

**Guidelines
for
the Development
of the National
Economy
of the USSR
for 1976-1980**

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A. N. KOSYGIN

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Congress
of the CPSU**

Moscow 1976

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A. N. KOSYGIN
Chairman of the USSR Council of Ministers

Comrade Delegates,

With great enthusiasm and full unanimity our Congress today has adopted the decision to take guidance in the entire multifaceted activity of the Party from the theses and tasks advanced by the General Secretary of the CPSU Central Committee, Leonid Ilyich Brezhnev, in the report to the Congress. This decision equips the Party with a comprehensive Marxist-Leninist programme of creative activity in all spheres of the life of Soviet society, since the report has given an all-round elaboration of the fundamental and topical problems of the Party's economic and social policy at the modern stage and defined the main orientations of the internal and external policy of the CPSU for the long term. This Party document represents an outstanding contribution to the theory and practice of communist construction.

The Central Committee of the CPSU has presented to the Congress its draft "Guidelines for the Development of the National Economy of the USSR for 1976-1980". In accordance with the Party's econom-

ic and social policy, the draft sets out a programme for the further construction of the material and technical base of communism in our country.

The five years since the Party's last Congress have fully confirmed that the political line charted by the 24th Congress of the CPSU is scientifically based and highly effective. New major successes have been achieved in the national economy. The level of communist consciousness has risen, and the working people's production and social activity has increased. The socialist state has been consolidated and the fraternal co-operation of the peoples of our multinational Homeland has been further developed. The unity of the Party and the people is indissoluble.

In international affairs, the Soviet people are deeply gratified by the all-round extension of ties and co-operation with the countries of the socialist community and the consolidation of their cohesion and unity. The ties of friendship have become stronger between the Soviet Union and the countries of the Warsaw Treaty and the Council for Mutual Economic Assistance, including Bulgaria, Hungary, the German Democratic Republic, Cuba, Mongolia, Poland, Romania, Czechoslovakia and also between the Soviet Union and the Socialist Federal Republic of Yugoslavia, the Democratic Republic of Vietnam and the Korean People's Democratic Republic.

The successful implementation of the basic provisions of the Peace Programme adopted by the 24th Congress of the Party is of tremendous importance for our country and for all the peoples of the world. The further consolidation of the positions of world socialism, the major positive changes in the international situation, and the improvement in relations between the Soviet Union and many countries having different social systems are due to the vigour and peaceable class character of the Soviet Union's

Leninist foreign policy. Thanks to the efforts of the USSR, the other countries of the socialist community and all the other peace-loving nations and states, the relaxation of tensions in the world has gained in scope.

The successes of the past few years are inseparable from the Party's ever greater leading role in the life of our society and its growing international prestige.

The Congress resolution, speeches by delegates on the Report of the CPSU Central Committee contain a high appreciation of the activity of the Central Committee and of its Political Bureau in the period under review. Speakers have expressed full approval of the course charted by the Party for the period ahead. Voicing the opinion of the entire Party, delegates to the Congress have unanimously noted that the Central Committee and its Political Bureau, headed by the outstanding political figure of our time, the General Secretary of the CPSU Central Committee Leonid Ilyich Brezhnev, have displayed great energy and singleness of purpose in formulating and successfully implementing, in the light of Marxism-Leninism, the whole of the CPSU's domestic and foreign policy.

Fresh confirmation of this comes from the Central Committee's draft "Guidelines for the Development of the National Economy of the USSR for 1976-1980", which is presented for consideration by the Congress, and which, as everyone knows, has been extensively discussed in the Party organisations, at meetings of the working people and in the press. This has been a truly nationwide discussion of the various aspects of our economic and social policy and the prospects and ways of development of our country's national economy. Our socialist society derives its strength from the consciousness of the

masses, who "can form an opinion of everything and do everything consciously", as Vladimir Ilyich Lenin put it (*Collected Works*, Vol. 26, p. 256). Lenin's idea was most forcefully borne out in the discussion of the draft "Guidelines" in which the working people expressed their views on an extensive range of complicated and vital questions of communist construction, displaying great concern for the success of the common undertaking of the Party and the people, which is based on a profound understanding of the tasks before us. This is a vivid and convincing example of the effectiveness of socialist democracy, and one of its basic advantages over bourgeois democracy. Such a discussion is altogether inconceivable in any country of the capitalist world even if only because of the limited class character of bourgeois democracy and the lack of political and socio-economic aims uniting the whole of society.

The discussion of the draft "Guidelines" was everywhere closely connected with the problems arising before the enterprises, construction sites and collective and state farms. Among the questions discussed was the need for ministries, departments and other economic agencies to devote more attention to eliminating the shortcomings in the organisation of production, and improving the use of production capacities; the need for the most rapid development of modern machinery, tools and instruments, and especially of farm machinery systems was most sharply emphasised.

Among the proposals for developing agriculture, the main stress was laid on raising labour productivity, increasing crop and animal yields, improving the work of scientific institutions and agricultural bodies in the field of selection, as well as securing the efficient use of machines and equipment, mineral

fertilisers and other resources allocated to agriculture.

Many proposals referred to the need for improving the quality of products, especially consumer goods, and extending their range. Critical remarks were also made concerning individual aspects of planning, organisation of capital construction and material and technical supplies.

The proposals and additions submitted in the course of the discussion of the draft "Guidelines" will be closely considered when the document is being finalised and when the five-year plan is elaborated, and should also be taken into account in the practical activity of the Party and Government, of the economic and planning agencies, and all ministries and departments.

The Soviet people have wholeheartedly approved the new programme document presented by our Party for the Tenth Five-Year Plan period, thereby expressing unanimous support of its economic and social policy.

I.

RESULTS OF THE USSR'S ECONOMIC DEVELOPMENT

What are the main economic results of our country's development over the past five years? As Leonid Ilyich Brezhnev has said "the main thing is that the dedicated work of the Soviet people and the guiding and organisational activity of the Party have ensured a steady growth of the economy. The principal socio-economic targets of that five-year plan have been achieved".

The people's living standards have risen. Socialist production has been developing at a high rate and scientific and technical progress has accelerated. All the Union Republics have scored great successes in boosting their economy and culture, and in building up our Homeland's economic strength. The country's defence capability was maintained at the required level. The orientation and character of our economic development have been in complete accord with the fundamental guidelines and Directives of the 24th Congress of the CPSU. In terms of the absolute increment of industrial output, capital investments, and state appropriations for new measures designed to raise the people's living stand-

ards, the Ninth Five-Year Plan period has been the best five-year period in our country's history.

Soviet society has furthered the build-up of the material and technical base of communism. The country's economic potential has grown considerably as a result of the fulfilment of the Ninth Five-Year Plan, and has virtually doubled in the past 10 years. This can be seen by comparing the essential indices of the USSR's national economic development in the Ninth Five-Year-Plan period with those

	9th Five-Year-Plan period (total volume for 5 years in thous. mln. roubles in 1965 prices)	Total volume for 5 years of 9th Five-Year-Plan period in % of total in	
		7th Five-Year-Plan period (1961-1965)	8th Five-Year-Plan period (1966-1971)
National income used for consumption and accumulation	1,563	186	134
Industrial output	2,308*	218	145
Agricultural output	455	137	113
Capital investments	501	203	142
Commissioning of fixed assets	468	202	144
Retail trade turnover	933	206	130
Payments and benefits to population out of social consumption funds (in current prices)	392	226	143
Monetary incomes of population (in current prices)	1,178	213	142

* In prices of July, 1967

of the Eighth and Seventh Five-Year-Plan periods (see Table on page 11).

Leonid Ilyich Brezhnev, delivering the Central Committee's Report, spoke with great warmth and sincerity of the remarkable labour victories scored by our working class, collective-farm peasantry and intelligentsia, and expressed, with the wholehearted approval of all the delegates, the deep gratitude of this Party Congress. The people's labour exploits accomplished under the Party's leadership for the prosperity of the socialist Homeland are the most majestic, splendid and crowning result of the five-year period, of all the achievements of our economy, amounting to a great political triumph.

The results of the country's economic development are most fully characterised by its national income, the source of mass consumption and growing national wealth. In the Ninth Five-Year Plan period the national income was 34 per cent higher than in the Eighth. Of the total, 75 per cent went into consumption and the rest into accumulation. The current consumption fund and the accumulation resources allocated for housing, the construction of schools, hospitals, cultural, educational and sports facilities, and municipal and everyday services for the population, came to more than 80 per cent of the national income used directly for the purposes of raising the people's well-being. The share of the national income going into consumption was higher than in the preceding five-year period.

Allow me to deal with the principal results of the *social programme* charted by the 24th Congress of the CPSU.

In the ninth five-year period, the task was to raise the living standards of the entire population, while concentrating on raising those of the working people in the lower-income brackets. Accordingly, a

substantial rise in the people's living standards has been achieved. In the five years the average monthly cash wages of industrial and office workers increased by 20 per cent, to 146 roubles, and this, together with the payments and benefits from social funds, added up to 198 roubles a month. A considerable advance was effected in the living conditions of the working people in the countryside. In the five years, the remuneration of labour among collective farmers increased by 25 per cent.

Over the five-year period, the minimum wages and the rates and salaries of middle-bracket industrial and office workers in the branches of material production throughout the whole country, and some categories of workers in the non-productive sphere were increased. Old-age and disability pensions for industrial and office workers, collective farmers and servicemen, and the stipends to students of higher schools and specialised secondary schools and technical colleges have been increased, and other measures have been implemented.

Comrades,

Real per capita income in our country has doubled roughly every 15 years. In other words, in the course of a man's life-span, socialist society moves to a qualitatively new stage of consumption several times.

From 1971 to 1975, retail trade increased by 36 per cent, while state retail prices of basic foods and manufactured goods remained stable. The sales of meat, meat products, eggs and other products increased much faster. The sales of furniture, television and radio sets, sewing and washing machines, refrigerators, watches, and other consumer durables were very large. Nearly one million cars a year, or seven times more than in 1970, were sold to the population.

The ninth five-year period is the fourth consecutive five-year period of intensive and mass housing construction. From 1971 to 1975, more than 11 million flats and individual houses, totalling 544 million sq.m. of housing space, were built. This helped to improve the housing conditions of 56 million Soviet citizens, and to advance, in the main, to distribution of new housing according to the one-flat-one-family principle. On the whole, over the past four five-year periods more than 2,000 million sq.m. of housing were built. This scale is unprecedented in history.

Furthermore, our social programme provides for diverse measures designed to improve working and living conditions, education, medical services and environmental protection. One of the achievements of the Ninth Five-Year Plan period was that the transition to universal secondary education was in the main completed.

The implementation of the social programme was ensured by high growth rates and improved quality indices of material production—an enhancement of the role of labour productivity in the increment of the national income, acceleration of scientific and technological progress and further improvement of the structure of social production.

Compared with 1970, total *industrial output* increased 43 per cent in 1975, this being in accordance with the Directives of the Party's 24th Congress.

The five-year plan targets for the total output in heavy industry have been surpassed. At the start of the Tenth Five-Year Plan period our country is provided with fuel, primary materials and basic construction materials. In 1975 the country produced 491 million tons of oil, 289,000 million cubic metres of gas, 701 million tons of coal and 1,038,000 mil-

lion kwh of electric power. The swift growth of the fuel and energy base has ensured the satisfaction of the national economy's requirements and also the fulfilment, in the main, of contract commitments for the supply of fuel to foreign countries. A total of 141 million tons of steel was smelted in 1975. We produced 90 million tons of mineral fertilisers and 122 million tons of cement.

During the past five years the heavy engineering industry has increased production 73 per cent and this has made it possible to raise the mechanisation, automation and technical level of production. There has been a substantial increase in the manufacture of machine tools, forge and press equipment and automated production lines. The output of motor vehicles has more than doubled and the production of farm machines has increased 78 per cent, of instruments and means of automation 90 per cent and of computers 330 per cent.

Nearly a thousand enterprises of the light and food industries have been built during the past five years. Our industry is manufacturing an ever larger quantity of diverse consumer goods. Altogether, the output of consumer goods rose 37 per cent, and of items of cultural and everyday use and household appliances 60 per cent.

The Party's long-term comprehensive programme for the development of *agriculture* has been consistently carried out during the past five years. Its material and technical base has been broadened, large-scale land improvement is in progress and specialisation in agricultural production is being promoted. More than 131,000 million roubles or over a quarter of the total capital investments in the economy, were appropriated for these purposes. During the Ninth Five-Year Plan period the coun-

tryside was supplied with 1,700,000 tractors, 449,000 grain-harvesters, 1,102,000 trucks and a large quantity of other machines and equipment. All this, in combination with the dedicated labour of agricultural workers has made it possible, despite the extremely adverse weather conditions during the past five-year period, to increase the average annual output of agricultural produce 13 per cent over the level achieved under the Eighth Five-Year Plan. The annual average output of grain has increased by 14 million tons and of raw cotton by 26 per cent. However, by and large, the output of farm produce fell short of the five-year plan target, and this could not help affecting the growth rate of the food and light industries.

The most important element characterising the present situation in our agriculture is the continued process of far-reaching economic changes planned by the Party 10 years ago. Vladimir Ilyich Lenin pointed out that the main thing in the socialist restructuring of the entire way of life in the countryside was "the material basis, technical equipment, the extensive use of tractors and other farm machinery and electrification on a mass scale" (*Collected Works*, Vol. 32, p. 217).

In the light of these requirements what is the picture in our socialist countryside? Let me give you a few facts. Today almost all our collective and state farms are electrified and obtain their electricity mainly from state-operated power stations. Last year the countryside consumed 250 per cent more electric power than in 1965 and 50 per cent more than the entire Soviet Union on the eve of the war. The total capacity of the tractor, combine harvester and truck engines in agriculture has grown during the past 10 years approximately by 80 per cent, and

the power-to-worker ratio in agriculture has more than doubled.

The life of the rural population has changed beyond recognition. Today electricity is used by 99 per cent of the collective-farm households and the homes of state-farm workers and employees. Many tens of thousands of rural population centres now use gas. The majority of the rural population can now enjoy television. Almost every other working rural inhabitant has a higher or secondary (complete or incomplete) education (before the war the proportion was only one in every sixteen). The incomes of the rural population are growing at a rapid rate. The conditions of their life are in many ways drawing closer to those of the urban population. The countryside is receiving ever larger quantities of such items of cultural and everyday use as radios, television sets, refrigerators and so on.

The fundamental changes that have taken place in the life of the countryside cannot be measured solely by statistics. For their magnitude and social effects these are deep-going socio-economic transformations. They mirror the qualitatively new stage in the development of socialist social production, the beginning of which was laid by Lenin's co-operative plan. These transformations are the result of the Party's well-considered agrarian policy directed towards achieving a radical technical reconstruction of agricultural production, the intensity of which will grow in the coming period.

The marked growth of the country's production potential may be regarded as one of the most important results of the fulfilment of the Directives of the 24th Congress. More than 500,000 million roubles were invested in *capital construction* under the Ninth Five-Year Plan. This has resulted in the re-

newal of nearly 43 per cent of the economy's fixed production assets, including 56 per cent in agriculture. The total fixed production assets have increased 50 per cent.

There has been an acceleration of scientific and technological progress and an enhancement of efficiency in social production during the Ninth Five-Year Plan period. The number of new types of machines, equipment and instruments, whose serial production has been started by our industry, has doubled. Labour productivity has risen 23 per cent signifying a saving of the labour of 20 million workers.

All types of *transport and communication* have been developed during the Ninth Five-Year Plan period in accordance with the Directives of the Party's 24th Congress. There has been an improvement of these services for the population. The freight turnover of all modes of transport has increased 36 per cent.

However, during the past period we were unable fully to solve a number of problems and remove some bottlenecks in the national economy. This is particularly true of capital construction. In some industries the assignments for putting production capacities into operation have been fulfilled 60-80 per cent. At the same time, there have been many instances of investments being scattered among innumerable projects. The reason is that many ministries and departments are trying to solve the problems involved in the development of industry chiefly by investing in new projects rather than making fuller use of operating fixed assets and consistently pursuing a policy of intensifying production.

A narrow departmental approach is often adopted

in solving economic problems and the necessary integration is not ensured. There still are quite a few shortcomings in many sectors of economic management.

Despite the acceleration of scientific and technological progress, we are not satisfied with the present rate of applying scientific and technological achievements in production. Certain scientific institutions do not yield the expected returns.

As a consequence of the existing shortcomings in work, the national economy suffers large losses, annually failing to receive products worth many billions of roubles. In this connection considerable attention is given in the draft "Guidelines" to measures aimed at eliminating shortcomings and consolidating and promoting positive trends in the economy.

During the past five years the Soviet Union has made headway in the economic competition with the industrialised capitalist countries. Our industrial output has grown at an average rate of 7.4 per cent annually, while, for example, in the United States of America and the Common Market countries the growth rate has averaged 1.2 per cent. This is not a temporary trend. Even over a longer period, from 1950 to 1975, that is, in 25 years, the annual rate of industrial growth in the Soviet Union and the other countries of the socialist community, the CMEA member countries, was over 100 per cent higher than in the industrialised capitalist countries—9.6 against 4.6 per cent.

As a result, even before the Ninth Five-Year Plan period we were producing more pig iron, iron, manganese and chromium ore, coal and coking coal, cement, potassium salts, phosphate primary materials, tractors, diesel and electric locomotives, cotton,

wool, flax and some other items than any other country, while during the past five years steel, oil and mineral fertilisers have been added to the list.

Since the latter half of 1974 the capitalist world has been in the grip of a grave economic crisis. This is an organic disease of the capitalist system aggravated by the protracted militarisation of the economy and the growth of military spending, severe inflation, the dislocation of the monetary-financial mechanism and the undermined trust in capitalist currencies, as well as such a structural crisis as the energy one. In the capitalist countries unemployment has reached a high level and the struggle of the working people for their rights is mounting.

In the context of growing internal contradictions and the ensuing uncertainty in the West nobody can say what prospects await the economy of the capitalist world. In any case, one sees no optimism even in most of the official prognostications. It is indicative that the present difficulties are making even bourgeois economists reflect on the vices of the capitalist system as a whole, on its inability to cope with the tasks of present-day development, let alone find an answer to the requirements of social and economic progress which confront the world in the last quarter of the 20th century.

The socialist world gives the answer to the basic questions of social development. The recent congresses of the fraternal parties in the socialist countries, the 25th Congress of our Leninist Party and the preparations that are under way for congresses in a number of other countries eloquently show that the socialist community has clear prospects for development based on the steady growth of its planned economy. We announce our aims and creative plans, our policy for many years in advance publicly, to the whole world, because all our plans meet

the interests of the broad masses of the working people, the interests of peace and social progress. We have solved and shall solve our problems, whatever their magnitude, in the interests of society as a whole, and we are confident in the success of the great cause of communism.

II.

THE MAIN SOCIAL AND ECONOMIC TASKS OF THE TENTH FIVE-YEAR PLAN

The tasks of the Tenth Five-Year Plan are defined in the CPSU Central Committee's draft "Guidelines for the Development of the National Economy of the USSR for 1976-1980" submitted to the 25th Congress.

The cardinal task of the five-year period is to consistently implement the Communist Party's policy of promoting the people's living standards and cultural level on the basis of a dynamic and balanced development of social production and enhancement of its efficiency, the acceleration of scientific and technological progress, the growth of labour productivity and the utmost improvement of the quality of the work in every sector of the national economy.

The Tenth Five-Year Plan is a new stage in the Party's long-term course of socio-economic development and construction of communism's material and technical base in the conditions of the unfolding scientific and technological revolution. It is a new stage in the development of socialist social

relations and the Soviet way of life, and also in assuring our country's security.

In accordance with the main objective of the Tenth Five-Year Plan, our plans, the efforts of the Party and the people, will be directed at assuring the all-round progress of the economy, its comprehensive and harmonious development, and the improvement of the Soviet people's well-being.

The main emphasis in the economic plans will be on furthering the intensification of production, on the basis of scientific and technological progress and on the utmost thrift. The Party's Central Committee and the Government have devoted great attention to enhancing the role of the intensity factors in economic growth in the past; in the tenth five-year period this will acquire cardinal significance.

This will be a five-year period of determined efforts to implement the programme of agricultural growth. "Today with the strengthening of agriculture's material and technical basis," Leonid Ilyich Brezhnev has stressed, "the task of enhancing its efficiency and improving all quality indicators assumes full proportions."

International economic co-operation will play a greater role in achieving the objectives of the five-year period. The economic plans will be oriented to a further deepening of socialist economic integration and fuller use of the advantages of the international division of labour.

The substance of the Tenth Five-Year Plan is expressed in the concise but all-embracing formula worked out by the Party—this five-year period emphasises quality and high efficiency in the name of the further economic growth and improvement of the people's well-being. The main thing now is to effect a decisive turn to a more efficient use of the mighty technical and production potential

created in our country in order to increase the national income and the production of the end product used directly in meeting the needs of the population and economy.

We have achieved high and continuously growing output indicators in steel, oil, cement, fertilisers and other products. But the use of primary and other materials in the manufacture of finished products is still in many cases insufficiently effective. Therefore, quality indicators, such as lower per unit consumption of primary and other materials and fuel, fuller use of production capacities, and higher consumer qualities of all products and manufactured goods have acquired a determining significance in our economic plans.

The economy of our developed socialist society with its huge production, scientific and technological potential has enabled us to make ever broader use of the advantages and possibilities of the socialist system and, in particular, to elaborate in the draft "Guidelines" a broad *programme for social development and raising the living standard of the people*.

As before, the Party's *incomes and consumption* policy is based on the proposition that the principal means of raising the people's income is a growth of remuneration according to labour, which accounts for three-quarters of the total accretion of incomes. The purpose of such a policy is not only to increase public consumption according to plan, but also to enhance the stimulating role of wages and salaries and the earnings of collective farmers, making these more dependent on the end results and higher efficiency of production.

Average wages and salaries of workers and employees will increase 16-18 per cent in the coming five years, rising to at least 170 roubles in 1980.

The stimulating role of wages and salaries will be enhanced by the projected improvement of the wage rate system. The increase of minimum wages and salaries, and of the wages and salaries of the medium-income categories in the non-production sphere will be completed in the tenth five-year period, and a new stage will be launched in raising minimum wages, salaries and pay rates for workers and employees.

The Party's policy envisages a steady elimination of the essential socio-economic and cultural distinctions between town and country. In the coming five years collective farmers' incomes from social production are to rise 24-27 per cent, that is, they will grow more rapidly than the average wages of workers and employees. Earnings on collective farms will increase in accordance with the growth of labour productivity and the system of reimbursement will be improved by assuring equal pay for equally difficult, hard and intensive work on collective farms and at state agricultural enterprises.

In the five years, payments and benefits from social consumption funds will rise 28-30 per cent, mounting to at least 115,000 million roubles in 1980. A number of new social measures is planned, which will be financed out of these funds. One of these will be to afford women partly paid leave to attend to their infants until they are one year old. Of the other measures mention must be made of higher minimum old-age pensions for factory and office workers, and also for collective farmers, the introduction of pensions for former members of collective farms working in other branches of the national economy and an additional allowance to first-group disability pensions for collective farmers.

The five-year plan envisages a high growth rate

in trade; the turnover will increase 27-29 per cent. The population's solvent demand for food and manufactured goods will be more fully satisfied. The supply of consumer durables will increase at an especially high rate, though even now TV sets, refrigerators and many other household appliances are in broad use in the everyday life of the urban and rural population.

The incomes are guaranteed by maintaining stable state retail prices for basic consumer items, and reducing the prices of some types of goods as the necessary conditions are secured and commodity stocks built up. This is one of the achievements of our planned economy, which is safeguarded from the influence of the inflation gripping all capitalist countries.

In the new five-year period mass-scale *housing development* will continue in the country. The Party regards improvement of the housing conditions of the working class, peasants and the intelligentsia as one of the main tasks in improving the people's well-being. As much as 545-550 million square metres of housing will open for tenancy during this period, the quality of house building will be raised and the amenities and planning of homes improved. On the whole, nearly 100,000 million roubles will be invested in housing and public utility construction. As before, most of the dwellings will be built by the state. At the same time, we shall encourage the development of housing co-operatives and individual house building in the smaller towns, workers' townships and rural areas.

Housing development has an immediate bearing on expanding the network of kindergartens and nurseries. Allocations for building child institutions will be directed first of all to areas with high female employment in social production, industrial centres

and the new towns, especially in the east of the country.

In drawing up the five-year plan, the State Planning Committee of the USSR, the state planning committees of the Union Republics, and the building ministries should pay special attention to assuring a correct ratio between housing and public utility construction, preventing delays in laying water and gas mains, and in opening public transport lines and shopping facilities.

The humanism of our system, of our socialist society, is always, even in hard times, strikingly manifested in the concern shown *for the working conditions, health, and for raising educational and cultural standards* of Soviet people. Major social measures are envisaged in these fields in the tenth five-year period as well. To create more favourable conditions for highly productive labour and a broad use of the working people's creative abilities, we shall continue the course of furthering the mechanisation and automation of production processes and gradually eliminating hard and unattractive manual labour.

The role of social factors in expanding production and raising its efficiency will increase substantially in the new five-year period. The personnel's level of proficiency, a businesslike and constructive environment and a sound social and psychological climate in the collective, concern for the living conditions of staff members and creation of cultural institutions and sports facilities at enterprises—all this makes the life of people more interesting and meaningful and has a beneficial effect on the results of production.

In the domain of health protection one of the main tasks in the new five-year period is to raise

the quality of the medical services, to improve the organisation of the work of doctors and middle-echelon medical personnel, and to raise the efficiency of medical institutions. These measures, coupled with an extension of the network of hospitals and polyclinics, health-building and sports centres, rest homes and holiday hotels will help to more fully meet the needs of the population in skilled medical assistance and to improve vacation facilities and disease prevention work.

A further development of the general school is envisaged in this five-year period. An ever larger number of young workers will be trained in technical schools, where vocational instruction is combined with a complete secondary education. More specialists will be trained for the national economy, especially in new fields of science and technology. The material resources and the academic process will be improved in educational establishments of all categories, so that the rising generation should be given increasingly thorough and lasting knowledge and educated in the spirit of communist consciousness and morality.

During the tenth five-year period, much will be done to satisfy the Soviet people's diverse spiritual requirements. More books and other printed matter will be published, television will reach new areas, all varieties of art and literature will be further developed and the material base of cultural establishments will be consolidated.

The supreme goal of the Party's economic policy is the ever fuller satisfaction of the Soviet people's material and cultural requirements. This is the purpose of our plans, while simultaneously being an important premise for the further growth of production and its efficiency.

Comrades, the draft "Guidelines" provide for

further growth in the scale of production and balanced development of the national economy.

The major indicators of the development of Soviet economy in the Tenth Five-Year period have been defined as follows:

	1975 thous. mln. roubles	1980 (estimate) thous. mln. roubles	Increase in 1976-1980	
			thous. mln. roubles	% as compared to 1975
National income (prices of 1973)	362	449—462	87—100	24—28
including:				
consumption fund	266	337—344	71—78	27—29
accumulation fund	96	112—118	16—22	17—23
Industrial output (prices for July 1, 1967)	523	710—729	187—206	35—39
including:				
Group "A" production	380	524—540	144—160	38—42
Group "B" production	143	186—189	43—46	30—32
Agricultural output (average annual vol- ume in five years; prices of 1965)	91	104—106	13—15	14—17

The absolute increase of output in the key branches of the national economy in the new five-year period will be considerably greater than in the preceding five years: each percentage point of increase will have greater weight. Thus, a one per cent increase in industrial output stands for over 5,000

million roubles' worth of increase in volume, or 40 per cent more than in the ninth five-year period, and 110 per cent more than in the eighth.

The tenth five-year period is another major stride in boosting the country's production potential and in consolidating the economic might of the Soviet state.

In order to fulfil the tasks set in raising the technical level of social production and ensuring the dynamic and efficient development of the whole economy, there is a need for considerable accumulations and a rapid growth in the production of the means of production: instruments of labour, chemical products, fuel and metals. Accordingly, *heavy industry* output is to go up by 38-42 per cent.

As Leonid Ilyich Brezhnev said at the December Plenary Meeting, the priority growth of heavy industry does not mean that attention to the all-round expansion of consumer goods output is to be relaxed. In the five years, industry is to increase the output of consumer goods by 43,000-46,000 million roubles, as compared with an increase of 39,000 million roubles in the ninth five-year period. It is also indicative that the current consumption fund in the national income will grow faster than the accumulation fund, going up by 27-29 per cent by 1980, an increase of 71,000-78,000 million roubles over 1975.

The growth in the share of the consumption fund is an indicator of the growth of the end results of social production and of its rising efficiency. At the same time, it is convincing evidence of our socialist state's policy of peace.

In orienting national economic development to intensification, we must watch most scrupulously over the maintenance of *national-economic and sectoral proportions*. Consonant with this task is the

continuation of the line towards a substantial *redistribution of accumulations in favour of agriculture*. From 1961 to 1970, capital investments in agriculture for the building of production facilities came to 110,000 million roubles, whereas from 1971 to 1980 they are to reach 260,000 million roubles. Their share in the total capital investments in the national economy is to go up from 18 per cent to 23 per cent. The five-year plan should contain a clear definition of the complex of measures for the mechanisation and accelerated chemicalisation of agriculture, and extension of land improvement works, combined with consistent efforts aimed at the specialisation and concentration of agricultural production.

The balanced development of the national economy should also be largely ensured by a rational *policy of capital investments* and resolute improvement of the whole practice of construction.

New construction should, as a rule, be started if it ensures the introduction of fundamentally new scientific and technical achievements. A growing share of capital investment should go into the technical re-equipment and reconstruction of existing enterprises. This will help substantially to increase the share of inputs into equipment, the active part of the fixed assets, to speed the start-up of production capacities, and more swiftly to switch to the production of new items at operating enterprises.

In the current five-year period and over the long term, *the country's reliable supply of raw material resources* has an important part to play in ensuring balanced economic growth. The Soviet Union has the largest, and frequently unique, deposits of valuable minerals. However, the dynamic development of the national economy results in a rapid growth of requirements in various types of mine-

ral raw materials. Our plans will, as a rule, provide for a faster growth in proved mineral deposits, as compared with the pace of their extraction, in order to maintain production supply at an adequate level. This will help us, in future too, to guarantee the national economy against any shortages of energy and raw materials, and also against any attendant disproportions. The use of raw materials will simultaneously be improved.

The *rational use of manpower resources* is one of the main conditions for the proportional development of the Soviet economy during the tenth and subsequent five-year periods. The more dynamic the national economy, the faster the change in its sectoral and territorial structure, the more acute is the task of co-ordinating the development of material production and the non-production sphere with the availability of manpower resources. It should also be borne in mind that in the 1980s there will be a decline in the natural growth of manpower resources.

Consequently, in the interests both of the country's current and longer-term development, there is a need for an *all-round intensification of production, an acceleration of scientific and technical progress, and a growth in labour productivity* as the key factors in raising the efficiency of production and the people's living standard. The important thing is to increase the returns from every unit of material, manpower and financial resources, and make efficient use of production assets. That is why these questions need to be thoroughly discussed at every enterprise, construction site, and state and collective farm, being duly included as items of socialist emulation. The solution of these problems is ultimately the most important thing for the successful fulfilment of the targets of the Tenth Five-Year Plan.

The Party's economic policy is based on the assumption that if the national economy is to develop along the path of intensification, the achievements of the scientific and technological revolution need to be organically tied in with the advantages of the socialist economic system. *Science* has an important role to play in the fulfilment of this task.

Our planned economic system makes it possible to apply a *unified technical policy* in order to accelerate the intensification of social production. This should help to co-ordinate all the lines of scientific and technical development.

Among the lines of scientific and technological progress which have a special part to play in the tenth five-year period and which determine the perspectives of long-term economic development the following may be emphasised:

in the production of instruments of labour—raising the unit capacity of machines and assemblies, switching from the development and introduction of individual machines to the development and introduction of machine systems covering the whole technological process, mechanisation and automation of labour-intensive areas of production, above all in industries where considerable numbers of workers are engaged in arduous manual labour, and also in underground and health-hazardous operations;

in the improvement of technological processes—development of progressive technology involving a small number of operations (for instance, furnaceless metallurgy, spindleless spinning and shuttleless weaving) and technology helping to make maximum economies in primary raw and other materials and fuel, and to protect the environment;

in energetics—stepped-up development of atomic electro-energetics, construction of hydroelectric

power stations (taking into account the needs of irrigation) and superpowerful thermal electric power stations operating on low-cost coal; the development of powerful and more economical turbogenerators;

in the production of materials—increasing the production of high-grade steels, especially with the use of electroslag and vacuum melting methods; extension of the assortment of rolled stock, increase in the share of aluminium, titanium, and polymers in the overall output of structural materials, and the production of synthetic materials with pre-set properties.

Together with the improvement of established technological processes, reserves are to be built up in fundamentally new equipment and technology. Research into and development of problems which determine the future of the economy should be intensified. In energetics, for instance, there is a growing need to carry on research into problems arising from the direct conversion of thermal, and subsequently also of atomic, energy into electric energy. Our scientists will also work to speed the solution of problems like controlled thermonuclear reaction and superconductivity.

The efficiency of social production is not only a scientific-technological or production-economic problem but also a major social problem. It is up to everyone engaged in the national economy to observe strict *economy*. In present-day conditions, special importance attaches to Lenin's idea that communism begins with the working people's day-to-day concern for every pood (16 kg) of metal and grain, and for higher labour productivity. The Report of the Central Committee to the Congress puts this as follows: "However speedily our society's wealth may grow, strict economy and thrift remain

a cardinal condition of national economic development and of raising the people's living standard."

Social scientists are expected to do much in elaborating the key national-economic and social questions.

The technical policy to be pursued during the tenth five-year period is to create conditions for increasing output per rouble of fixed assets, in other words, the *growth of the product-asset* ratio. Over the five years, an increase of output from the available fixed assets by only one per cent would yield an additional national income equal to the cost of housing for 2-2.5 million families. The task in the new five-year period is to improve the use of the existing production capacities, raise the shift ratio where it is expedient, and reduce idle time of equipment.

In order to reduce the *material intensiveness of production* in every industry we envisage an important swing to material-saving designs and technologies. The task is to bring about a more thorough and comprehensive processing of raw material resources, non-ferrous metal ores and timber in the first place, and also priority manufacture of equipment which helps to save fuel and raw materials and other materials. The plan also provides for the extended manufacture of intermediate and other products in a form which does not require considerable subsequent treatment.

And, of course, special attention should be given to the *growth of labour productivity*. For the national economy as a whole it is to go up by roughly 27 per cent, as compared with the 23 per cent from 1971 to 1975. This is tantamount to economising on the labour-power of 26 million workers. You will realise that the task is a big one. In order to fulfil it, we intend to raise the assets-

per-worker level in industry by 37 per cent and in agriculture by 59 per cent. The higher productivity of social labour should account for 85-90 per cent of the national income growth. The growth of labour productivity alone will help increase the volume of building and assembly operations, extend production in agriculture, and in a number of major industrial centres, like Moscow and Leningrad; at the existing enterprises, output should, as a rule, be increased with the same or smaller number of workers. It is equally important resolutely to improve labour organisation, to eliminate losses in working time, and to improve production discipline.

The draft "Guidelines" map out the ways for *further improvement of planning and management of the whole economic mechanism*. You will recall that the 24th Congress of the CPSU devoted much attention to these questions. Since then, definite work has been done to fulfil the Congress decisions. But the further improvement of organisation and management in accordance with the objective requirements of our development continues to be a pressing task. As Leonid Ilyich Brezhnev has emphasised "we are . . . obliged to regard the measures to improve economic management as a major reserve, whose utilisation will help to carry out the Tenth Five-Year Plan successfully".

In the new five-year period, the task of the planning agencies, ministries and departments, the task of economic science is substantially to enhance the role of the plan's quality indicators, by raising the efficiency of social production.

Of course, the system of quality indicators requires that many economic questions should be reflected and presented in the plan in forms other than those we have used up to now. The measures

aimed to raise the quality of products must be comprehensive and cover improvement in the quality of primary raw materials and other materials, perfection of technology, and better finishing of the end product and preparing it for consumption. There should be a steady effort to find indicators helping to intensify the influence of the plan in raising the technical level of production and its quality, accelerating the rate of labour productivity growth, and assuring a more economical use of fixed assets and material and financial resources. All of this should be envisaged in the five-year economic development plan and in the plans of ministries, associations and enterprises.

The organic link-up of all the sections of the plan and of all the branches of material production with advanced *science* must permeate the whole plan. The plan will provide for advances both in fundamental research and in the solution of applied problems bearing directly on scientific and technological progress. One of our cardinal tasks is the accelerated introduction of scientific and technical achievements in production. Without this, the economy can no longer successfully advance along the path of intensification and quality improvement.

For the new five-year plan we have elaborated for the first time concrete programmes to resolve the key scientific and technical problems which determine the whole complex of necessary work, including measures for the introduction of new machinery in industry. The targets they envisage must be backed up with resources, and tied in with the plans for production, capital construction and material and technical supply. The State Committee for Science and Technology must ensure systematic control over the fulfilment of these programmes.

The formulation of comprehensive programmes on the key scientific, technical, economic and social problems must become an important aspect in the improvement of planning. The comprehensive programmes will help to concentrate resources, within the framework of the overall national-economic plan, on solving the key problems and successfully resolve inter-sectoral questions. In the tenth five-year period, the State Planning Committee of the USSR should elaborate comprehensive programmes in line with the sectoral and territorial aspects of the national-economic plan. Among the priority tasks is the elaboration of a programme for developing the production base of atomic energetics, a programme for mechanising manual and arduous physical labour, and programmes for shaping large-scale territorial and production complexes.

We have already done much preparatory work for the compilation of the new five-year plan. The draft "Guidelines" present a number of questions of national economic development in more concrete terms than was the case before the preceding five-year period. The plan for 1976, the first year of the tenth five-year period, has been approved. Planning agencies now take less time to draw up the five-year plan with a break-down by years, while simultaneously drawing up the economic development plan for 1977. This is of fundamental importance because it will help to overcome one of the major shortcomings in our planning, namely, the practice of drafting national-economic plans over a lengthy period, as a result of which planning agencies, and consequently also the Councils of Ministers of the Union Republics, ministries and departments and all the economic management organs in the country tended to relax their control over plan fulfilment, a fact to which the Report of

the CPSU Central Committee draws serious attention.

Proceeding from the new tasks set in the draft "Guidelines", the State Planning Committee of the USSR must give more attention to working out the basic proportions in the development of the national economy, to producing a balanced plan, drawing up comprehensive programmes, solving problems of economic regionalisation and the location of productive forces, and determining ways of raising the efficiency of social production. If it is to tackle this work creatively and in depth, the State Planning Committee must be released from many of its current concerns, which could be handled by the State Committee for Material and Technical Supply, ministries and other agencies.

In the tenth five-year period, the line worked out by the Party for improving the *organisational structure of management* is to be continued. The general schemes for the management of some industries have already been approved. In these industries, production and industrial associations are being set up, chief administrations have been abolished, and the number of tiers in management has been reduced. At the beginning of 1976, there were 2,300 production and scientific-production associations, accounting for 24 per cent of industrial output. The establishment of production associations in industry is to be completed in the tenth five-year period. These associations are a qualitatively new phenomenon in the management of industrial production. They are not a mechanical agglomeration of enterprises, but a coherent production-economic complex in which science and production form an integral whole and specialisation and co-operation are extensively developed.

In the tenth five-year period, general schemes for management in capital construction should be worked out and introduced. They should envisage a gradual switch of construction ministries to the two- and three-tier systems of management, and the establishment of large-scale specialised building and assembly associations. There is to be an extensive development of inter-farm co-operation and agro-industrial integration in agriculture, and the establishment of large-scale specialised enterprises and associations on that basis. The relevant regulations governing their activity need to be worked out and adopted.

The establishment of production associations in industry, the amalgamation of building and assembly organisations, inter-farm co-operation and agro-industrial integration in agriculture are in line with the specific features of the present stage in the development of the economy and help to improve the organisational structure of the national economy and management.

One of the main aims in the further improvement of the economic mechanism must be consistent orientation to bettering the end results in production and construction: the fulfilment of delivery plans in accordance with contracts, making operational completed projects, and a more efficient use of material, manpower and financial resources. Special emphasis should be laid on the scrupulous fulfilment of targets for co-operated deliveries, something that largely determines the smooth operation of the whole of industry and the efficient use of production facilities.

For this purpose we plan to complete the switch of associations and enterprises engaged in mass and large-volume production to direct and long-term ties, basing their relations on long-term eco-

nomical contracts, and also to make the size of economic incentive funds and bonuses more dependent on the fulfilment of delivery plans in accordance with contracts and orders. Practical realisation of this task requires that important changes be made in the work of the State Committee for Material and Technical Supply and its agencies, and of ministries and departments, all of which must bear greater responsibility for meeting the needs of the national economy.

In the light of the new situation and the new tasks, *other aspects of our economic mechanism* will also be improved. The establishment of production associations makes it possible to enhance the role of stable (five-year) economic rates and standards, like charges for assets and other payments into the budget, rates of profit distribution, and formation of the payroll fund.

It should be noted that the growing role of economic levers in the planned management of the national economy over the past few years has markedly increased the stake of enterprises and associations in the better use of production resources and higher profitability. In the ninth five-year period, nearly 500,000 million roubles of profit were received, and this is 50 per cent more than in the eighth five-year period. This has helped to extend and consolidate the revenue sources of the USSR State Budget, and to improve their structure, and also to increase the influence of the budget in improving the financial results of the activity of enterprises and associations. Over 100,000 million roubles from the profits and other sources of enterprises and associations went into the formation of economic incentive funds. These were used to develop and carry out the technical re-equipment of production, to pay bonuses and rewards, and to im-

prove the amenities of working people's social and everyday life.

Still larger funds are to be allocated for these purposes in the tenth five-year period. The task is to see that they are used with high efficiency, that at every enterprise and association their size should directly depend on the results achieved in intensifying production, raising labour productivity, improving quality and accelerating technical progress. Another important point is that these resources at enterprises and associations should be used for the purposes for which they are earmarked, instead of being diverted to other needs.

With an overall improvement of economic profitability indicators, we still have quite a number of enterprises and lines of production continuing to operate at a loss. In 1975, 18 per cent of enterprises in industry failed to fulfil their profit plans.

In the effort to raise the efficiency of economic activity, the wages and bonus system should play an ever greater part. There is to be a more extensive application of progressive forms of material incentives, in particular, remuneration of labour for end products or completed projects, systems without the use of job orders, and stimulation of greater output of high-quality products with a fewer number of workers. Bonuses should promote, more than they do at present, the boosting of labour productivity, the speediest bringing of enterprises to their rated capacities, improvement in the use of the existing equipment, introduction of new equipment, economic use of primary materials and other materials, and higher quality of products.

In order to consolidate the profit-and-loss accounting system, there is also a need to make the financial and credit mechanism more efficient. At present, every second rouble of circulating assets

in industry comes from credit, with the share of credit in agriculture, trade and other branches being even higher. The task in the tenth five-year period is to raise the role and efficiency of credits in the rational use of production resources, in accelerating labour productivity growth, cutting production costs and using reserves in production. Credit relations must be more broadly developed in the sphere of construction, in particular through the extension of long-term credits to customers. This will help to stimulate the reconstruction and re-equipment of operating enterprises, especially for the purpose of expanding the production of consumer goods and extending services to the population.

The further improvement of monetary circulation in the country and the stability of the purchasing power of the Soviet rouble are to be ensured through the balanced development of the national economy, the growing turnover of goods and the stability of prices.

In improving the economic mechanism, the Party has always attached importance to the development of *initiative and socialist enterprise* among economic cadres. What the modern Soviet economic executive should be concerned with is the active use of new scientific and technical approaches, advanced methods in the organisation of labour and management, the creative quest for reserves in production and thorough consideration of the changing requirements and demand. He must have a sense of innovation, be aware of the lines of perspective and take his decisions with a Party approach and with full knowledge of his business and, of course, act as an educator in the collective and as an organiser of production.

In order to raise the responsibility of economic executives for the fulfilment of state assignments

and contractual obligations and for high standards of workmanship, there is a need more broadly to develop criticism and self-criticism, improve control and verification of fulfilment, and steadily to cultivate the Leninist style of work in every echelon of economic management.

The lofty aims set by the Party before the country in the tenth five-year period give rise to many new phenomena in the life of our society. This is especially characteristic of mass *socialist emulation* and the movement for a communist attitude to work, which have become effective methods used by the working class, the collective-farm peasantry and the intelligentsia to influence every aspect of economic activity. Prior to the Congress workers in industry, construction, transport, agriculture and all the other branches of the economy started a broad emulation campaign for raising the efficiency of production and standards of workmanship in order further to boost the economy and increase the people's well-being.

A very important condition for the fulfilment of the five-year plan tasks is that there should be expanding emulation between the enterprises supplying primary materials and other materials and accessories and the factories making finished products. This enhances the overall impact of the emulation movement on the fulfilment and over-fulfilment of economic tasks and allows for an improvement in quality at all stages of production—from primary materials to the end product.

In their decision on the nationwide socialist emulation movement the Party Central Committee, the Council of Ministers of the USSR, the All-Union Central Council of Trade Unions and the Central Committee of the YCL set the important task of providing the necessary conditions for the success-

ful fulfilment of socialist commitments and upwardly revised plans. This devolves considerable responsibility on planning and supply organs, ministries and departments, which must quickly and competently respond to the initiatives of work collectives undertaking bigger commitments.

A characteristic feature of the Tenth Five-Year Plan will be the greater involvement of our national economy in the international division of labour and the further transfer of *external economic cooperation* to a long-term basis. For that reason enhancement of the efficacy of external economic relations is likewise becoming one of our major tasks. In order to carry out this task we intend to expand the country's export potential systematically on the basis of traditional goods and also of new types of products. For this the Soviet economy has very large potentialities, and the ministries and departments must adopt a state approach to the implementation of this important task and systematically institute measures designed to increase output and improve the quality and competitiveness of our exports. Since foreign trade has become a major branch of the national economy the problem arises of setting up a number of export-oriented industries to meet the specific requirements of foreign markets. This could help to increase the benefits of foreign trade and enhance its useful effect on the national economy as a whole.

In the sphere of imports the main thing is that their development should facilitate to the maximum the acceleration of technological progress, serve the purpose of ever more fully satisfying the Soviet people's demand for various goods and conform to the economic strategy laid down in the state plan. This must be an object of constant attention on the part of not only the central planning and foreign

trade organs but also of all the other ministries and departments, which, in taking decisions on matters relating to foreign trade, must likewise be guided by criteria of economic efficacy.

The expansion of external economic relations with all countries is consonant with our Party's policy in international affairs.

We shall continue devoting paramount attention to promoting and strengthening co-operation *with socialist countries*. The 20-year Comprehensive Programme for Socialist Economic Integration and the Co-ordinated Plan for Multilateral Integration Measures, first adopted by CMEA at its session in the summer of 1975, are becoming increasingly important for our co-operation. Some key economic problems must be solved by common, concerted efforts on the basis of long-term special programmes for co-operation, whose elaboration is to be started by the socialist countries in the immediate future. The utmost expansion of co-operation and specialisation in industry is a major task. The ministries and departments must give it their closest attention.

Our trade with the fraternal socialist countries is of a special nature and reflects the durable economic links established in the course of socialist construction and mutual co-operation. These links, whose dependability is guaranteed by the political unity and friendship of the countries of the socialist community, serve as a means of obtaining the primary materials and other materials, equipment and scientific and technical know-how needed for the rapid and steady growth of the economies of all the fraternal countries.

The Soviet Union wishes its co-operation with the *developing countries* to take the form of a stable and mutually advantageous division of labour. These aims are served by the treaties and agree-

ments on long-term economic co-operation signed in recent years with a number of Asian, African and Latin American countries. We shall expand co-operation with the developing countries on democratic and just principles and help them to strengthen their economic independence.

In the conditions of detente new qualitative aspects are being acquired by our economic relations *with the developed capitalist countries*, relations that can develop successfully on the basis of the principles set forth in the Final Act of the Conference on Security and Co-operation in Europe. We shall continue the practice of signing large-scale agreements on co-operation in the building of industrial projects in our country and on the participation of Soviet organisations in the building of industrial enterprises in Western countries. Compensation agreements, especially those covering projects with a short recoupment period, various forms of industrial co-operation and joint research and development are promising forms of co-operation.

Of course, our trade and economic relations will develop faster with those countries which will show a sincere desire for co-operation and concern to ensure normal and equitable conditions for its development. Only in this case is it possible to maintain really broad and durable economic relations, which will be reflected in our economic plans.

Comrades, the social and economic tasks set in the draft "Guidelines for the Development of the National Economy of the USSR for 1976-1980" are fully consistent with the Party's policy at the present stage of communist construction. The further raising of the people's living standard, the intensification of production and the improvement of the quality of work are, at the same time, long-term tasks that will continue to be worked upon also

beyond the limits of the Tenth Five-Year Plan period. Society will always be faced with them as with the problems of development and progress generally. As regards the Tenth Five-Year Plan period its specific is that precisely during these years we must do everything possible to complete the transition to the priority use in our economy of intensive, qualitative factors of the growth of social production.

III.

THE DEVELOPMENT OF MATERIAL PRODUCTION THROUGH THE ENHANCEMENT OF EFFICIENCY AND QUALITY

In accordance with the socio-economic tasks of the five-year period the draft "Guidelines" contain a programme for the further promotion of material production, an improvement of its structure and attainment of a higher quality and technical level of products. As to the scale of the total growth of social production the Tenth Five-Year Plan period will greatly exceed any previous five-year period.

During the next five years industrial output is to increase 35-39 per cent. Heavy industry will entirely retain its decisive importance, particularly in the acceleration of scientific and technological progress. Output in the Group "A" industries is to grow by 38-42 per cent. Here are some data on the growth of output of major products of heavy industry (see Table on page 50).

Important tasks have been set for every branch of industry. Arduous as they are, the planned tasks are realistic and, given skilful management, can be overfulfilled.

The *engineering industry*, above all the production of implements of labour, which is to grow by

	Volume of production		Increment in the 10th Five-Year-Plan period	
	1975	1980 according to the draft "Guidelines"	absolute	per cent of 1975
Electricity—thous. mln kWh	1,038	1,340—1,380	302—342	29—33
Coal—mln. tons	701	790—810	89—109	13—16
Oil (including gas condensate)—mln. tons	491	620—640	129—149	26—30
Gas—thous. mln. cu m	289	400—435	111—146	38—50
Steel—mln. tons	141	160—170	19—29	13—20
Rolled ferrous metals (finished)—mln tons	98.6	115—120	16—21	17—22
Metal-cutting lathes—mln. roubles	1,492	2,245	753	50
thous. pcs	232	245	13	6
Forges and presses—mln. roubles	397	680	283	71
thous. pcs	50.5	58	7	15
Mineral fertilizer (conventional units)—mln. tons	90	143	53	59
Synthetic resins and plastics—thous. tons	2,840	5,396—5,964	2,556—3,124	90—110
Chemical fibres and threads—thous. tons	955	1,450—1,500	495—545	52—57
Cellulose—thous. tons	6,840	9,230	2,390	35
Cement—mln. tons	121*	143—146	22.1—25.1	18—21

* Not including the output of enterprises of inter-farm organisations.

about 60 per cent during the next five years, plays a role of paramount importance in raising the technical level and improving the quality indicators of all branches of material production. Provision is made for the priority growth of the atomic, metallurgical and chemical engineering industries and also of some branches of the electrical engineering, radio electronics, machine-tool and instrument-making industries. The foundation will thereby be created for great qualitative changes in the development of all branches of the national economy.

A unified technical policy makes a number of general demands on the engineering industry, demands that have already been mentioned. They orientate our industry to the accelerated development of machinery embodying the latest discoveries and inventions and yielding the high economic effect. I should like to emphasise once again that in the five-year plan we shall have to provide for special assignments for the production of machines that drastically reduce manual labour and ensure higher labour productivity in all industries. The output of means of mechanisation of arduous, labour-consuming work in building, cargo handling and warehouse operations is to be approximately doubled.

The tasks are complex but we are able to cope with them. The lathe stock of our engineering industry has been considerably renewed. According to the statistics for recent years, the number of machine tools aged up to ten years comprised roughly 57 per cent of the total, and press and forge equipment 55 per cent. This is more than in many of industrially developed countries of the West. During the Tenth Five-Year Plan period there is to be a faster rate of output of automated foundry, press and forge and welding machines, production

lines and sets of equipment for the production of high-precision blanks. Production is to be organised of blank-making equipment with the use of new, including combined methods (such as electric-slag casting, cast-stamping, weld-stamping, powder metallurgy and so on), making it possible to produce shaped blanks close in size to the end product and thereby manufacture articles with practically no losses in metal.

Automated production lines that can be quickly readjusted for the production of items of various sizes are to be manufactured for large-serial and mass production industries. As a result, in future it will be possible to master the manufacture of new models of motor vehicles, tractors and other machines and equipment more quickly and with considerably smaller inputs.

I shall deal briefly with the most important tasks facing some branches of our engineering industry.

The creation of a branch manufacturing machines for atomic power stations was started during the past five years in our *electrical machine-building* industry. Atomic machine-building is to develop at a faster rate in the coming years. In addition to the manufacture of 1,000-megawatt reactors the industry is to develop complete sets of atomic power unit equipment with 1,500 megawatt reactors. The power machine-building industry is to manufacture turbines and generators with a capacity of 500, 800 and 1,000-1,200 megawatts and steam-gas installations with a capacity of up to 250 megawatts.

During the next five years the *farm machines industry* will manufacture nearly 50 per cent more machines than in the past five years. For agriculture it will increase the output of more powerful, 300 and 150 hp tractors. There is to be a considerable increase in the manufacture of the self-propel-

led Kolos, Niva and Sibiryak grain combine harvesters, whose production was started during the past five years and whose capacity is to be from 50 to 100 per cent higher than that of the combine harvesters produced formerly. Provision has been made for measures ensuring a further enhancement of the reliability and longevity of machines and an improvement of their operational characteristics. The serial production of sets of trailer implements for powerful tractors is to be started and there is to be an increase in the output of machinery for the cultivation and harvesting of cotton, sugar-beet, potatoes and other vegetables, and also of sets of equipment for large livestock-breeding farms and complexes. Our farm machines industry will have to master the manufacture of new equipment for feed storing and preparation. This is an important and essentially new task, the implementation of which will make it possible to organise work in such a way that livestock will be given only processed or prepared feeds. This will greatly enhance their effectiveness.

The production of *equipment for the metallurgical industry is to be expanded*. For this purpose we are allocating 140 per cent more funds than during the past five-year period. There is to be a considerable increase in the output of rolling equipment, continuous steel pouring installations, oxygen converters with a capacity of up to 400 tons, more than doubling labour productivity, and new automated pipe-welding and pipe-rolling mills. The development of the heavy engineering industry will help to satisfy our internal requirements and carry out our commitments for the delivery of metallurgical equipment to other countries. There must be a substantial expansion of the production of ore extraction and concentration equipment, well-drill-

ing equipment and means of transporting oil and gas.

In order to supply industry with up-to-date equipment, introduce the latest technological processes on a broad scale and use systems for inspecting the quality of output it will be necessary to develop the manufacture of modern high-speed computers, instruments, radio-electronic apparatuses and laser and other up-to-date equipment. This confronts the *radio-engineering, electronics, instrument-making and precision machines industries* with important tasks. During the five-year period the output of instruments and means of automation is to grow 60-70 per cent.

In the *chemical and oil machines industries* it is planned to begin and master the output of promising types of equipment and apparatuses for new highly economical technological processes in the chemical, oil, gas and pulp and paper industries. The output of basic types of equipment is to grow by 50-60 per cent.

Many fundamentally new types of *equipment* are to be developed *for the light and food industries*. Instead of spindle weaving and shuttle looms mass production is to be started of new spindleless weaving machines that reduce labour consumption 50-60 per cent, and shuttleless looms that cut labour consumption 33-50 per cent while considerably diminishing the noise level. The production of automated complexes is to be started for automated enterprises of the food industry.

The fuel and energy complex. The Soviet Union is the only major industrial state in the world that depends for its economic development on its own fuel and energy resources. This is an essential advantage of our economy and an extremely important condition for its stable growth, but in order to

make full use of this advantage it is necessary to ensure the rational and economical utilisation of resources. During the next five years the foundation will be laid for ensuring the growth of our energy potential mainly on the basis of hydropower, atomic fuel and cheap coal. As regards oil and gas, the increment in their output will be increasingly channeled for technological requirements. Accordingly, with the commissioning of new power capacities totalling 67-70 million kilowatts the contribution from atomic and hydropower stations will increase from 22 per cent in the Ninth Five-Year Plan period to 40 per cent. Coal will play a greater role in supplying the country, particularly its eastern regions, with fuel and electric power.

During the Tenth Five-Year Plan period there will be a considerable expansion in the use of Ekibastuz and Kansk-Achinsk coal for the production of electric power, while some of the large thermal power stations in the Urals and the Volga country will be switched from the use of fuel oil to coal. For this we are planning the further development of the coal industry, especially an increase in the output of coal by the open-cast method in the Ekibastuz, Kansk-Achinsk, Kuznetsk and the South Yakutia basins. The technical re-equipment of mines will be continued, productivity increased and working conditions improved by comprehensively mechanising and automating the country's operating coal basins. Open-cast mining, which is the most economical method, will account for 60 per cent of the total increment in the country's coal output. Compared with the Ninth Five-Year Plan period the output of gas will increase approximately 50 per cent, while its consumption for technological purposes will grow by about 100 per cent. Oil processing will increase 25-30 per cent.

The remoteness of the main sources of gas from the consumption centres and the harsh natural conditions along the routes of the gas pipelines make it vital to create large underground capacities for storing gas for use in winter. This will require considerably smaller outlays and make it possible to save a large quantity of metal and ensure an uninterrupted supply of natural gas to power utilities and chemical industries and for house-hold use. For that reason the plans must provide for the extension of underground gas storage facilities and the building of new ones in the Moscow and Leningrad regions, in the Ukraine, in the Soviet Baltic republics and Transcaucasia.

A more effective solution of the problem of the fuel and power pattern of the European part of the USSR and the Urals is of special importance. In order to satisfy this huge region's rapidly growing fuel and electric power requirements it will be necessary to launch a programme for the building of atomic power stations with an aggregate capacity of 13-15 million kw and, at the same time, speed up the construction of large thermal power stations in the coal-rich areas of Siberia and Kazakhstan with the purpose of transmitting electricity from them to the Integrated Power Grid of the European part of the Soviet Union.

By 1980 the implementation of the measures aimed at improving the structure of the fuel and power pattern and more rationally utilising all kinds of fuel and power must yield a saving of over 150 million tons in terms of conventional fuel. These measures will make it possible to ensure a normal supply of power for the country and create the conditions for the stable growth of all branches of the national economy.

The intensification of the economy and the en-

hancement of its efficiency make high demands on branches such as the *ferrous and non-ferrous metallurgical and chemical industries*, which supply the economy with construction materials. They will have important tasks to fulfil in the new five-year plan period.

In the ferrous metallurgical industry the output of the most economical kinds of metal products is to increase 50-100 per cent and there is to be a growth of the output of high-grade steels. The industry will be technically re-equipped by introducing up-to-date steel-smelting processes—oxygen-converter and electric smelting—the building of blast furnaces, each with a capacity of 5,000 cubic metres, large converters with a capacity of up to 400 tons, highly efficient automated rolling mills and other large-capacity units. The Oskol Electro-Metallurgical Combine, which will produce steel through the direct recovery of iron without blast-furnace processing, will be put into operation.

In the non-ferrous metallurgical industry provision is made for the continued growth of the output of aluminium, copper, nickel, titanium and other vital products. Considerable funds are earmarked for this industry to overcome the lagging behind of its raw material supply base. At the same time fuller use is to be made of untapped production potentials, especially through a more exhaustive extraction of useful components from primary materials and the comprehensive processing of these materials.

Extremely important tasks are planned for the *chemical industry*. In 1980 the output of mineral fertilisers is to reach 143 million tons, or nearly 60 per cent more than in 1975. The production of the most up-to-date kinds of polymer materials is to be more than doubled. The production of syn-

thetic rubber and fibres is to grow at a rapid rate. This development of the chemical industry presupposes the eradication of the considerable intra-branch imbalances, and the technical re-equipment of factories through the installation of equipment with a large unit capacity and the introduction of new technological processes.

In the timber, woodworking and pulp and paper industries the main task is to raise the level of mechanisation in timber-felling and improve the use of felled timber. The necessary measures will be included in the economic development plan. With an increase of only 2 per cent in the felling of timber, the production of chip and wood-fibre boards is to increase 60-85 per cent, of pulp 35 per cent and of furniture 40-50 per cent. Provision is made for the further development of production and an improvement in the quality of newsprint and printing paper.

In the building materials and construction elements industry the task is, first and foremost, to increase the output of prefabricated elements and units needed to switch construction to continuous processes of entirely mechanised assemblage of buildings and structures on a more massive scale.

The scale of economic activity in the Tenth Five-Year Plan period and the specifics of the modern technological processes used in industry, particularly in branches such as metallurgy and the chemical industry, require special measures to *protect the environment*. Large allocations are envisaged in most industries for these purposes. New methods and means of controlling the ejection of noxious waste into the atmosphere are to be used and provision is being made for the comprehensive and rational use and protection of aquatic and forest resources. All industries are to be switched to the uti-

lisation of recycled water. For instance, in the chemical industry, despite the considerable growth of production, the discharge of industrial effluent into rivers and lakes and the ejection of noxious waste into the atmosphere will be reduced, while the utilisation of fresh water for industrial purposes in 1980 will remain at the 1975 level. The rational use of water, a valuable natural resource, is a major economic problem. Our country has large water resources, but they are very unevenly distributed. The water requirements are growing very rapidly, but the projects for inter-regional rechannelling of water will require not only considerable investments but also a long time. For that reason more attention must be given to measures aimed at reducing the consumption of water. There are large potentials for saving water resources in agriculture, where exceptionally large quantities of water are used for irrigation. These potentials must be utilised. At the same time, during the Tenth Five-Year Plan period we must begin research into a major problem such as the redirection of part of the flow of Northern and Siberian rivers to the Volga basin, Kazakhstan and Central Asia.

The priority growth envisaged for Group A industries in the draft "Guidelines" is directly linked with the tasks set by the Party for a fundamental restructuring of agriculture, switching it to an industrial foundation and continuing to increase the output of consumer goods.

Agriculture. Agriculture is accorded a special place in the Report of the Central Committee. The consistent and steadfast implementation of the Party's agrarian policy, mapped out by the CPSU Central Committee at its Plenary Meeting in March 1965, is one of the main orientations of our entire work in the coming five years. The aim of our agra-

rian policy was clearly stated in the Report delivered by Leonid Ilyich Brezhnev at this Congress. This aim is to turn agriculture into a highly efficient and highly productive branch, substantially enhance the dependability of the country's supply of farm produce, improve its quality, diminish the dependence of this key branch of the national economy on the weather and make considerable headway in further reducing the disparities between the conditions of life in town and countryside.

It is planned to increase the average annual output of farm produce in 1976-1980 in the following proportions:

	Average annual output in 1976-1980	Increase during the 10th Five-Year period	
		in absolute figures	per cent
Gross agricultural output (thous. mln. roubles)	104—106	13—15	14—17
Major farm products:			
grain (mln. tons)	215—220	33.5—38.5	18—21
sunflower seed (mln. tons)	7.6	1.6	27
sugar-beet (for factory processing, mln. tons)	95—98	19—22	25—29
raw cotton (mln. tons)	8.5	0.8	11
meat (slaughter weight, mln. tons)	15.0—15.6	0.9—1.5	7—11
milk (mln. tons)	94—96	6.5—8.5	7—10
eggs (thous. mln.)	58—61	6.5—9.5	13—18

Under the Tenth Five-Year Plan agriculture is to receive allocations amounting to 171,700 million roubles, or more than one-fourth of the total investments. Besides, large funds are being allocated to industries supplying agriculture with

machinery, fertilisers and other material and technical resources.

The collective and state farms will receive a large quantity of new machinery and means of transport:

	Volume of deliveries		Growth of deliveries during the 10th Five-Year Plan in %
	1971-1975	1976-1980	
Agricultural machinery (thous. mln. roubles)	15.8	23	46
Including machinery for animal husbandry and fodder production (thous. mln. roubles)	6.7	10.3	54
Grain combine harvesters (thous. units)	449	538	20
Tractors (thous. units) (mln. hp)	1,700	1,900	12
Trucks and specialised motor vehicles (thous. units)	119.5	158.7	33
	1,102	1,350	23

Our industry will increase the output of faster and more powerful tractors, which will be provided with the full set of farm implements. As a result, per worker power in agriculture will increase from 17 hp in 1975 to 28 hp in 1980. This will make it possible to come close to completing the comprehensive mechanisation of the grain economy and sugar-beet growing and considerably raise the mechanisation level in the cultivation and harvesting of other crops, and in livestock-breeding and the production of fodder.

Much will be done to enlarge the fodder resour-

ces for livestock-breeding. It is planned to increase the output of mixed feeds to approximately 80 million tons in 1980 as compared with the 45 million tons in 1975. For the production of feeds provision is made for the large-scale use of improved land and for enlarging the area sown to protein-rich crops. Moreover, attention must be paid to enhancing the productivity of natural hayfields, which can be doubled or even trebled with relatively small outlays. Another major orientation in the promotion of livestock-breeding is its transfer to a new technical base and the introduction of industrial technology for the output of livestock-breeding products at new enterprises and at existing livestock-breeding farms through their reconstruction.

The consumption of the most valuable food products, in particular, meat and milk, will continue to rise in our country. This is the task set by the Party for the coming five years and for a longer term. To carry it out successfully, it is necessary first of all to raise the productivity of livestock farming on collective and state farms. For this reason the annual and five-year plans of each collective and state farm, each district, region and republic should be drawn up in such a way as to have adequate fodder resources for the livestock in the next five years and also to create the necessary fodder resources for the eventuality of unfavourable weather conditions. This is one of the most important tasks.

Immense possibilities for expanding and intensifying agriculture are offered by land improvement. By 1980 the production of grain, sugar-beet, soya beans, vegetables, fruit and other farm produce will increase substantially on improved land, which assures high and stable yields. It is very import-

ant to make the outlays for land improvement more effective. The present average grain yields of just 2.5 tons per hectare of irrigated land are well below the potentialities of irrigation farming. Yields can be substantially increased on irrigated land through better and more comprehensive land improvement, and also by developing special varieties of grain and other crops.

Yields will also be raised, on a broad scale, through the chemicalisation of agriculture. In the coming five years agriculture will be supplied with 467 million tons of mineral fertiliser, or 50 per cent more than in 1971-1975, and the production of herbicides and insecticides, too, will be increased.

Thus, the input into agricultural development will be very substantial in the tenth five-year period.

It is planned to raise average annual agricultural output by 14-17 per cent by implementing measures envisaged in the five-year plan. The average annual grain crop is to go up by 18-21 per cent, amounting to an annual 215-220 million tons in 1976-1980. The projected targets should be regarded as minimal, since the earmarked material and technical resources assure higher results in favourable weather conditions.

It should be stressed that the production increase is to be secured first of all by raising the yield of all farm crops and the productivity of livestock. While yields of the basic grain and some other crops showed a rise in the past five years, the potato and sunflower-seed yields showed practically no growth, and the yields of sugar-beet and buckwheat even declined. To be sure, this is partly due to adverse weather conditions. But we should not blame everything on weather alone. We face the great task of raising the standard of crop farming. An important role in this must be played

by science, which must evolve and introduce on collective and state farms new high-yield crop varieties and hybrids suiting the requirements of intensification of production. It should be admitted that the work of research institutions and agricultural agencies in this field falls short of our potentialities.

In the tenth five-year period important measures must be carried out everywhere to improve the use of machinery on collective and state farms, to eliminate the waste of mineral fertilisers, and to enhance the standard of technical and agrochemical services.

Raising the quality of products is a serious problem facing agriculture. Large quantities of grain delivered to the state are still below standards. And in a number of areas, the sugar content of beet has dropped in recent years. The Councils of Ministers of the Union Republics, the USSR Ministry of Agriculture and the USSR Ministry of State Purchases must provide for effective measures in this respect in the draft of the five-year plan.

Considerable attention will be devoted to the specialisation and concentration of farming on the basis of inter-farm co-operation and agro-industrial integration. This, as Leonid Ilyich Brezhnev has pointed out, is the main avenue of our agricultural development. All the economic indicators, including labour productivity, are usually considerably higher on specialised farms. Much work faces us in this area, and in many ways its success will be facilitated by a correct system of allocating purchase orders for farm products. Not only will the transfer of agricultural production to an industrial basis create the best possible conditions for introducing advanced machinery and techniques; it will also

greatly benefit the further socialist reconstruction of the countryside.

Closely linked with agriculture is the development of the *light and food industries*, whose output in the tenth five-year period is to rise by 26-28 per cent. On the whole, output in the consumer industries will go up by 30-32 per cent.

The growth of output will be as follows:

	Volume of output		Absolute growth under the 10th Five-Year Plan	Per cent of 1975
	1975	1980 as envisaged by the draft "Guidelines"		
Light industry output (thous. mln. roubles)	79	99—101	20—22	26—28
Cultural and household goods (thous. mln. roubles)	22	35	13	57
Food industry output (thous. mln. roubles)	46	58—59	12—13	26—28
Output of the meat and dairy industry (thous. mln. roubles)	39	47—48	8—9	20—22
Commercial fish foods (including canned fish, thous. mln. roubles)	3.8	5.0—5.1	1.15—1.23	30—32

Large funds were appropriated in the ninth five-year period for the development of light industry and other industries making consumer goods. As a result, many of the commodities that had only recently been in short supply are now available

in adequate quantities. Some progress has also been made in raising the quality of commodities. But as the living standard of the Soviet people rises, the need for our industry to produce for the people not simply more, but also better-quality goods that would fully meet the rising consumer demand, is becoming ever more pressing. The insistent demands concerning the quality, comfort and new types of goods come not from some restricted group of consumers, but from practically the entire urban and rural population. Yet we have to admit that in the ninth five-year period the light industry and other industrial branches, on which the production of consumer goods mostly depends, have not lived up to requirements. To secure substantial change in this respect in the new five-year period, serious efforts must also be made in the ancillary branches, which supply light industry enterprises with primary and other materials and equipment. Practically every branch of the economy plays its part in the production of consumer goods. This is why it is necessary to give thorough and detailed consideration in the five-year plan to such matters as making high-quality dyes and various polymer materials, and artificial and synthetic fibres in the case of the chemical industry, and to set certain concrete objectives in engineering to raise the supply of up-to-date machines that would produce not only substantially more commodities, but also commodities of high quality.

One of the untapped potentialities for raising the food industry's output for the population is to reduce the consumption of vital agricultural raw materials for technical purposes. Of the vegetable oil industrially processed in 1975, 42 per cent went for technical uses. Its replacement with synthetics in soap manufacture, the making

of paints, lacquers and detergents, and replacement of cotton and flax with synthetic fibre for engineering cloth will release considerable quantities of farm products and raw materials for consumer needs.

Much was done in the past five years in line with the 24th Congress Directives to expand the services industry, particularly shopping facilities, across the country. Many new shops have been opened in towns and rural areas, and the standard of retailing has risen. Yet we cannot say that our trade meets the growing needs of the population. There are many legitimate complaints on this score. In the new five-year period the distributive workers must apply much effort to overcome the existing shortcomings, substantially improve their service, and tighten the links of retailing with industry and agriculture. The enterprises and production associations manufacturing consumer goods must, for their part, study the demands of the population and the trading enterprises more closely. For this they are authorised to open their own retail outlets, and it is their duty to use this privilege broadly in order to improve the situation.

The need to pay closer attention to this most important area of our work has been stressed in the Central Committee Report to the Congress. All those connected with the consumer industries and the services sphere will unquestionably draw the necessary conclusions from this. In such a matter as expanding consumer production and the services much can also be done by the local Soviets of Working People's Deputies. The state of trade, public catering, and other services depends to no small degree on their initiative and on how they use their prerogatives.

Transport and communications. In the tenth-five-year period it is planned to increase the freight turnover of all means of transport by 30 per cent and passenger carrying by 23 per cent. These objectives are geared to the projected growth of social production, changes in the location of the productive forces across the country, growing co-operation in production and a more rational organisation of traffic.

Major steps are to be taken by the *railways* to expand carrying and traffic capacity, promote containerisation—which assures considerable savings—and raise technical standards. It is planned to open some 3,000 kilometres of new railway track. As you know, an extensive programme of work is envisaged on the Baikal-Amur Railway project, some sections of which are to be put into operation during this period. We attach special importance to this project, because it is designed to become a powerful lever of economic growth for our Far Eastern areas.

The *motor transport* industry will get hundreds of thousands of new type KamAZ, ZIL and BelAZ trucks. And 62,000-65,000 kilometres of hard-surface motor-roads are to be built or reconstructed in the coming five-year period.

The *air transport* industry will put into effect an extensive programme of equipping passenger lines with a new generation of up-to-date comfortable planes. Cargo carrying will increase substantially.

To augment the material and technical resources of *marine transport* we intend to expand port installations and build freight handling complexes. Our fleet will get high-tonnage and special-purpose vessels.

The freight turnover and technical equipment of the *river fleet* will increase. It will get high-capacity pushed barge caravans and sea-going river vessels.

Pipeline transport will be developed at an accelerated rate.

New strides will be made in developing all types of *communications*. The length of interurban telephone cables will be increased 60 per cent, and the number of telephones in urban and rural areas 40 per cent. The area of stable television reception is to be considerably expanded.

The fulfilment of tasks set in all industries, agriculture and transport will depend largely on the organisation of *capital construction*. For the tenth five-year period investments in this field have been set at 630,000 million roubles, representing only a 25 per cent increase against the 42 per cent increase in 1971-1975. Special emphasis, therefore, is to be laid on heightening the efficiency of investments. In drawing up the new five-year plan, the USSR State Building Committee and the respective ministries and departments must see to it that in these five years commissioning of the basic production assets should outstrip the growth of capital outlays. By 1980 it is planned to reduce uncompleted construction to 65 per cent of the annual volume of state investments, against the 76 per cent at the end of the past five years. This will mean that by speeding up construction and concentrating investments in projects nearing completion, we shall obtain nearly 13,000 million roubles of additional basic assets.

In the coming five years the volume of capital construction must be geared strictly to our financial and material resources.

This, precisely, is the approach implicit in the draft "Guidelines" approved by the Central Com-

mittee. Hence, the ministries and departments must see their task not in obtaining additional allotments for investment, but in fulfilling the planned volume of capital works and in commissioning new production capacities according to plan.

In their speeches at the Congress some comrades have correctly pointed out that in view of the present scale of construction we cannot look ahead just for one year in planning. The compilation of the 10th Five-Year Plan with targets set for each year will create prerequisites for basing our construction programmes not on annual plans, but on a five-year plan with certain adjustments for two or three years.

Earlier we have likewise studied the possibility of introducing such a planning procedure, but owing to the fact that a large number of planned projects were systematically shifted to the next year, this could not be done. For the 10th Five-Year Plan the State Planning Committee, State Building Committee and State Committee for Material and Technical Supply and the ministries placing orders for construction projects, jointly with construction ministries, must draw up such a plan of capital investments as would provide the necessary raw material resources for the construction and commissioning of projects. The plan must be realistic.

Maximum attention will be devoted to reducing building costs. In the tenth five-year period they are to go down 3-5 per cent. Coupled with other measures, this will enable us to lower the ratio of investments to production growth by at least 5 per cent and thereby save about an additional 12,000 million roubles in industry.

In the years to come we must be more resolute in the matter of technical re-equipment and reconstruction of operating enterprises, which offers the opportunity of increasing production at lower costs.

It is precisely this trend which is implicit in the draft "Guidelines".

Construction will switch to an ever greater extent to the continuous process of the comprehensive mechanised assembly of buildings and structures of large prefabricated structural elements, parts and units. It is planned to raise fully assembled construction to 45 per cent of total building by the end of the tenth five-year period. The five-year plan will fix relevant targets for the building materials industry, which must substantially expand the prefabrication of building elements.

Our construction enterprises have in the main become large-scale specialised organisations of the building industry. This is why provisions can be made in the economic plan to secure all-round growth in the volume of building and assembly through higher labour productivity.

The location of productive forces. In the tenth five-year period the economic ties between the Union Republics and regions of our country will grow much closer in the framework of the single economy of the USSR. The territorial division of labour will become more effective, and the contribution of every republic and region to the attainment of all-Union objectives will be augmented. In line with the Party's Leninist nationalities policy, considerable economic progress is to be assured in all the Union and autonomous republics, economic areas, autonomous regions and national areas.

The balancing of development levels will continue in the tenth five-year period on the basis of our single socialist planned economy and the broad initiative of the Republics.

At present, all our Union Republics have highly developed industries and large-scale mechanised farming. United by indestructible bonds of friend-

ship and fraternity, they have everything they need for further progress in all areas of material production, science and culture.

The concrete aspects of the economic development of the Union Republics are set out in adequate detail in the published draft of the "Guidelines for the Development of the National Economy of the USSR for 1976-1980", and have been exhaustively examined at recent congresses of the Communist parties of the Union Republics. Therefore, I shall not go into them.

The eastern regions, especially Siberia, where industrial production is to be raised by nearly 50 per cent, will develop at priority rates. Energy-intensive industries, the fuel industry and agriculture, and simultaneously the entire social infrastructure, including housing, public utilities, cultural and community institutions, and urban transport, will be expanded at especially high rates in Siberia and the Soviet Far East. Labour-intensive production is to be located in areas with a more favourable manpower balance. In the European part of the USSR and in the Urals industrial development will largely follow the line of technical re-equipment and the reconstruction of operating enterprises.

The features of the country's individual regions will be increasingly determined by the implementation of major economic programmes and the establishment of territorial-production complexes. Here we can name programmes which have already been launched, such as the development of agriculture of the Non-Black Earth Zone in the RSFSR, the industrial-agrarian zone of the Kursk magnetic anomaly, the West Siberian territorial-industrial complex, the system of Angara-Yenisei complexes, the South Tajik complex, and others. The formation of the new Timano-Pechora industrial complex, with

the use of the rich oil and gas deposits in the area, will get off the ground, and in the long term we shall launch a number of complexes gravitating towards the Baikal-Amur Railway now under construction, including the vast Chulman-Aldan complex with centres of mineral raw materials for a number of industries. The creation of such complexes requires strict co-ordination of the ministries, supply agencies, development and building enterprises, the supplier factories. Attention is drawn to this in the Central Committee Report to the Congress. In the immediate future we shall have to work out the relevant organisational forms of co-ordinating the implementation and development of large-scale programmes and complexes.

It is very important for the local Soviets and government agencies and the Councils of Ministers of the Union Republics to play an active and creative role in the establishment of territorial-production complexes. Effective control over the construction of industrial enterprises, house building and the building of public utilities, cultural facilities, schools and hospitals, their timely and synchronised commissioning, and the training of qualified specialists in the mass professions—all this depends in many ways on the activity of local government agencies and the Soviets.

The rational location of productive forces across the vast territory of our country is a major and responsible objective and its attainment will facilitate the more efficient management of our entire economy.

* * *

Comrades,

For almost half a century the Soviet Union's economic development has been determined by five-year

plans. For several generations of Soviet people the five-year plans have been a splendid school of communist education. The mass socialist emulation movement for the fulfilment and over-fulfilment of five-year plans revealed the vast creative potential of the working class, the peasants, and the intelligentsia. They demonstrated to the whole world their ability to convert the visions and plans of the Party into realities of our time.

We describe the tenth five-year period as a period of efficiency and quality. The Soviet economy has arrived at a stage where satisfying the people's needs in high-quality consumer goods, as well as the use of the latest technology and techniques in production, are becoming the condition of further progress.

The higher quality of all our work will assure the sensible and thrifty use of the wealth of our society. Communists are no advocates of asceticism, of any artificial restrictions on people's requirements. On the contrary, the full and free development of all of man's faculties, man's creative forces, implicit in communist society, presupposes the creation of favourable material conditions of life. But our socialist life style rules out the extravagance, the senseless waste of material values, labour and energy seen in capitalist conditions.

The problem of raising efficiency and quality is not a purely technical and economic problem. It is also a social and ideological problem, which we will continue to deal with in the process of Soviet society's further development. For its part, it will contribute to the consolidation and improvement of socialist social relations and the rules of communist community life.

We have everything we need to fulfil successfully the tasks set in the new five-year plan—a vast eco-

nomie, scientific, technical and cultural potential, and the creative energy of the Soviet people led by our glorious Leninist Party. The successful fulfilment of the five-year plan depends entirely on ourselves, on all Soviet people.

The Soviet people have absolute faith in the Party. They know that the aims set by the Party will definitely be achieved. And this is reaffirmed anew by the far-flung upswing of labour and political activity across the country, by the new successes and achievements that Soviet people brought to the 25th Party Congress.

The mounting creative initiative of working people, the sense of responsibility for the common cause cultivated by the Party—this, in the final analysis, is the decisive factor of success in the new five-year period, of all our victories in the struggle for communism. The targets of the Tenth Five-Year Plan will be for all working people, all builders of communism, a concrete action programme designed to achieve a new and higher level in our economic development and in the life of the Soviet people.

Throughout the world, the Soviet five-year plans have become a stirring symbol of the rapid social and economic progress of the world's first working people's state, a symbol of its aspirations to peace. With the emergence of the socialist community the concept "five-year plan" also acquired a new, international meaning: it absorbed the fraternal countries' community of aims in building the new life, in shaping and consolidating the socialist world economic system.

The 25th Congress convincingly demonstrates the unity of the Communist Party's home and foreign policy. This unity is profoundly organic, and determined by the fact that the Party's policy, both home and foreign, serves the most noble and humane goal of

all—the building of communist society. To attain this goal all our main forces and resources are directed to peaceful construction and to raising the people's well-being. For its sake we use all our potential on the international scene to promote the consolidation of the pillars of peace and the security of all peoples.

Certainly, our security, the peaceful labour of the Soviet people, must be dependably guaranteed and protected, since there are forces in the world that are hostile to detente, that reject the principle of peaceful coexistence as a basis for relations between states with different social systems. This is why we shall, as before, devote attention to our glorious Armed Forces, the pride of the Soviet people. They are the guardians of the revolutionary cause, of socialism and peace among peoples. No other army in history has ever served such humane and magnificent aims and ideals. That is the reason for the honour and country-wide respect bestowed upon our Soviet Army, Navy and frontier troops.

In nature and in its entire orientation the new five-year plan is a plan of peace and further international detente. Once again it shows all mankind the Soviet people's profound dedication to peaceful construction, and the peace policy of the Communist Party and the Soviet state.

Comrades, representatives of Communist and Workers' parties, and also of revolutionary-democratic forces are present at our Congress. Speaking at the Congress, they have paid tribute to our achievements in economic and cultural development and to the efforts of the CPSU and the Soviet state in the struggle for the consolidation of world peace, the development of the world socialist system, the international communist and working-class movement, and the national liberation movement.

Our economic successes serve the cause of world

socialism, the cause of social progress. We wish to reassure our foreign friends, our comrades in the common struggle against imperialism, that in carrying out the Tenth Five-Year Plan our Party and the entire Soviet people will, as before, fight shoulder to shoulder with all revolutionary and progressive forces for the lofty cause of peace, national freedom, and socialism.

We enter the last quarter of this century with the firm conviction that the progressive trends in world development, which were so profoundly examined in the Central Committee Report to the Congress by Leonid Ilyich Brezhnev, the General Secretary of the Central Committee of the CPSU, will gain still greater scale, and this will be fully consonant with the interests of the forces of peace, democracy and socialism. Our Leninist Party, the entire Soviet people, are naturally pleased that for nearly six decades they have been not only active architects of the new life in our great country, but that they also exercise a tremendous and fruitful influence on the entire course of world history.

Ahead lies a new five-year period on the road to the construction of communist society in our country. The creative, constructive activity of the Party and the entire Soviet people will be directed in this period at solving the majestic tasks set by the 25th Congress. The course of the work of our Congress inspires deep confidence that the Tenth Five-Year Plan will be highlighted by new historic accomplishments of the heroic working class, the glorious collective-farm peasantry and the people's intelligentsia in the name of the triumph of the ideas of our great Leninist Party of Communists!

(A. N. Kosygin's report was heard with great attention and punctuated with prolonged applause)

THE SUMMING-UP

March 3, 1976

Comrade Delegates,

Today the Congress will complete the truly countrywide discussion of the draft "Guidelines for the Development of the National Economy of the USSR for 1976-1980", which has lasted for more than two and a half months. The decisions to be adopted by the Congress on this score will be of immense significance for our society for they will determine the specific content of the social and economic policy, and of the Party's and the people's entire activity in building the material and technical base of communism in the next five years.

All the comrades who have spoken at the Congress have as one man supported and commended the draft "Guidelines" submitted to the Congress by the Central Committee. The delegates have been given the draft with the amendments of the Congress Commission. This document summarises the result of the extensive work done by the Party's Central Committee since the discussion of the draft "Guidelines" throughout the country got underway. Even before the Congress opened, a special Political Bureau Commission was formed to study the pro-

posals to the Central Committee draft made at congresses of the Communist parties of the Union Republics and at Party conferences, published in the press or contained in citizens' letters. In addition to the proposals made by delegates to the 25th Congress, the amendments to the Central Committee draft were forwarded to the Commission of the Congress, which has examined them and now places them before you for approval.

A number of proposals and additions that were not entered into the document distributed to the delegates will be examined by competent authorities at the centre and locally, and taken into account where possible in our practical work.

Taking guidance from the Report of the General Secretary of our Party's Central Committee, Leonid Ilyich Brezhnev, and from the "Guidelines" to be adopted by the Congress, it is essential to complete the elaboration of the five-year plan within the next several months and submit it for consideration to the Plenary Meeting of the CPSU Central Committee and the session of the Supreme Soviet of the USSR.

Considering the scale of our economic activity as we enter the new five-year period and its specific features connected with the objective of raising efficiency and quality to the utmost, we must accomplish a big and difficult task and draw up the draft of the plan punctually within the allotted time. This is highly important for the effective and rhythmical functioning of all the sectors of our economy.

In planning to carry out the ambitious five-year plan assignments, we must do everything to make them a continuous source of creative activity for all the working people of our country in the tenth five-year period.

The political unity of the Soviet people and the identity of the interests and aims of the working

class, the collective farmers and the intelligentsia are the guarantee that every production unit will apply all its energy to carry out successfully the assignments of the Tenth Five-Year Plan, that the economic, technical and administrative personnel raised by the Party is up to the new tasks, and that Soviet scientists will open up new possibilities for our country's speedier economic, scientific, technical and social progress. The success of the five-year plan depends in many ways on skilful organisation, a responsible attitude in each and every sector of our economic activity, on strict observance of state and labour discipline, and the extent of the socialist emulation movement and the movement for a Communist attitude to work.

Comrades, the decisions of the Congress and the scale of the tasks we are setting ourselves in the tenth five-year period cannot but generate great energy and inspiration. We are firmly convinced, therefore, that the goals set by the Party at its Congress will be reached. Guided by the Marxist-Leninist teaching, and with the benefit of its immense political and organisational experience, our Communist Party is confidently laying the road to communism, and the multinational Soviet people, the builder and the maker of the new life, is advancing to communism under its leadership.

(A. N. Kosygin's summing-up was heard with great attention and punctuated with prolonged applause)

А. Н. КОСЫГИН

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НАРОДНОГО ХОЗЯЙСТВА СССР НА 1976—1980 гг.

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