

# RADIO FREE EUROPE *Research*

## COMMUNIST AREA

● USSR: Economics  
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### SLOWEST GROWTH IN INDUSTRY SINCE 1960

D.S. Polyansky has at least one virtue -- he seems to be able to face the facts with commendable frankness. In his October Revolution speech<sup>1</sup> he gave a figure for the overall volume of industrial production in 1965 of 229,000,000,000 rubles. This implies the lowest growth in absolute figures since 1960, and the lowest rate in percentage terms for much longer than that. Brezhnev and Kosygin therefore will end their first year, if Polyansky's figure proves to be correct, with less industrial growth to show than in any of the past four Khrushchev years.

### Gross Output of Industry<sup>2</sup> (Wholesale Prices of 1st Jan. 1955)

Year	Value in Billions of Rubles	Growth in Billions	Growth in %
1960	155.2	13.5	9.5
1961	169.4	14.2	9.1
1962	185.8	16.4	9.7
1963	200.9	15.1	8.1
1964	215.0 <sup>3</sup>	14.1	7.1
1965	229.0	14.0	6.5

- 1) Pravda, 7 November 1965.
- 2) Table taken from Narkhoz SSSR v 1963.
- 3) SSSR v tsifrax v 1964 godu, Moscow, 1965, page 47.

Polyansky also said that total agricultural output had fallen by 2 or 3% compared with 1964, and the higher figure seems likely to be correct. Since industry has considerably more weight in the Soviet economy than agriculture, the growth of GNP as a whole this year will probably be in the area of 4%. Perhaps the main reason for the 1965 slow-down in industry is the swing towards emphasis on quality rather than quantity, but Polyansky did not go into sufficient detail to enable the outsider to identify the cause of the trouble with certainty.

However he did say that workers' monetary incomes are to increase by over 10% compared with 1964. Since light and food industry output was up by only 8%<sup>4</sup> at the end of the first nine months and labor productivity had risen by 5%, there can be little question but that 1965 is a year of strong inflationary pressure on prices.

r.r.g.

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4) Pravda, 17 October 1965.