

RADIO FREE EUROPE *Research*

COMMUNIST AREA
1193

*This material was prepared for the use of the
editors and policy staff of Radio Free Europe.*

USSR: Economics

10 November 1971

CREEPING "EMBOURGEOISEMENT" IN THE USSR: THE CULT OF THE AUTOMOBILE AND ENDOWMENT INSURANCE

Summary: When Enver Hoxha pointed out in Tirana on November 1 that the dictatorship of the proletariat in the USSR had become a dictatorship of the bourgeoisie, he was on firm ground. Recent controversy in the Soviet press shows that all the cars now being built are middle class types, as opposed to "people's cars," i.e. they are too heavy, too costly, too powerful and too pollutant to be an economical solution. Meanwhile, the state insurance scheme now provides endowment insurance for parents of the new class who wish to give their children a plushly rubled start in life.

Among the many pungent criticisms of Soviet policy made by Hoxha in his speech to the Albanian Party Congress on November 1 was his complaint that the dictatorship of the proletariat there has turned into a dictatorship of the new class (although he did not use precisely those words, his meaning was clear enough).

This tendency can be documented on an ever-increasing scale, and it has recently flared up in the particular issue of motorization. There are now few voices opposing the motorization of the Soviet middle class, but there is a faction of "proletarian" drivers who advocate a genuinely "people's car" and criticize all the present automobiles on the market on grounds of unnecessary weight, size, cost and pollution potential.

These voices are making themselves heard in the columns of Literary Gazette, (1) where V. Avryamov notes that the Zaporozhets (originally intended as minimum motoring) has now put on so much avoirdupois as to put it in the same class as the Moskvich and the Zhiguli (Fiat 124 made at Togliatti). He argues that there is at present no car specially designed for urban purposes, and suggests that what is needed is a really small, really cheap two-seater; in fact some Soviet designer apparently needs to reinvent the Fiat 500, and then persuade the Party to have it mass-produced.

The capacity of the Moskvich plant is scheduled to go up to 240,000 vehicles per annum next year, (2) about the same as one of the three assembly lines at Togliatti. These three lines are each to build different versions of the Zhiguli. One line builds the basic version, one will make a Fiat 124 with a station wagon body, and one will build a "de luxe" version with a more powerful engine, and a still higher price. (3) The design is now more than four years old, but Togliatti has not yet reached even 50% of its planned capacity of 660,000 cars a year. However, it has already attained a rate of 600 cars a day, and thereby has left the present production rate of the Moskvich plant well behind (output of all passenger cars was up by 54% in the third quarter of 1971, compared with the same period last year).

One hotly-debated question now is whether and where to stop. According to Literary Gazette, (4) one family in fourteen in Moscow already has a private car (for the USSR as a whole the figure is about one in 70), but the optimists calculate that even if every family in Moscow had one, the density of traffic would rise by only 200-260% (clearly they are special pleaders).

The "optimists'" lobby calculates that by 1975 sales of cars to the population will have risen to 800,000 a year, and thereafter they will grow by 10-15% p.a. until the end of the century, from which they deduce that Moscow will have 1,000,000 - 1,200,000 private cars by 2000 A.D.

Their reasoning is certainly faulty, because it assumes "equal sales of cars throughout the nation," which is a major fallacy in itself. Moreover, it does not allow for the future proliferation of official cars (at present only about 20% of Moscow traffic consists of private cars, though the proportion will increase greatly as Togliatti gets into its stride).

Lastly, the optimists claim that the ban on the building of private garages as an integral part of housing must be lifted now, but they do not explain where in Moscow space for 1,000,000 garages could be found.

The pessimists have a more realistic approach. (5) They argue that nowhere in the world are cars evenly distributed, and that in Soviet cities there are about twice as many private cars per thousand people as in the country as a whole.

They also foresee a production rate of five cars per thousand inhabitants, not by 2000 A.D., but by 1980, in which case they think that "saturation will approach a critical level." They argue that the car density should not be allowed to exceed 80-100 vehicles per thousand inhabitants, with a proportionate number of garages and parking spaces. They suggest that this limitation should be imposed by economic measures (i.e. a large annual tax on new cars in the big cities, and a daily charge for bringing cars from the suburbs to the center for the day).

Slide Rules Out

The engineers and statisticians are even gloomier than the pessimists about Moscow's future. They say firmly that the total area of all the roads, boulevards, streets, avenues, squares, etc. of every kind in the capital is only 4,534 hectares, and that if 350,000 private cars are let loose simultaneously (requiring 125 sq. meters each) they would need more space than exists! They concede that only a third of the car fleet may be on the move in rush hours, but say that a much lower level than 70 vehicles per 1,000 inhabitants must be enforced. They conclude that:

The unrestricted free use of private cars in big cities is not only a waste. It is a social miscalculation. (6)

Repairs and Maintenance

Of all the semi-motorized nations, the USSR probably has the worse servicing facilities in the world. Thirty-three new service centers are to be built for the Zhigulis, each one controlled by the Togliatti plant itself. (7) The work force at each center will be 400, and they are intended to service 13,000 cars a year each. Twenty-eight of them have been included in the 1972 plan, and the other five will presumably be built later (no date yet given). With only 33 centers scattered throughout the big cities of the USSR, it is evident that the

proud owners in many areas will have some long drives twice a year, unless they are do-it-yourself experts. (In the much smaller FRG, Volkswagen alone has 9000 service stations).

The Soviet driver is much better off than the German in one respect, since his gasoline costs him the equivalent of 35 Pfennige a liter (8) (a fraction more than half the West German price). But on the other hand he must pay 4,700 rubles for a Moskvich (after three years on the waiting list), 3,200 rubles for a Zaporozhets, and 5,500 rubles for a Zhiguli. Since the average wage is 123 rubles a month, plus about 30 rubles bonus, these prices are well beyond the reach of most workers. The Soviet car is at present still a new class ambition.

The "Embourgeoisement" of Soviet Insurance

In the past five years the number of insurance contracts in the USSR has doubled, from 36,000,000 to about 70,000,000, (9) and about 500,000,000 rubles a year are paid out to the population annually by the State's Main Administration for Insurance. About 35% of the labor force is now voluntarily insured, and new life insurance policies are being sold at the rate of 8,000,000 a year. (10) Twenty million people are insured against loss of earning power, and 17,000,000 have accident insurance, with the premium ranging from 25 kopecks to 1 ruble to 1 ruble 25k. per 100 rubles insured.

But most significant of all, in the light of Hoxha's criticism, is the news that since 1968 it has been possible to buy endowment insurance for children which "will allow parents to provide a lump sum for their children's coming of age, in order to give them a good financial start in life"! These were the words used by the head of the State Insurance Administration on Radio Moscow. So the scions of the new class are now being born with silver spoons in their mouths. Is it for this that Lenin made a revolution?

r.r.g.

- (1) 20 October 1971.
- (2) TASS, 3 November 1971.
- (3) Sotsialisticheskaya Industriya, 2 September 1971.
- (4) 22 September 1971.
- (5) Literary Gazette, 22 September 1971.
- (6) Ibid.
- (7) Pravda, 7 September 1971.
- (8) Muenchener Merkur, 4 November 1971.
- (9) Economic Gazette, No. 41, October 1971, p. 6.
- (10) V. Kulikov, Radio Moscow, 6 October 1971.