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OPEN SEASON FOR STALKING GOSPLAN

With the rapid approach of the Supreme Soviet meeting on December 15th, and after the completion of the draft economic plan for 1967 which has now been discussed with the AUCCTU¹), at least one important minister in the Soviet Government has launched a frontal attack on Gosplan's almost ubiquitous powers. A. Kostousov, the Minister of the Machine Tool and Instrument Industry USSR, has published an article in Pravda (12 November 1966) which proposes that Gosplan's prerogatives should be substantially reduced for the benefit of Ministries such as his own.

Moreover he makes out an excellent case by arguing that the slowness in setting up specialized factories to build individual machine-tools and instruments on a large scale is mainly due to Gosplan's procrastination. Due to the Sov-narkhoz system (which was introduced by Khrushchev) there are no fewer than eight towns making small and medium-sized presses and out of 25 factories making instruments only six can be called specialized. The remainder are really combines producing instruments of eight or ten different categories which often are in no way related.

But the 1966-70 plan calls for factories to be built which produce only one type of instrument each, and Kostousov calculates that this should raise output by at least 12 percent and productivity by at least 10 percent. Production of small and medium presses is to be concentrated in one factory, and specialization is to go ahead in precision instruments as well. Kostousov does not expect the full benefits of the specialization and concentration campaign to show up during the current 5-year plan, but he argues that it would provide

1) Moscow Radio, 11 November 1966.

a "firm foundation" for rapid progress after 1970.

About 100 designs for factories have had to be reviewed as a result, and most of these were drawn up and approved in the days of the Sovnarkhozy (i.e. in 1964 or earlier). Inevitably some of them had to be scrapped and begun again from scratch, and it is here that the heavy hand of Gosplan is weighing on the Ministry. At present both Gosplan and Gosstroï have to approve the estimates and designs of every plant costing more than 2 1/2 million rubles, and Kostousov complains that this procedure takes a very long time.

He writes that the present system is "decidedly abnormal, and incorrect in principle." It makes it impossible for the ministries to take decisions for specialization or for structural changes in the factories under their control, and although they are held responsible for their industries, they do not have the power needed to develop them.

Kostousov therefore proposes that in future Gosplan should be restricted to approving the total volume of capital investments for each ministry, with a break-down into sections for industrial construction, housing, services, administrative building, installation work and purchases of equipment. It would also lay down the quantity of fresh capacity and permanent capital to be brought into use each year.

Under such a system the ministries themselves would be responsible for the planning of all capital investment in individual factories, and Kostousov suggests that they be given full authority for all new factory-building in the 10,000,000-50,000,000 ruble range. They would also decide on how to finance such plants. He also argues that they should have responsibility for all R and D work carried out by their subordinate organizations within the limits of their investment plans.

Kostousov's demands on Gosplan range well beyond the important sphere of capital investment. He concludes his article by arguing that the ministries should be given the right to change any individual factory's plan on condition that budget contributions are not reduced and that the interests of consumers and associated industries are not infringed.

In the wage field, Kostousov's appetite is remarkable. He wants ministries to be able to use wage funds at their discretion, to change salaries on the basis of the approved governmental rates, to develop and introduce better bonus

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systems and to be authorized to approve the size of the labor force in their own factories (since September 1965 managers have been free to choose the number of workers they employ under the Kosygin reform). The ministries would still have to remain within the overall limits of the wage fund and resources laid down by the Government, but in dividing them up internally they would have a much greater degree of freedom.

If the Supreme Soviet meeting decides to follow up Kostousov's suggestions, Baibakov's empire in Gosplan will suffer a considerable blow and a real measure of deconcentration of power into ministerial hands will take place. Kostousov's ministry is one of the key units in the modernization of the Soviet industrial apparatus, and the Politburo will give his proposals a most careful hearing now that he has been able to show in Pravda the dangers to the machine tool industry's future of further delay by Gosplan.

r.r.g.