of production relations anything which hinders the development of production forces; on the other, we must cultivate and create the new organizations, new mechanisms and new legal standards which are necessary to their development. We are currently experiencing a period of replacing the old mechanism with a new one and it is difficult entirely to avoid the appearance of contradictions and problems in economic life. The intensification of the reform will lead to a more extensive regulation of the correlation among different interests, for which reason no obstacles must be placed on its way. It is clear today that structuring the framework of the new economic system will require more time than was previously anticipated.

V. On the Reform of the Political System

The economic reform will not be completed successfully without a reform in the political system. The party's Central Committee believes that the time has come to put on the agenda of the entire party the question of a reform in the political system. The speech by Comrade Deng Xiaoping at the expanded session of the CPC Central Committee Politburo in August 1980 on "Restructuring of the System of Party and State Leadership" is a guiding document for the reform.

The purpose of the reform of the political and economic system is to achieve, under the party's guidance and under the conditions of a socialist system, the optimal development of social production forces and the full manifestation of the advantages of socialism. In other words, in the final account, we must economically catch up with the developed capitalist countries; politically, we must achieve a democracy more developed and more efficient than in those countries; we must hammer out a larger number and more skilled cadres compared to those countries. It is precisely from the viewpoint of such requirements that the success of our reforms must be evaluated.

In our socialist state of democratic dictatorship by the people, the political system is basically an advantageous one. However, many serious defects exist in the specific system of management and the organizational ways and means of work, manifested essentially through the excessive centralization of power and bureaucratic coercion and the by no means total elimination of the influence of feudalism. We must assert everything that is positive and eliminate what is negative and develop socialist political democracy with a Chinese face. The long- term objectives of the reform are to create a viable socialist political system with a highly developed democracy, an advanced system of laws and high efficiency. It is on this that we shall have to concentrate our efforts for a long time to come.

Modernization in our country is encountering complex social contradictions. We need a stable sociopolitical situation. We must not allow the development of a "broad democracy" which would undermine state law and order and social stability. The institution of the meetings of people's representatives, multi-party cooperation and political consultations under the guidance of the Communist Party, making decisions based on the principle of democratic centralism and their implementation are our specific features and advantages. We must not reject such specifics and advantages and copy from the West the division of power into the legislative, the executive and the judiciary or the multi-party system of alternate rule.

1. Demarcating between the functions of party and governmental authorities.

The CPC is the leading nucleus in building socialism in our country. Under the new circumstances the increased leading role of the party is possible only by improving the system of party leadership and its method and style. A great deal has been done in this area in recent years. Nonetheless, the old problem of the unclear demarcation of functions between party and government authorities and the substitution by the former of the latter has still not been radically solved. This demarcation is a key link in the reform of the political system.

It is a question of demarcating between the functions of party and government authorities. The party's leadership is manifested in providing political guidance. In other words, it means defining the political principles and political directions and making radical decisions in recommending cadres for the most important positions within the authorities of the state. The party achieves its political guidance of governmental affairs essentially as follows: in accordance with procedures stipulated by the law, it converts its plans into the will of the state and, by developing the activities of party organizations and through the model actions of the party members, leads the popular masses toward the implementation of the party's line, course and policies.

The party's Central Committee defines the political concepts concerning the most important problems of domestic and foreign policy, economics and national defense. It nominates candidates for leading positions in the supreme state authorities and provides political

leadership in all areas of work. The main function of the local party committees on the provincial, town and district levels are to implement the instructions of the Central Committee and the higher party organizations; to ensure that the stipulations of the State Council and the superior government authorities are implemented in the local areas; to formulate decisions on the major problems of a given area; to recommend the appointment of cadres for the most important positions in the local governmental authorities; and to coordinate the activities of the various organizations in the local areas. The demarcation between party and government functions on the municipal and settlement levels should be made after such relations have been organized on the district level. Enterprise party organizations must play the following role: to guarantee and control their work and not, as in the past, provide a "single" management at their enterprises; they must support directors and managers to exercise their full responsibility for the management of a given enterprise. In nonproduction units the party organizations must also, as the system of responsibilities of the administrator is implemented, convert to the function of supporting and supervising the work of administrations.

In the future the positions of secretaries and permanent members of party committees on different levels will not be filled by people who, without being employed in governmental positions, nonetheless were managing specific areas of governmental work. The working apparatus of the party committee must be compact and businesslike. It must close down departments which duplicate the work of governmental authorities and the administrative matters under its jurisdiction must be put under the jurisdiction of the corresponding governmental authorities. The party groups in governmental ministries and departments will be respectively responsible to the superior party committees which have sanctioned their establishment, and those among them which do not ensure unity and efficiency in the work of governmental authorities will be gradually closed down. The commissions in charge of investigating party discipline will not solve personal cases related to violations of state laws and administrative discipline but will focus their full attention on solving problems of party discipline and cooperation with party committees in establishing the party's work style. The party organizations of enterprises and nonproduction units, currently managed by superior party organizations in governmental departments, will be gradually placed under the jurisdiction of the local party committees.

The separation of party from governmental functions will enable the party to undertake even better managing functions and to enhance the level of its management. In the past the party was unable to concentrate on the formation of its ranks. The separation between the functions of party and governmental authorities will enable the party to deal with party problems. The unclear demarcation of functions between party and governmental authorities had placed the party on the front line of administrative work, frequently turning it into one of the sides in a contradiction and even into the center of contradictions. The clear distinction between the functions of party and governmental authorities will allow the party to stand above contradictions, to proceed from the overall interests and efficiently to coordinate the work of the various sides. The unclear separation between party and governmental functions placed the party in the position of direct performer. The demarcation between party and governmental functions will enable the party organization to provide suitable control functions and efficiently to prevent and eliminate bureaucratism.

2. Granting further rights to primary units.

Excessive centralization of power is manifested not only in concentrating the rights of administrative, economic, cultural and mass organizations in the hands of the party committee, which is a leading authority, but also concentrating the rights of lower into the hands of superior leading authorities. On the one hand, the leading authorities burdened themselves with a number of nonmandatory affairs, which were excessively demanding, involving them in solving current problems of which they could not be relieved; on the other, the lower organizations were deprived of sufficient rights to solve problems independently and offered no scope for the full manifestation of the activeness of the people's masses. Granting rights to the primary units is an efficient means of struggle against this fault. This is confirmed by the changes which have taken place in the countryside and which must be implemented in all other areas.

It is more convenient to allow the primary units to solve and implement problems. Such is the general principle. The role of the mass organizations and of the primary mass self-governing organizations must be fully manifested in relations between party and government organs, on the one hand, and mass organizations, on the other; we must gradually see to it that the people's masses themselves manage their own affairs in accordance with the law. All local authorities, departments and organizations must proceed in their activities from the interests of the unit. They must act strictly in accordance with the law and the political stipulations. Granting rights to the primary units must be based on broadening the rights of cities which will act as centers, and of enterprises and nonproduction organizations, in order to revive the activities of enterprises and enable the cities to play an even greater role in the development of a socialist market economy. The rights granted to the cities, enterprises and nonproduction organizations must not be appropriated by intermediary units.

3. Restructuring the governmental machinery.

As in the past, serious manifestations of bureaucratism may be noted in our party's and state's political life. Economic, cultural and sociohistorical reasons predetermined the length of our struggle against bureaucratism.

The demarcation of functions between party and government authorities, granting further rights to the primary units and developing socialist democracy will all favor the elimination of bureaucratism. We must point out that an important reason for the appearance of bureaucratism is the cumbersomeness and inflation of the governmental apparatus with its numerous intermediary steps, absence of clear demarcation of obligations and red tape. That is why we must be fully resolved to restructure the governmental working machinery from top to bottom.

In order to avoid a recurrence of the old practice of "reducing- increasing-reducing-increasing" the apparatus, in the forthcoming restructuring we must use a key feature such as changing its functions. We must combine or reduce the various managing departments of intrasectorial and consolidated departments and see to it that the government convert from direct daily management of enterprises, as the main method, to indirect management.

We must closely link the reassignment of people to their retraining. On a planned basis and step by step some personnel must be shifted to governmental authorities and economic and cultural organizations which need strengthening.

4. Restructuring the cadre system.

Our cadre system continues to suffer from major defects, manifested essentially in the following: "The term 'state cadres' is excessively broad and short of scientific classification; cadre management rights are excessively concentrated and we notice a gap between personnel management and the management of affairs; obsolete and uniform stereotypes have been preserved in management methods, which hinders the development of talented cadres; the cadre management system is imperfect and is not based on the law. All of this has led to the fact that, for a long period of time, we have been facing two major problems: first, outstanding young cadres are unable to display their capabilities; second, it is difficult to avoid unhealthy trends in cadre utilization.

We must draft laws and resolutions which will enable us to manage government officials scientifically. State officials are divided into two categories: administrative and professional workers. The management of administrative workers is strictly based on the constitution and the organizational status; their terms of service and public control by society are set by law. The party's Central Committee and the local party committees on all levels submit candidacies for administrative positions for ratification by assemblies of people's representatives on all levels, in accordance with legal procedures, and supervise and administer state officials who are party members. State professional workers are administered in accordance with the Law on State Employees, who are subject to a system ensuring their steady implementation of official obligations. People can become state professional workers on the basis of examinations and open contests, as stipulated by the law. Their official obligations will be clearly stipulated; their certification will take place in accordance with legal criteria and procedures; their promotions or demotions, rewards and punishments will be based essentially on their actual accomplishments; their right to training, salaries, material support and retirement pensions will be guaranteed by the law. We must undertake to draft regulations on state officials, the organization of the system for the administration of state employees and their training by creating a state administration academy.

Whatever management system we may use, the principles of emphasizing the actual achievements, encouraging competitiveness and democratic and public control must be invariably implemented and embodied. The application of the mechanism of competitiveness in enterprise management will create exceptionally favorable conditions for the development of the forces and capabilities of talented economic managers and specialists in different areas, which has already now instituted and will institute even further changes in the cadre system in enterprises. In accordance with this situation, we must steadily sum up practical experience and promote the creation and advancement of a new cadre system at enterprises. The mechanism of competitiveness must also be introduced in the management of all other professional personnel. Both within and outside the party we must create the type of conditions which would favor the efficient promotion of cadres. We must eliminate obsolete views expressed by emphasizing seniority and former services and the suppressing initiative and enterprise.

5. Introducing a system of public consultations and dialogues.

The proper resolution and coordination of different interests and contradictions within society is one of the most important problems under socialism. We need a variety of channels through which the requirements and the voice of the masses can be regularly and freely transmitted upward, so that the masses have a place where to turn with their suggestions or complaints. The different population groups have their specific interests and views. They too must have the possibility and channels for reciprocal contacts. That is why public consultations and dialogues must become our established system, so that information may be promptly, freely and accurately transmitted upward and downward, thus achieving a reciprocal exchange of information and reciprocal understanding.

6. Perfecting the institutes of socialist political democracy.

At the present stage in building socialist political democracy, we must rely on the achievement of practical results, enhancing the primary organizations and people's masses; we must start with what is practically attainable.

The institution of meetings of people's representatives is the basic political institution in our country. The meetings of people's representatives on all levels must intensify their close ties with the masses in order to represent the people even better and to be under their control.

The China People's Political Consultative Council is an organization of the United Patriotic Front, which includes representatives of the democratic parties, people's organizations and various social circles. It must firmly follow the course of "lengthy coexistence, mutual control, sincere exchange of opinion and sharing of joys and misfortunes." It must perfect the system of multiple-party cooperation and consultation under the leadership of the Communist Party.

We must organize relations between the party and the administration with the various mass organizations, so that each one of them, in accordance with its specific features, could do its work independently and autonomously and, in addition to defending the common interests of the people, express and defend even better the specific interests of that segment of the masses it represents.

The electoral system in our country is still insufficiently perfected and is still unable efficiently to function at full capacity. In the future, we must show total respect for the will of the voters and provide them with greater opportunities in the selection of candidates. In accordance with the law, we must firmly implement the procedure of multiple-mandate elections in the course of which the number of candidates exceeds the number of mandates. We must improve the means of promoting candidates and perfect the methods through which the voters can become familiar with them. Practical experience has indicated that in the course of the election of deputies at different congresses and conferences, a strict regulation of proportions concerning the structural composition of elected candidates does not favor the manifestation of the voters' will.

As in the past, cases still occur of violating the rights of the people's masses. That is why we must comprehensively undertake the drafting of laws on the press and publishing, associations, meetings, demonstrations and so on. We must set a procedure for the submission of complaints by the people's masses, in order to guarantee the constitutionally stipulated rights and freedoms of the citizens and, in accordance with the law, block any abuse of rights and freedoms. We must point out that in some departments and primary organizations there still are managers who display feudal patriarchal manners. In order to eliminate the conditions which trigger such phenomena we must draft laws which would contribute to the efficient promotion of personnel. We must organize labor arbitration and actively see to it that social problems are solved through the efforts of society itself.

Important problems dealing with the fate of the country, such as those of preserving the unity of the homeland, maintaining the equality and unity among national groups and cooperation for the sake of the common well-being of all nationalities, exist in our multinational state. We must continue to perfect the system of ethnic regional autonomy and comprehensively train cadres from national minorities. We must continue to strengthen and consolidate the great unity among all national groups.

7. Intensify efforts for the creation of socialist law and order.

We must perfect the legislation and improve work on respect for the law. We must give the justice authorities, in accordance with the law, the possibility of independently exercising their rights and upgrade the legal awareness of the citizens. On the other hand, the development of law and order must ensure order in building and reforms in order to consolidate the results of the changes being made. Anything which must be created or changed should, in as much as possible, be clearly reflected in laws or stipulated standards. Step by step, through reforms, we must develop as a standard socialist political democracy and codify it in the form of law. This will be a basic guarantee for preventing the repetition of the "cultural revolution" and promoting in our country a long period of calm and order.

Our current political system was born in the years of revolutionary wars and was established essentially during the period of socialist changes. It developed under the conditions of large-scale mass movements and a process of steady strengthening of planning by directive. It is inconsistent with contemporary building in the economic, political, cultural and other areas, conducted under conditions of peace and with the development of a socialist market economy. This system is the product of the former historical conditions. Today we must reform it. This is a difficult and complex task which demands a firm and cautious course and must be carried out one step at a time. Due to the different conditions and circumstances prevailing in the different parts of the country, we must not act on the spur of the moment. Thus, in implementing the reform in the national autonomous and remote areas, we must adopt more cautious steps and show greater flexibility in the special economic zones. Considering differences between the situation in the army and that of the various local areas, planning the reform is taking place in such cases on the basis of special resolutions issued by the party's Central Committee Military Council.

The reform of the political system in the immediate future can have only limited objectives.

6. Strengthening party construction in the course of the reform and the expansion of foreign relations.

Armed with Marxism-Leninism and the ideas of Mao Zedong, the Chinese Communist Party is a strong party which has undergone a long period of tempering in the struggle. In order successfully to implement the difficult and complex task assigned by our congress and carry out even better its great historical mission in guiding the building of socialism with a Chinese face, we must study the theory and practice of party construction under the new conditions. We must revise our views and methods which are inconsistent with the requirements of the new situation and actively strengthen party building.

We must comprehensively disseminate the basic party line and firmly master the fact that its central link is economic building and that it has two basic aspects: reform and providing an access to the outside world. We must restructure party propaganda and ideological-educational work, eliminate formalism and emphasize efficiency. We must not go back to the old condition of closed doors and forbid the people to be exposed to all kinds of ideological trends; we should even less avoid to discuss various types of problems of gnosiological nature, which arise in the course of building and reform. All of this calls for abandoning senseless party dogmatism and promote propaganda and educational work on the basis of the utilization of the experience of the masses and their preferred forms, so that the firm support of the four basic principles, the policy of reform and the expansion of foreign relations become firmly established in the minds of the people.

Practical experience has confirmed the accuracy of the party's course of creating a revolutionizing, a rejuvenated army of cadres, armed with general and specialized knowledge. The type of cadres which have lofty moral and practical qualities, people who are fair and honest, dedicated to the party line and capable of creatively implementing it must be appointed to responsible positions rather than people who, instead of engaging in practical actions, merely engage in blabbering, people who are short of enthusiasm and responsibility for the cause of socialist modernization. Are the four basic principles and the reform and expansion of foreign relations firmly supported? We can judge this on the basis of actual accomplishments and use the latter as a criterion in assessing the strong and weak sides of cadre workers. We must not fear to impose a heavy burden on the shoulders of young skilled cadres. We must protect and support those who daringly search and promote innovations. We must not blame them for errors they may make but help them steadily to sum up their experience and to improve their practical capabilities, and to learn and grow in the course of practical experience. In rejuvenating the leading personnel, today we are emphasizing the rejuvenation of the central leading authorities. Our congress has been asked to take a major step forward in this respect. The leading personnel of the local and primary party organizations should be rejuvenated as well. However, we must not mechanically lower the average age of the leading personnel of provincial, district, municipal and primary organizations. Individuals belonging to different age groups must staff the leading personnel.

Democracy within the party, with a view to its gradual development within the people, is the truly efficient way of developing socialist political democracy. Improvements in the system of collective leadership and democratic centralism within the party must begin with the Central Committee. The principal measures are reduced to the following: to institute the type of procedure under which the Central Committee Politburo Standing Committee would regularly report to the Politburo on its work and the Politburo would report to the party's Central Committee Plenum; correspondingly, we must increase the number of annual Central Committee plenums in order to emphasize even further the collective role of the Central Committee in making most important decisions; set the rules governing the work and procedure for convening Politburo sessions on problems of party life. The Politburo Standing Committee and the Central Committee Secretariat must intensify their control over the work of leading party cadres in order to make collective leadership standard practice. The local party organizations on all levels must also correspondingly formulate and improve a procedure for discussing problems, voting and convening meetings on problems of party life.

We must restructure and improve the electoral system and define a clear procedure for the nomination of candidates and for multiple-mandate party elections. In the immediate future this multiple-mandate procedure should be extended above all to the election of secretaries of primary party organizations and members and permanent members of local party committees on different levels and members of the party's Central Committee. We must truly guarantee the democratic rights of the party members, as stipulated by the party statutes, and formulate specific regulations aimed at ensuring the rights of party members. We must improve the standards of democratic life, so that the party members become better informed about internal party affairs and be given the opportunity directly to participate in them.

The status of being a ruling party easily lends itself to developing within it the tendency of alienation from the masses, which harms the popular masses much more severely than before the party had assumed power. The new situation with the reform and the broadening of external relations has increased the relevance of the task of improving the party's work style. In the course of the reform and the expansion of foreign relations there has been a significant decline in negative phenomena such as subjectivism, which is manifested in pursuit of high indicators and blind giving of orders, coercive obedience, criticism, and struggle and punishments at every step along the way. The links between our party and the masses have become significantly stronger. At the present time what is most extensively discussed by and

which dissatisfies the popular masses more than anything else is the fact that a small number of party members, particularly some leading cadres, profiting from their official position for selfish purposes, are harming the interests of the masses, hindering the reform and the broadening of foreign relations and undermining the party's authority.

Following the collapse which took place during the "cultural revolution," the concentration of forces for a specific period of time, needed for streamlining the party ranks, was absolutely necessary. Successes have been achieved in the efforts to streamline the party ranks in recent years. This is the main thing. However, we must also point out that the elimination of faults in the ideological and organizational relations and work style of the party is a long-term, a permanent project and that the solution of all problems cannot be achieved by some sort of simultaneous order. New problems are replacing old and already solved ones. Our party, which is in control, must pass the test of power; in guiding the reforms and broadening foreign relations, it must also withstand the trials related to such projects. Our party can withstand the severe trials and has enough strength to wage a struggle against negative and immoral phenomena; however, we must not ignore the fact that an insignificant number of party members have been unable to pass those tests. In recent years there have been frequent cases among party members of phenomena such as avoidance of paying dues or not paying their full amount, smuggling, bribery, violations of the law by officials, extortion, theft and waste, revealing state secrets and economic information, violating discipline in foreign policy, appointing cadres on the basis of nepotism, attacks and revenge seeking, and demoralization. The struggle against phenomena of moral corruption must imbue the entire course of building and reform. If we tolerate in our ranks corrupt elements, the result may be the corruption of the entire party. In terms of party members who have been unable to withstand the trials, we must, above all, most zealously engage in educational work. As to the corrupt elements which are undermining the work of the party and the people, we must follow a course of firmly expelling them from party ranks.

For a long time a tendency to ignore quality has been noted in our work on recruiting party members. In addition to expelling from the party an insignificant number of corrupt elements we must engage in steady educational work among the overwhelming majority of party members and improve the quality of the membership. We must set stricter standards of behavior for the party members employed in party and government leading agencies and, particularly, in the case of party members holding main leading positions. During the revolutionary war, the party members daringly looked death in the face and withstood this trial. Today they must withstand the test of power under the circumstances of the reform and the expansion of foreign relations. Compared with the nonparty people, the party members must always conscientiously and to a greater extent sacrifice their personal interests for the sake of those of the state and the people. If a party member fails to observe the requirements of the statutes and to fulfill his obligations after educational measures have been applied, he must be asked to resign or else be expelled. However, the party organizations on all levels must, as in the past, sincerely try to rally such people who have dropped out of the party and not to reject or attack them. These people may be decent citizens who will continue to display their capabilities and skills and some of them may even be retained in corresponding leading positions. The party ranks must also be steadily reinforced with pioneers who show their qualities in the course of the reform and the broadening of foreign relations and who meet the requirements of party membership. It is only by asserting the good principles that the bad principles can be eliminated.

VII. For a New Victory of Marxism in China

Socialism with a Chinese face is the product of a combination of the basic stipulations of Marxism and the modernization of China and scientific socialism, which has sunk profound roots in contemporary China.

Marxism is a science which is steadily developing in the course of practical experience. Marxism needs a new great development. Such is the general trend of our age.

The development of scientific socialism, from science to practice and from the practice of building socialism in one country to that of building socialism in several countries and, subsequently, the practice of the current changes taking place in the socialist countries in the world are all aspects of the development and intensification of the new knowledge of socialism. Inevitably, in the course of this process we must abandon some concepts held by our predecessors and which, by virtue of historical limitations, included utopian elements; we must abandon a dogmatic understanding of Marxism and erroneous views ascribed to Marxism and, in accordance with the new practice, provide a new development to the theory of scientific socialism.

In our country the process of combining Marxism with practice has been followed for more than 60 years. In the course of this process two historical leaps were taken. The first occurred in the period of the new democratic revolution, when the Chinese communists found a specific Chinese way of revolution and took it to its victorious completion. The second occurred after the 3rd CPC Central Committee Plenum, 11th Convocation, when the Chinese communists, after summing up the positive and negative experience acquired in more than 30 years since the founding of the PRC and after studying international experience and the global situation, found a way to building socialism with a Chinese face and thus inaugurated a new stage in the building of socialism in our country.

Our party developed a number of scientific theoretical concepts since the 3rd Plenum of the CPC Central Committee, 11th Convocation, in the course of the new interpretation of socialism, in the areas of philosophy, political economy and scientific socialism. This includes concepts on the need to emancipate the mind, to adopt a realistic approach to the project and to consider practice as the only criterion of truth; the concept of the need to build socialism in accordance with the national features of the country and to follow our own way; the concept that building socialism under conditions of economic and cultural backwardness presumes a rather lengthy initial stage; the concept of the development of production forces and the concentration of efforts on modernization as the basic task of socialist society; the concept of a socialist economy as a planned market economy; the concept that reform is a major motive force in the development of socialist society and the fact that the broadening of foreign relations is a necessary prerequisite in implementing socialist modernization; the concept that socialist political democracy and socialist spiritual culture are important features of socialism; the concept that we must combine two essential aspects and reject neither: firm support of the four basic principles and the general course of reform and open access to the outside world; the concept of the unification of the homeland based on the "one country-two systems" course; the concept that the work style of the ruling party determines the question of its life or death; the concept of the development of relations with foreign communist parties and other political parties on the basis of the principles of independence and autonomy, total equality, mutual respect and noninterference in reciprocal domestic affairs; the concept that peace and development are the main problems of the contemporary world, etc. These concepts are the outlines of the theory of building socialism with a Chinese face.

A radical problem in this case is that of the need to put an end to the abstract interpretations of socialism, typical of historical idealism, alienated from the development of production forces, and radically separating scientific socialism from all varieties of utopia.

In the years of revolutionary wars our party had already clearly pointed out that the question of the role which politics and practical experience of a given political party in China play, and whether this role is positive or negative, great or small, is determined, in the final account, by whether or not the policy and practice of this party contributes to the development of the production forces of the Chinese people and the extent to which it shackles production forces or provides a scope for their development. At the same time, we considered the class struggle the focal point of attention, for it is only overthrowing the domination of reactionary classes and the liberation of the working people from political oppression and economic exploitation that could release production forces. Today the development of production forces has become our immediate and main task. Anything which favors the development of production forces is consistent with the basic interests of the people and, therefore, we can say, is dictated and accepted by socialism. And anything which does not favor the development of production forces conflicts with scientific socialism and, therefore, is not allowed by it.

Why must we firmly support the four basic principles? Because in contemporary China this is the only way in which we can ensure the development of production forces. Why must we firmly follow the course of reform and expansion of foreign relations? Because it is only thus that we can provide even greater scope to the still shackled production forces and contribute to their faster development. The rejection of a criterion, such as the development of production forces, and the evaluation of life in accordance with abstract principles and utopian models can only discredit Marxism.

The initial stage of socialism is a rather lengthy period in historical development. Our concepts on the condition, contradictions, development and laws governing this period are still incomplete and shallow in a number of areas. In our practical work we must encourage the spirit of searching and discovery and in our theoretical studies we must follow the course of "let a hundred flowers bloom and let a hundred schools compete." The viewpoint of life and practice is the first and basic viewpoint in the theory of knowledge.

The majority of our party members support the line formulated at the 3rd Plenum, 11th Convocation. They firmly defend Marxism and approve the course of reform and expansion of foreign relations; those who suffer from mental ossification or who reject Marxism are an insignificant minority. However, it is precisely in the party that we note deviations of a gnosiological order. We cannot consider ossified the views of those who temporarily are unable to catch up with the reform or describe as bourgeois liberalization the views of those who have said a little bit too much in the course of the emancipation of our awareness. "The emancipation of the mind, a realistic approach to matters, unity and looking ahead" remain our main slogan.

Great practice needs great theory. At the present time the situation with building the party's Marxist theory is totally inconsistent with out great cause. The course of reform and expansion of foreign relations has been followed for several years while corresponding theoretical studies and educational and propaganda work are still rather weak links. At the present time the understanding of the need for a new major development of Marxism, this general trend of our age, and the promotion by all parties of the task of the study and enrichment of Marxism-Leninism and the ideas of Mao Zedong in the course of practical experience and the creation of a detachment fully staffed with creative forces of Marxist theoreticians, including a large number of young ones, assume increasingly relevant and deeper significance. History has assigned to us a great and difficult mission.

Let our party unite even closely with our entire multinational nation and with all democratic parties and all people's organizations, under the great banner of building socialism with a Chinese face. Let our compatriots on the continental part of China rally even further with their compatriots in Hong Kong, Macao and Taiwan and with our Chinese compatriots who live abroad, under the great patriotic banner of the reunification of the homeland and the blossoming of the Chinese nation.

The current international situation favors socialist modernization in our country. Under the powerful influence of the forces of all nations on earth for the defense of peace and the aspiration to develop their own countries, in all countries an increasingly powerful voice is being heard calling for putting an end to the arms race, aggression and expansion, true disarmament and the fastest possible resolution of regional conflicts. It is precisely under such circumstances that an agreement in principle was recently reached between the United States and the Soviet Union on the problem of medium-range missiles and a certain detente in East-West relations was noted. This is something we welcome. However, we must clearly realize that achieving an agreement in principle on the elimination of medium-range nuclear weapons is merely an initial step toward armament reduction. China will continue its steady pursuit of a peaceful, independent and autonomous foreign policy and, on the basis of the five principles of peaceful coexistence, establish relations of friendship and cooperation with all countries in the world.

The cause of revolution and building in China are major structural components of the progress of mankind. We have already taken the first step and been victorious in achieving the greatest possible objective of socialist modernization. We now must take the second and third steps and achieve new and even greater victories. We are firmly confident that the more we advance the more will the high road of building socialism with a Chinese face become open to us!

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[Report by N. Ageyenko, secretary of the Chernigov Obkom, Ukrainian Communist Party]

[Text] The materials "Nezhin Story" and "Back to the Nezhin Story," which were published in KOMMUNIST in its issues numbers 13 and 17 for 1987, were discussed at a meeting of the buro of the Chernigov Obkom, Ukrainian Communist Party. The criticism addressed at the Nezhin Gorkom and Chernigov Obkom, Ukrainian Communist Party, was deemed accurate in the resolution passed on this matter. The resolution of the buro of the Nezhin Party Gorkom, dated 26 November 1981, on the inexpediency of the further employment of Comrade G.G. Strashko as head of the department of philosophy and political economy of the Nezhin Pedagogical Institute imeni N.V. Gogol, was voided.

A strict reprimand was issued to Comrade V.S. Siplivets, first secretary of the Nezhin Gorkom, Ukrainian Communist Party, for a superficial approach and unjustified haste in the consideration of Comrade G.G. Strashko's case. A reprimand was issued to Comrade F.S. Arbat, rector of the Nezhin Pedagogical Institute imeni N.V. Gogol, for displayed lack of principle and violation of stipulated order by releasing Comrade G.G. Strashko from his position as department head. A reprimand was issued to Comrade I.I. Kocherga, institute party committee secretary, for inconsistency and subjectivism in assessing the developed situation.

The Ukrainian Communist Party Obkom Buro strictly reprimanded Comrade A.B. Kovalenko, head of the science and schools department, for failure to take prompt steps to eliminate the errors which were made. The attention of V.M. Polovets, obkom party secretary, was drawn to the need to exercise stricter control over the observance of democratic principles in the activities of the primary party organizations and pedagogical collectives in the oblast's schools.

The Ukrainian Communist Party Obkom Buro has made it incumbent upon the city and rayon party committees firmly to reorganize their ways and means of party leadership in the work of educational institutions in accordance with the requirements of the 27th Party Congress and the subsequent CPSU Central Committee plenums, and to assist in developing in pedagogical collectives and atmosphere of reciprocal exigency and creative searches, and make more extensive use of their potential in the organization of propaganda through lectures and in the solution of topical sociocultural and national economic problems.

On the basis of the buro's resolution, the Ukrainian Communist Party Obkom Buro issued an order concerning the Nezhin Pedagogical Institute imeni N.V. Gogol, dated 9 December 1987, by virtue of which Comrade G.G. Strashko was restored to his position as head of the department of philosophy and political economy. Comrade I.M. Kiselitsa, who held this position until 8 December 1987, was transferred to the department of Marxism-Leninism of the Chernigov branch of Kiev Polytechnical Institute.

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