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USSR REPORT
CONSUMER GOODS AND DOMESTIC TRADE

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'RIGID' PLANNING FOR CONSUMER TRADE DRAWS CRITICISM

Moscow PRAVDA in Russian 21 Aug 85 p 3

[Article by V. Brovkin: "What's in the Shops Today"]

A rigid plan and market conditions. There are times when these two concepts are perceived as antipodes, as concepts that cancel each other out. Nevertheless, they coexist permanently in the field of trade. Plant production of consumer goods and the money turnover of the stores are one side of the coin. The other is our wages. With our personal cash we are free to buy or not buy a commodity. We will not buy unattractive wares, the kind that gather dust on store shelves, and we will stand wearily in line for goods of the notorious "deficit" category.

How, then, should the plan and consumer demand be reconciled? The problem, which this paper discusses under the rubric "Industry - Trade - Client", has readers concerned. Lots of letters come in. Their authors not only analyze the situation, they also offer suggestions on how better to supply the population with consumer goods.

One central theme runs through all the letters: the plans of the enterprises that produce these commodities and of the trade sector all too often fall short of consumer demand. There is no scientific basis to them, as justly noted by A. Kirillov from Syktyukar. He explains: the plans do not list the commodities that people queue up for in the stores. Year after year that which the client is interested in is not produced in sufficient volume or in full assortment.

"I am writing from Piarnu", reports G. Shevtsov. "I have just mailed a parcel of nails home to Togliatti. And it is not only our city where this commodity is a rarity. Also mailing a parcel of nails home was a woman. Note her address - Magnitogorsk, the iron capital of the country. How does local industry draw up its plans? Why can't the trade sector see to it that nails of the most varied
sizes are sold everywhere?" "Can fine knitting needles, darning needles, office tacks, ball-point pen rods and small enameled pots be unavailable to the public? All of these are in the deficit category here in Odessa," writes I. Mil'gram. F. Tertychnyy from the town of Makeyevka informs us of shortages there of small batteries, pens and preserve-jar lids.

As is known, Gosplan SSSR and other central departments hand down plans that cover only the most important and technologically complex commodities. Production assignments for enterprises which manufacture millions of other items are stipulated in ruble amounts. What specific goods they will produce is regulated by contracts with the trade sector. It is here that the plans lose their rigidity and become as pliable as putty. Their actual content is determined not so much by demand as by various "objective" reasons: shortcomings in deliveries of materials and semimanufactures, the difficulties involved in retooling for a new product, and so on. As a rule, fulfilling the plan in monetary terms poses no problems, even to the extent of achieving growth over the preceding period. But what are the results in, so to speak, the flesh? "This is of little concern to anybody here," complains D. Sattarov, a woman worker in a Kazan enterprise. We get more pay and bonuses the more primary materials, energy and semimanufactures we squander. Making costly, material-intensive goods is profitable because "gross" volume is the be-all and end-all of our work."

The consequences of the "gross" approach is evident to anybody who walks into a store. "The number of drab, low-quality jackets piling up on the racks of our stores", writes G. Sivak from Dnepropetrovsk, "is assuming the proportions of a natural disaster. Nobody wants to buy them. "You know", writes V. Petrenko from Bryansk, "one gets the impression that everyone profits from the manufacture of unmarketable goods. Industry fulfils its plans without undue effort, the trade sector knows these items will sell, even if at half price, and the client waits for discounts to acquire something not fit to go out in but cheap. But this is economics inside out! Profits must come from items at the peak of demand".

An even bigger cause of readers' concern are deficit goods. You never know what commodity will fall into that category tomorrow. Take this letter from I. Didenko of Kemerovo: "For several years now our stores carry no towels, cotton and linen textiles have disappeared, the only dresses, underwear, stockings and socks available are the synthetic type. There are no spare parts for household appliances and even no essence of vinegar or baking soda". Patriotic War veteran P. Dementyev from the village of Gordeyvo, Altai kray, has been on the waiting list for a washing machine for three years. A. Kashkina (Barnaul) cannot buy sandals for her children or a coat for herself. "We are a family of five with no money to spare; when you do save enough for something you need, shopping is a joyless exercise - there are lots of goods, but nothing worth while".
The availability to the population of clothing and footwear, of household appliances, is constantly on the rise. The client has become more demanding in selecting what to buy. People now ask the insoluble question - 'where can I get one?' Under these circumstances can industry and trade be allowed to continue in their outdated practices? The answer is simple - no. In the opinion of V.Skliarov of Pyatigorsk, Ye.Kuznetsova (Sterlitamak), A.Polyakov of Kaliningrad oblast, I.Zinkovskiy from Kiev and other readers there must be a fundamental improvement in the regulation of production and trade, in the functioning of the economic mechanism which does not as yet encourage the achievement of the main goal - satisfying consumer demand. Yes, the point has been reached where we must do away with planning in ruble amounts, with impersonalized indicators (these should be used only for statistical purposes) and assign the leading role to the indicator of specific assortment. Today we cannot do without it.

Nevertheless, planning the production and sales of consumer goods on the basis of scientific research into market conditions is, as F.Zevriyev of Alma-Ata aptly phrases it, "untapped virgin soil". This is not to say that consumer demand is not subjected to analysis involving thousands of specialists in industry and trade, including hundreds of candidates and doctors of sciences in research institutes. But the results are meager. In full agreement with the author of that letter are A.Gorshkov of the Moscow region and deputy director of a cottage-industry combine P.Agammedov (Checheno-Ingush ASSR). "What is needed is an efficient interdepartmental body to coordinate research into consumer demand", notes F.Zevriyev. "It could be an organization affiliated to Gosplan SSSR or the State Committee for Science and Technology, and its recommendations on assortment preferences must be mandatory for all - planners, manufacturers and retailers".

The thought is echoed by Odessa resident Sh.Agammedov. "Because of inadequate research into consumer demand, lack of coordination between wholesale organizations and the industrial ministries, gross errors in orders placed by the trade sector, the country has time and again experienced the swing of the pendulum in the production of electric irons, meatgrinders, electric bulbs and other commodities. Surpluses were followed by shortages. These jumps from one extreme to the other continue to this day. Was it so long ago that people queued up to buy bedclothes? Today the stores and warehouses are flooded with the stuff. The time has come for production to assume optimal proportions".

In this connection readers D.Skryabin from Rostov-on-Don, V.But (Donetsk), I.Khoroshavina from Vladimir and V.Sokolov of Grodno raise the question of holding the guilty parties, no matter what their position, personally responsible. "In my opinion, the main evil that engenders such flagrant mismanagement is impunity", writes L.Tsirulnikov of Yessentuki.
V. Bolinov of Gorkiy, A. Barkov from Kazakhstan, P. Ivanov of Voronezh and A. Grebenkin (Altay kray) all agree that industry must develop its trade outlets to better understand how clients rate its products. I. Vlasov (Komi ASSR) goes even further: he proposes the creation of production/trade associations that would manufacture and sell their own output. This, of course, is no simple matter. Glaring miscalculations are allowed to occur even in outlet trading. "In Saratov", reports K. Ionov, "the "Volzhanka" association opened a store on specially assigned premises, but a year and a half later has not properly organized the sale of dresses and underwear, losing, by the most conservative estimates, about 2 million rubles worth of business". Minsk resident V. Gontar writes: "The "Zarya" association has shut down the men's shoes section in its outlet on Leningrad highway and reduced the size of the women's footwear department where much shelf space is now taken up by slippers".

To know consumer demand in all its nuances and to use that knowledge in the planning process—such is the unanimous demand voiced by the authors of the letters. But isn't consumer demand a more complex proposition than the weather bureau's cyclones and anticyclones? After all, we all know about the vagaries of fashion. Indeed, organizing the mass production of a novelty is no easy job for the modelers, designers and technologists involved. Let's not oversimplify the issue.

Judging from readers' letters, though, industry and trade are to this day oblivious to the needs of entire groups of the population, even though servicing a specific clientele would mean broader markets for both sectors. "We elderly people", writes war and labor veteran M. Levin (Moscow), "place much more modest demands on attire than the young generation. As long as it's durable, fits the foot or the body (bodysuit changes with age), is not easily soiled and is not garish". How easy it is, one would think, to accommodate such an obliging customer. However, both he and his supporters Ye. Sosnovskaya of Kalinin and T. Koshkina of Sverdlovsk declare: industry and trade ignore us, it is almost impossible to buy appropriate clothes or footwear.

L. Blazhchuk addresses PRAVDA on behalf of the "big people". Even in the Omsk department store's special section, which is supposed to carry sizes 60-62, the shelves are bare. "Any time I need a raincoat, suit, coat or a pair of boots I sit down and write to the top trade people. Do you think I've found a clever way out? Nothing of the kind. Instead of help all I get is lame excuses."

In many cities it is the children who are deprived. "You've heard the song about "my joyful bouncing ball"? Well, so has my granddaughter. She's begging me to buy her one, but where can I? I got her a tennis ball, but it's so drab."

To every commodity its addressee, nobody's needs should be neglected, not the Siberian's living as he does in a harsh climate, not the
southerner's with his national traditions, not the amateur sportsman's or the gardening society member's. And certainly not of those with low incomes — families with many children, lone pensioners. This appeal comes from Yu. Barykin (Tynda), N. Artukhov of Lvov and A. Yedenskiy of Krasnodar. N. Morozov of Kiev suggests even more — why not sell stylish, very popular native and imported goods in special "deluxe" stores.

Serviceman V. Dyakov raises an important issue in his letter. In Yuzhno-Sakhalinsk he bought two color TV sets one after another and returned both after they were diagnosed as "defective output". In Leningrad he acquired an ultramodern stereoreceiver after going through three stores and picking the seventh of six sets. The "extra quality" appliance worked for exactly... one hour. A Kazakh-manufactured stereosystem that he purchased later lasted even less — thirty minutes. A bad-luck customer? He is not the only one. The low quality of radio equipment, some makes of refrigerators and other household appliances draws criticism from I. Vazhenin (Pervouralsk), S. Kabakina of Omsk, N. Purov of Gorkiy, N. Shaymukhametov from the Bashkir republic, A. Yakub of Zaporozhye. Mogilev resident G. Osin remarks that the struggle against defective output calls for radical measures. His position is seconded by V. Nikolayev (Krivoy Rog), muscovite S. Romanov and Azerbaijani writer Z. Aliyev. All of them favor the withdrawal of commodity control departments from the jurisdiction of their respective industries to that of the State Committee for Standards. And another thing. Sufficient power is vested in various administrative organs for them to put a stop to the flow of defective products. Then why aren't they doing so? The measures provided for by law against producers of defective goods should be enforced to the full.

Our country has vast raw-material resources. Nor is there a lack of talented designers, fashion modelers and highly qualified workers. The trademark "made in the USSR" must become a guarantee of quality, modishness and all the user characteristics as measured by world standards. This is stressed in their letters by N. Kadilov (Novosibirsk), M. Tsvetkov of Kaunas, A. Nikolayeva of Kuybyshiev and A. Minchenko from the city of Shakhty, Rostov oblast. When that comes about, every buy will be a joyful occasion for every client.

12258
CSO: 1827/211
HOUSING AND PERSONAL SERVICES

USSR TOURISM OFFICIAL ON TYPES OF TRAVEL OFFERED

Moscow ARGUMENTY I FAKTY in Russian No 34, 20 Aug 85 pp 6-7

[Interview with Aleksey Khurshudovich Abukov, chairman of AUCCTU Central Council for Tourist Excursions, by correspondent L. Tokmakov; date and place not specified, under the rubric "Trade Unions in the USSR": "Tourism of Millions"]

[Text] A. Abukov, chairman of the AUCCTU Central Council for Tourist Excursions, tells about the organization of tourism in the USSR, and about its achievements and tasks.

Correspondent: Aleksey Khurshudovich, the word "tourism" has become a worldwide symbol of the familiarization and mutual enrichment of people with spiritual, cultural and historical values. How is tourism developing in our country?

Abukov: The development of tourism in the USSR has a firm social and economic foundation. The crisisless economy, absence of unemployment, a constant improvement in Soviet citizens' material and cultural level, including through public consumption funds—these and other living conditions of the people have formed a firm foundation for the rapid development of domestic tourism.

Its material base also is growing and strengthening. In just four years of the 11th Five-Year Plan over 230 new tourist businesses were placed in operation in central oblasts of the Russian Federation, in the Urals, Siberia, the Ukraine, Moldavia, Estonia and Lithuania, and in the Central Asian and Transcaucasus republics. During this time more than R435 million were assimilated and new tourist construction accommodating more than 49,000 was placed in operation. Another R130 million will be assimilated in the current year. Tourists will receive hotels, bases and campgrounds in Volgograd, Orel, Kursk, Abakan, Baku, Samarkand and Yeypatoriya accommodating another 30,000.

It is common knowledge that our work week does not exceed 41 hours and the workers are given paid vacations each year. A broad network of health establishments, pleasant conditions for leisure time at the place of residence, and the opportunity to travel and engage in tourism all are achievements of real socialism.
Tourism in our country is provided with broad financial support. Funds for its development come from the state budget, the budget of trade unions, state social insurance assets, and enterprise funds for social and cultural activities. Tourist excursion organizations in our country are exempt from paying income tax and from other taxation, and they are given state bank credit on especially favorable terms and discounts from transport tariffs.

Each year tens of thousands of Soviet citizens travel on tourist passes given them on favorable terms or gratis at the expense of state social insurance assets and the enterprise trade union budgets.

But the main feature of Soviet tourism is its mass nature. Statistics eloquently confirm its high rates of development. More than 37 million tourists and over 204 million excursionists will be served in 1985 alone. In the current season around 1,000 tourist hotels, bases and campgrounds will receive vacationers. Very large tourist complexes have been built in the country in recent years such as Izmaylovo for 10,000 persons, Salyut for 2,000, the Central Tourist Club for 1,300 and many others in Moscow, Leningrad, Minsk and Kiev.

Development of the physical base contributes to an expansion in the network of planned tourist routes and in the geography of tourism. The number of all-union and local routes now has increased to 23,000.

There are 29 new all-union tourist routes in operation in the season which has begun: in Siberia, the Far East, the Black Sea coast of the Caucasus, the Carpathian area, the Crimea, the Baltic, Belorussia and so on.

But as noted in a recent CPSU Central Committee, USSR Council of Ministers, AUCCTU and Komsomol Central Committee decree on the further development of tourism, there still are many unresolved problems in our sector. A number of operating tourist establishments require renovation and civic improvements, and the network of motor transport, municipal and everyday service, and other auxiliary tourist enterprises is lagging in its development. The narrow assortment and insufficiency of tourist equipment and gear produced in the country, especially for teenagers and children, have a negative effect on an expansion of services for the population. The quality of commodities for tourism still does not meet the demands being placed on them.

I will add that a number of the country's railroads are allocating old, poorly prepared railcars for tourists, and some river and sea motorships need to be fitted out with more up-to-date equipment. The AUCCTU Central Council for Tourist Excursions is doing everything possible to solve these problems.

Correspondent: What contribution did trade union tourist excursion organizations make to successful conduct of the 12th World Youth and Student Festival in Moscow, the importance of which the "radio voices" are trying to minimize in every way to this day?
Abukov: Participants and guests were given the best tourist complexes of Izmaylovo, Salyut, Druzhba and the Central Tourist Club during the World Youth Forum. Over 10,000 persons stayed there. The guests were on many excursions, visited 24 cities, met with their contemporaries and became familiar with their life, work and leisure time.

Correspondent: Many workers are troubled by the "vacation and children" problem. What is the Central Council doing to solve it?

Abukov: Special attention was given to family travelers in this summer season. Almost 122,000 places were allocated to them at campgrounds and at tourist bases. This will allow receiving 1.6 million persons. In addition, 28 tourist establishments specialize only in receiving parents with children. Scientifically grounded medical recommendations have been developed for them for the organization of leisure time, walks and tours; children's playgrounds and athletic fields have been built; and they are served by skilled pediatricians and nurses.

There are also three new all-union routes in operation for this category of travelers in the present tourist season.

Correspondent: But it is no secret that a certain category of tourist prefers to travel routes worked out by them personally. Is the Central Council for Tourist Excursions helping them in this?

Abukov: Yes, of course. We try to help the independent tourists, who today number more than eight million in the country. They are associated in 85,000 tourist sections under physical culture collectives of establishments, enterprises and educational institutions. More than 22,000 routes have been laid out for independent tourists through home areas and through places of revolutionary, combat and labor glory. More than 1,500 new routes have begun to operate this year alone. Independent tourists have some 900 clubs at their disposal. Many of them rightly are considered local centers of tourist work. They include the Tallinn City Tourist Club, the Berdsk Club of Novosibirsk Oblast, and many more. A network of tourist gear and equipment rental points has been set up for independent tourists, and public instructors and heads of independent tourist groups are being trained.

Correspondent: Aleksey Khurshudovich, tell about the international tourist ties of the Central Council for Tourist Excursions.

Abukov: The ties of the Central Council are constantly growing and strengthening with tourist organizations and firms of foreign countries. Suffice it to say that each year Soviet tourists visit more than 50 countries in the world just along the trade union line. The reception of foreign tourists also is growing simultaneously. For example, last year alone more than 70 routes including more than 100 cities of the USSR were developed for foreign guests.
Correspondent: The CPSU Central Committee decrees "Measures for Overcoming Drunkenness and Alcoholism" and "Measures for Improving the Use of Club Establishments and Sports Facilities" note the need for improving the leisure time of workers, especially the youth. What problems are facing the Central Council for Tourist Excursions in this connection?

Abukov: It has long been known that tourism is an excellent alternative to idleness and the concomitant use of liquor. It is enough to become familiar with today's tourists and spend time with them on a route to become convinced that there is no place for drinkers among them.

It obviously will not be superfluous to announce that the sale of wines and vodkas has been completely stopped at all tourist facilities. The use of liquor on the routes is categorically prohibited. A tourist is removed from the route for appearing in an inebriated state and this is reported to his place of work or study.

By the way, it would be incorrect to limit ourselves only to bans. We must take steps aimed at expanding tourist excursion services at the place of residence, improving the organization of tourists' leisure time and of sports-health work, and improving anti-alcohol propaganda and the work with cadres.

6904
CSO: 1827/18
HOUSING AND PERSONAL SERVICES

PLANS TO IMPROVE CONSUMER SERVICES IN MOLDAVIA SET FORTH

Kishinev KOMMUNIST MOLDAVII in Russian No 8, Aug 85 pp 42-46

[Article by S. Maksimilian, deputy director, Scientific-Research Institute on Planning, MSSR Gosplan [State Planning Commission], candidate in economic sciences, and Ye. Ftomov, director of the Laboratory on Planning Paid Public Services: "Developing the System of Services"]

[Text] Developing social production and increasing its effectiveness makes it possible to utilize in an even greater measure the capacities of the economy for the more complete satisfaction of the material and spiritual demands of the people. Thus, in Moldavia from 1965 through 1983, the real per capita income increased by a factor of 2.3. The level of real income of workers, employees and kolkhoz workers computed per family member became practically equal. Now each of the social groups in our society has considerably higher income and possibilities for consumption, paid and free services as compared with 15-20, and especially 30-40 years ago.

Recent years have been characterized by a significant increase in the volume of domestic, transport, and housing-communal services rendered to the population of the republic. Medical and hospital services have been improved. The public has more opportunities to visit institutions of culture and to engage in sports and tourism.

Thus, the volume of consumer services in 1983 exceeded the 1965 indicator by 4.6 times, the passenger turnover for all types of public transport—by 3.9 times, and the usable area of the housing fund averaged per city resident increased from 9.5 to 12.6 square meters.

At the present time, a considerable portion of the population's demands is met without remuneration from public consumer funds or for partial pay. Society guarantees every Soviet citizen the possibility of receiving free medical aid, education, advanced training, and a number of other benefits.

The free provision of vitally important types of services will undergo further development in the future. At the same time, since trade-monetary relations do exist under conditions of socialism, part of the public's needs are satisfied through buying and selling. Naturally, with an increase in the solvent demand, there must also be an increase in the level of its satisfaction. The latter,
however, still does not in full measure meet the requirements of the present
day. This is why the need has arisen for developing a Comprehensive Program
for the Development of Consumer Goods Production and a System of Public
Services for the 12th Five-Year Plan and to the Year 2000. The purpose of
this program is to define the main strategic tasks for comprehensive develop-
ment of the appropriate sectors and their balanced growth, and, as concerns
the specific sphere of services—to ensure the widespread introduction of new
and progressive types of services and forms of servicing. The integral system
of paid services inherent in the program includes a whole series of variations.
It is very important to seriously intensify attention toward the development
of the sphere of paid services. The honestly earned ruble must be fully
realized in goods. This is a most important material stimulus to the growth
of labor activity, to increasing labor productivity and to a real improvement
in the life of the people.

Domestic services occupy one of the leading places in the system of paid services
to the population. According to the Comprehensive Program, along with the
already common types of domestic services (repair and technical servicing of
radio electronics apparatus, household machines and appliances, transport
means, repair and construction of housing, etc.), new and infrequently offered
types of services must also be developed. These include improved finishing
of apartments in new apartment houses, their provision with sanitary-technical
equipment, improved quality gas and electric stoves, kitchen furnishings and
built-in cabinets by individual order, construction of garages and provision
of transport, care and supervision of children, the sick and the aged.

Thus, the currently existing system of submitting housing for use does not
consider the wishes of the future residents in terms of formulation of the
apartment's interior. Thus, having obtained a new apartment, the residents
begin to modify it to their own tastes, for which considerable means, building
materials and labor are spent. This is why it seems rather promising to offer
such services as improved finishing of apartments with consideration for the
wishes of the future residents and with the use of their funds. Broad possibili-
ties of choice of one or another finishing variant would be offered. The
interior of residential rooms would be done to individual order: wallpaper,
parquet and plaster decorations for ceilings would be selected. The kitchen,
bathroom and other auxiliary accommodations would also be finished to the liking
of the future tenants. Furniture for the entryway and kitchen, types of bath-
tubs, gas stoves and lights would also be selected at their request.

In order to reduce the time for receiving services and to bring them closer to
the consumer, there will be a system of measures for improving in-home service,
stimulation of using the personal automobiles of consumer services workers for
serving the population in the home, expansion of the network of integrated
receiving points, widespread involvement of means of industrial and agricultural
enterprises for organization of consumer service subsections on their territory,
development of a network of small quick-serve dry cleaning facilities and self-
serve laundries in cities and large rural settlements, increasing the list
of short-order services, establishing working hours of consumer service
enterprises which are convenient to the customer, and organizing their opera-
tion during the evening hours and weekends.
Such forms of public services as placing and delivering orders in the home, at the place of work, or in dormitories will also undergo further development. The rental form of services is taking on a mass character in accordance with the demands of the population.

The significant improvement in services to the republic's population by all types of transport is associated with the increased effectiveness of its application, as well as with the introduction of progressive forms of services to passengers. These include pre-sale of tickets for inter-city buses going to any populated center of the republic, taking telephone orders for seat reservations on regularly scheduled buses, sale of round-trip tickets, and organization of night express bus lines in the cities.

Services in public education may be augmented by the organization of extended days for kindergartens and nursery schools, special field-trip groups, accompanying part of the children attending pre-school institutions to and from home by the workers of these institutions, organizing foreign language study groups, and offering education in ballet studios. Among the paid services which are to be introduced we should mention tutorship. Currently performed by private parties for high pay, it is often ineffective—in some cases due to the insufficient training of the tutors and their absence of pedagogical skills, and in other cases due to a dishonest attitude toward this work. Therefore, tutorship should be placed under the general control of public education organs.

The formation and development of new public needs in public health will require the organization of new paid services in this sphere as well. Paid polyclinics, stomatological, denture-making and physical therapy sections must be developed, as well as a beauty institute which renders a set of services (plastic surgery, massage, other cosmetic procedures, doctor's consultations, etc.). Combining the services of public health with physical culture services (medical examinations, massage, general physical preparation offices, recreation rooms, etc.) and with physician-hygienic services in baths may also be effective.

With an increase in the living standard of the population, the need for expanding the services of organized recreation and tourism also increases. In connection with this, the task of strengthening the material-technical base of recreation and tourism in the republic arises, as well as the significant expansion of services rendered by tourist institutions. Tourism services may be augmented by means of organizing, for example, excursions to gardens and vineyards and to sovkhoz plants within the Moldefirmasloprom system and others. Such excursions would have a certain educational value, and would to a certain degree popularize the achievements of our republic. They would allow tourists, for example, to visit the giant "Pamyati Iliicha" [Memory of Il ich] gardens, to obtain additional interesting information, including that of a technological order, and to taste the gifts of the earth on site. At the same time, the sale of fruit off the trees and grapes off the vine may be organized here. It is expedient, in our opinion, to organize tourist bicycle routes (educational and healthful together) with the appropriate services (instructor, bicycle rental, technical aid, medical aid, dining, etc.) as well as canoe trips along the Dniester River and others.
A significant expansion in services in rural areas will be directed at facilitating domestic labor and allowing more time for increasing the educational, training and cultural level, raising children and doing social work. Consumer services should be developed here at an accelerated rate. Agricultural services should be most widely developed, primarily the working of farmstead orchards and gardens (plowing, fertilizer application, protection of plants against pests and diseases), as well as services on grazing cattle and sheep belonging to the population, and others. Veterinary aid services are taking on ever greater importance in connection with the growth in the number of head of cattle and poultry in private farms. Specialists of kolkhozes, sovkhozes and other agricultural enterprises could also render paid services in the form of consultation on proper cutting of grapevines and treatment of vineyards with chemical preparations, on bee keeping, etc. Services on processing of agricultural products need to be improved, as their volumes in personal subsidiary farms will increase in connection with the realization of the Food Program.

In speaking of services in rural areas, we must list the tasks of providing all populated areas with baths and barber shops as being of primary importance. Services on the repair of clothing and shoes and dry cleaning services, including also for work clothing, must become more readily accessible to rural residents. We must remember that clothing and shoes wear out faster and lose their aesthetic appeal in rural areas, and that the need of the kolkhoz farmer or sovhoz worker in the above-mentioned services is dictated not only by purely economic considerations, but also by increased need.

The further improvement of housing conditions for farm workers requires the expansion of individual construction through the efforts of the farms and specialized organizations. Moreover, the kolkhozes and sovkhozes could render aid to their workers in building farm structures and garages, in repairing housing, in installing heating systems, water lines and sewers, in digging wells, etc. For this is it is expedient, in our opinion, to create special building brigades on the farms. It is important that the residential houses and farm structures be built according to standard projects which have been specially developed for rural areas. This will greatly improve the architectural look of farms and the inside planning and comfort of accommodations. It will also help to create optimal conditions for household labor and recreation of rural residents and will ensure adherence to safety technology in performing earthwork and construction work.

A special place in the system of services rendered to rural residents belongs to ritual services: weddings, anniversaries, sending off the youth to the ranks of the Soviet Army, and others. The appearance of new customs and rites and the growth of income require a new approach to rendering these types of services. Conducting celebrations with the participation of a trained specialist in such measures will introduce an element of organization and will increase the culture of the holiday. In recent years, houses or halls for family celebrations have been built in a number of villages. In those populated areas where there are no special accommodations, it is expedient to organize the rental of lightweight collapsible sections and the assembly of temporary accommodations, even with minimal conveniences. The rental may be expanded by an entire series of objects and things necessary in such cases. Transport and musical services, as well as photographic services are also necessary for these purposes.
Services for the repair of transport means belonging to the population must be improved. In those rural rayons where auto service has not yet been developed, such services may be performed by the organizations of Goskomselkhoztekhnika [State Committee for Agricultural Technology].

Transport services rendered by kolkhozes, sovkhozes and other enterprises for delivery of fuel, building materials, fertilizers and combined fodders, as well as for transport of products from subsidiary farms to market, must undergo further development.

Bus connections between villages and rayon centers and neighboring cities still do not meet the demands. Often this is associated with unsatisfactory conditions of roads. In this case it is necessary first of all to devote more attention to road construction.

Along with the expansion of the corresponding free services, paid consultations by leading medical specialists at the place of residence, physical therapy procedures, and other types of physician's aid will facilitate the improvement of medical services provided to the rural population.

Tourist excursion trips for farm workers will undergo further development, particularly day trips to the city with visits to theatre-concert performances, artistic exhibits, and sporting events.

Improving the sphere of services, increasing their assortment and improving the quality of consumer services will require more effective work on the part of the appropriate sectors. Considerable capacities for increasing the effectiveness of the available potential are found in the improved application of production capacities. They are far from uniformly loaded throughout the course of the year. For example, the load on the production capacities of dry cleaning factories is insufficient. The use factor of the city transport pool needs to be improved. Sporting halls and arenas and concert halls often stand empty. An important factor in increasing the return from the sphere of services is the improvement of its organizational forms and improvement of the work conditions. An important additional source for growth in the volume of services will be the attraction of "non-profile" ministries and departments to the solution of this problem as envisioned by the Comprehensive Program. These are all those who have not participated in the development of the sphere of consumer services up to the present time. Having sufficient production capacities for this at their disposal, they may render an entire series of important services without additional expenditures—primarily to the workers of their enterprises.

Increasing the effectiveness of resource application, expanding the assortment and increasing the volume of services, and improving their quality are associated to a significant degree with improving the economic management mechanism in such sectors as consumer services, transport, and housing-communal management. Due to its excessive regimentation, the system of planning and evaluation of activity of associations and enterprises for consumer services which is currently in operation often limits the initiative of collectives and their interest in the end results of their labor. The experiment on the expansion of economic independence and strengthening the degree of interest on the part of consumer

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services enterprises in a number of autonomous republics and RSFSR oblasts which became effective as of 1 July 1984 will make it possible to test in practice the system of economic and organizational measures directed at increasing the volume of realization of services, improving their quality and the culture of service. The experience accumulated in the course of the experiment will help in increasing the level of consumer services in our republic as well.

The degree to which the demands of the population are met is an indicator characterizing the living standard. To a large degree, this indicator is determined by the sphere of services. This is why the questions of development and improvement of services are given much attention in our economic plans. Their solution is listed by the party as one of the most important social tasks. "All methods of party influence," stated the front page article in PRAVDA, "must be used to raise the activity and responsibility of Soviet and professional union workers, as well as economic managers, for improving the working and living conditions of the Soviet people" ("The Sphere of Services—A Party Concern," PRAVDA, 30 July 1984). It is specifically this attitude toward the matter which the realization of the Comprehensive Program for the Development of Consumer Goods Production and the System of Services to the Population will require.

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12322
CSO: 1827/8
BEETTER TECHNOLOGY IN RSFSR TRADE SECTOR IMPLEMENTED

Moscow SOVETSKAYA TORGOTVIYA in Russian 27 Aug 85 p 2

(Article by V. Shimanskiy RSFSR Minister of Trade: "Along the Path of Intensification")

In the 4 years of the 11th Five-Year Plan in the Russian Federation's state trade the trading area of stores has increased by 1,455,000 square meters, while the number of seats in public-dining enterprises has increased by 1 million. While this has been the case, the number of employees in trade has hardly increased at all. Under these conditions life itself compells us to convert to the intensive method of doing business, based on introducing the achievements of science and technology.

The progressive forms of trade are being accepted more and more widely in this republic, a network of specialized stores is being created, integrated units for settling accounts with customers are being introduced, as well as the delivery and sale of items in packing equipment. The proportion of goods being sold by the self-service method has reached 57 percent. At the public-dining enterprises work is being conducted with regard to concentrating on the production of semi-finished goods and confectionery items, the industrialization of cooking food, and expansion of the network of preparation factories.

Introducing the new equipment and progressive technology has allowed us during the 4 years of the present five-year plan to free up more than 65,000 workers from manual labor and to obtain by means of a growth in labor productivity 94 percent of the increase in retail-goods turnover and the entire increase in the output of our own production in public dining.

Nevertheless, this sector's scientific and technical potential is not yet being sufficiently utilized. Too little is being done to increase the yield on the existing fixed capital. It is no secret that the amount of storage areas at wholesale centers, for example, is only being utilized to the extent of 30-50 percent. At the public-dining enterprises there could be a noticeable increase in production output if progressive production technology were to be introduced everywhere.
During the upcoming five-year plan it is necessary to pay particular attention to the modernization and technological refurbishing of this sector's presently operating enterprises. Considerable capital investments will be directed toward these goals. Very careful preparations must be made for utilizing these funds; we must conduct an inventory of the fixed capital and mark out the optimal paths for raising their yields.

Along with increasing the effectiveness of the existing material base, we are confronted with the task of radically improving matters in construction. Since the beginning of the five-year plan about 450 million rubles of capital investments have failed to be assimilated, and this is equivalent to losing more than 200 stores of the self-service department store type. The construction deadlines for department stores in Groznyy, Novosibirsk, and Voronezh have been exceeded by factors of from 4 to 5. There has been a delay in building the Rosoptprodorg in Arkhangelsk, while within the administrative public-dining system of Mosoblibsolkom there has been a disruption in the introduction of the preparation factory in the city of Orekhovo-Zuyevo.

Extremely poor use is being made for the purposes of developing trade of the five-percent deductions from housing construction in the Karelian, Mari, and Moldavian ASSR's, as well as in Vologda, Ivanovo, Kalinin, Astrakhan, Kemerovo, Volgograd, and a number of other oblasts.

We cannot be reconciled to such a situation. The managers of the administrative organs of trade ought to take measures for completely absorbing in the places concerned every ruble being directed at the development of the material base.

Effective use of capital investments presupposes the construction of new and the modernization of existing enterprises on the basis of up-to-date plans, providing for the introduction of progressive trade technologies. In practice, unfortunately, it happens all too often that this sector's facilities are built according to yesterday's plans. We are building hardly any projects made of lightweight components using new types of steel or new forms of rolled metal. And, of course, the construction deadlines of buildings made of such components have been shortened by factors ranging from 4 to 5, in comparison with facilities being built of precast, reinforced concrete. The trade workers who are responsible for construction must tighten up the requirements on project quality and entrust the construction to workers in specialized construction organizations.

In order to conduct modernization, refurbishing, and capital-repair operations, it is necessary to strengthen and develop our own repair and construction organizations.

An important reserve for increasing the effectiveness of trade is improvement of the technological processes. A great national-economic effect has been provided by introducing the technology of supplying goods with the use of packing equipment.

Within the system of the RSFSR Ministry of Trade the progressive technology of delivering and selling goods is used in more than 3,000 stores, and there are
250,000 containers. In a number of places, however, packing equipment is being poorly utilized. Thus, in Volgograd, Perm, Kuybyshev, and Bryansk as much as half of the stock of containers is used solely as stationary equipment of the stores. Even in Penza and Lipetsk, where an experiment is being conducted with regard to introducing a new scheme of goods movement, the volume of delivering goods in packing equipment does not exceed 20 percent of the total amount of the food items being sold.

The causes of the low degree of effectiveness in utilizing packing equipment lie in the inertia and insufficient persistence on the part of the trade managers. In the upcoming five-year plan it is intended to convert a large number of stores in many cities of the RSFSR to the container method of delivering and selling goods. The proportion of food items being delivered in packing equipment is increasing noticeably. Necessary for the successful implementation of these plans are a businesslike quality and motivation on the part of this sector's workers for restructuring the technology of goods supply. We need to bring about a situation whereby the measures with regard to introducing it in every city included in the program are precisely coordinated with the plans of industry and transport, examined and approved in the ispolkoms of the local Soviets.

In public dining the most important trend of intensification is the conversion of enterprises to the industrial technology of cooking food. In 60 cities of the republic this work is practically completed. Labor productivity has increased here by 25 percent, while for the RSFSR as a whole it has grown by only 2.4 percent. Some 1900 units of trade-technological and refrigeration equipment have been freed up, along with 4,700 square meters of production areas which have been used for expanding the workshops of the preparatory enterprises. By means of economies on the number of workers, some 2,000 persons were allocated to enterprises being newly introduced.

Nevertheless, in a number of places the introduction of progressive technology in public dining is not being engaged in sufficiently. For example, in Ryazan Oblast only 27 enterprises with 3,900 seats have converted to the comprehensive supplying of semi-fabricated items, and this constitutes only 7.7 percent of the total number of seats.

Life insistently demands that the managers of public-dining organizations and enterprises manifest more persistence in the matter of introducing up-to-date technological processes, as well as improvements in production organization. During the 12th Five-Year Plan we are confronted with the task of converting the first series of production-culinary associations to industrial methods of cooking food and expanding the network of preparatory factories. In carrying out such industrialization it is important to achieve precision and to attain a specific effect.

Successful development of trade depends, to a large extent, on the technical furnishing of its enterprises and on the effective use of the equipment which it possesses. Requisitions for many of its types are not being satisfied today. Under such conditions it is necessary to seek out more persistently ways to increase the output of equipment which this sector's plants do not produce enough of, as well as by the efforts of the repair-and-installations combines.
For this purpose we must make broader use of sponsorship aid of workers in the industry.

Together with this, we must heighten the responsibility of trade employees for the use of the existing equipment. Unfortunately, all too often there is a lack of the necessary procedure in this matter. Thus, in Tula at the factory kitchen and at Cafeterias No. 20 and 22 the automatic pirozhki machines, which cost 6,000 rubles, operate only slightly more than one hour a day, this is just one-fifth of their shift productivity. At the same time sales of flour and confectionery items are considerably less per capita in Tula Oblast than they are in the neighboring oblasts: Yaroslavl, Vladimir, and Kostroma.

Or take another example. The workshops for the centralized bagging of food items now have 918 automatic batcher-scales with a total capacity of 1.5 million tons of bagged products per annum. But, in fact, only 300,000 tons are being bagged. There are numerous instances of inefficient utilization of electronic scales, hoisting and transport equipment, and refrigeration equipment in Bryansk, Kuybyshev, Tyumen, and several other oblasts. Why does this occur? The reason again lies in the lack of the necessary responsibility on the part of the employees to whom the equipment has been entrusted.

The increased inventory of trade equipment today needs someone to take charge of it—someone who is knowledgeable, motivated, and business-like. It is obvious that we should introduce the positions of chief engineers in trade centers and trusts, as well as at large department stores. These specialists are likewise necessary at the oblast-level trade and public-dining administrations. It is possible and necessary to introduce them into the personnel staffs by means of the existing limits on numbers and the wage fund.

Further intensive development of this sector and improvement of the trade administration is impossible without an accelerated introduction of up-to-date computer equipment. This republic has some positive examples of the use of computers in order to solve planning, bookkeeping, accounting-statistical, and operational problems. But it must be noted that all too often the ASU's (automatic control systems) and Vts's (computer centers) operate as calculating machine centers, which makes them seemingly rather than actually effective. Computer equipment and programs should be directed primarily at solving the most important and labor-consuming problems, such as the study and forecasting of demand, the compilation of requisitions and orders from industry, the rationalization and optimization of goods movement.

Scientific and technical progress is the demand of the times. The fastest possible introduction into practice of the developments by scientists, the experience of advanced groups and innovators in this sector comprise the chief lever for lifting trade services to a qualitatively new level.

2384
CIS: 1827/217
CONSUMER SECTOR POLICY AND ECONOMICS

SARKISYAN ON IMPROVING LEVEL OF NATIONAL WELL-BEING

Moscow EKONOMICHESKIYE NAUKI in Russian No 8, Aug 85 pp 13-23

[Article by G. Sarkisyan, professor, doctor of economic sciences: "The National Well-Being at The Current Stage"]

[Text] Continuous Economic Development as the Basis of a Higher Standard of Living

As emphasized at the April (1985) Plenum of the CPSU Central Committee, the higher meaning of speeding up socioeconomic progress in the present stage is steadily improving the well-being of the people, step by step, improving all aspects of the life of the Soviet people, creating conditions favorable to harmonious development of the personality. That is why the demands are high concerning economic growth rates, intensification of production and the rise of production efficiency and improvement of proportions in the national economy. Solid and stable growth rates of the socialist economy are a basic condition for the planned rise of the prosperity of the people. Over the period 1981-1984 the national income used for consumption and accumulation increased 14 percent. The amount from that source which went directly to raise the standard of living was 248 billion rubles more than in the first 4 years of the 10th Five-Year Plan (1976-1979).

It is well known that for a number of reasons which have been set forth in party documents the rates of economic growth in 1981 and 1982 were slower and did not come up to those planned; but that negative term has been overcome in the years that followed, and the national economy has been developing more dynamically. The average annual growth rate of industrial output was 1.35-fold higher in the 1983-1984 period than in the previous 2 years, and the rise of labor productivity was 1.5-fold greater.

Structural changes in the economy have been exerting a greater impact on the rise in the standard of living. A rise in the share of the consumption fund in the national income has been provided for over a lengthy period of time: in the 1981-1984 period it reached 74.6 percent, as against 73.9 percent in the period 1976-1980, 72.3 percent in the period 1971-1975, and 72.1 percent in the period 1966-1970.

It is of paramount importance to the rise in the standard of living in the present stage that the agroindustrial complex develop in accordance with the
USSR Food Program. It should be noted in that connection that approximately 95 percent of the foodstuffs and more than 70 percent of retail sales are accounted for by the products of the agricultural sector and industrial goods produced from agricultural raw materials. Even in this sector recent years have recorded an appreciable turn for the better: total output of agricultural products in the period 1983-1984 exceeded the level of the first 2 years of the 11th Five-Year Plan by more than 20 billion rubles. This was achieved thanks to improvements not only in the growing of plants, but also in animal husbandry, the supply of whose most important products has still not satisfied all the demand.

The role of the service sphere is becoming more important in improving the prosperity of the Soviet people. Whereas the social product increased 15.2 percent over the period 1981-1984, the volume of sales of consumer services to the public increased 25 percent.

In the 11th Five-Year Plan the national income produced increased faster than capital investments, which contrasts with the previous period. This reflects in summary form progress toward intensification of production. The materials intensiveness of social production was 97.9 percent in 1984 as compared to 1980. Over the period 1981-1984 the savings on raw materials, supplies, fuel, energy and other subjects of labor exceeded 12 billion rubles; this is considerably more than over the previous 10 years. The metals intensiveness of the national income dropped 8.4 percent, and the energy intensiveness 5.5 percent. During the 4 years of the 5-year period which have passed the savings on fuel and energy have amounted to a quantity equal to half of the growth of their production, and the savings on rolled products of ferrous metals exceeds the entire growth of their output. Favorable trends in economic development toward intensification are also manifested in a speeding up of the growth rates of labor productivity and in the growth of this factor's share in the growth of output. Over the period 1981-1984, 87 percent of the growth of the national income was achieved by raising labor productivity; in the period 1983-1984 the figure was 94 percent, as compared to 78 percent during the 10th Five-Year Plan. It still remains to consolidate and intensify the progress made in the economy and to correct the adverse processes that still exist, specifically including the persistent tendency of a drop in the output-capital ratio.

One of the crucial and urgent tasks in economic development and in increasing economic efficiency, which is directly related to a further rise in the standard of living, is to improve the quality of products, including consumer goods and services. The share of superior-quality products in the total volume of output subject to certification was 43 percent in 1984. At the same time the quality of many consumer goods remains low, and their production is lagging behind the growing needs of the public and is slow to come around. There is still a high share of products which do not meet the standards which have been established. In 1982, 9 percent of the fabrics and leather footwear produced in the country and 8 percent of the sewn garments were downgraded or returned for correction of defects. The measures to improve the economic mechanism are directed toward a further improvement in the quality of products. On the one hand this means an expansion of the material and nonmaterial
advantages of workers producing products at the level of present-day require-
ments with respect to quality, while on the other it means greater material
and nonmaterial responsibility, especially of enterprise managers, for produc-
ing products which do not meet the higher requirements of the population and
the requirements of a rise in the economy's efficiency.

As was emphasized quite definitely by the April (1985) Plenum of the CPSU Cen-
tral Committee, a major acceleration of scientific-technical progress is the
main strategic instrument for intensification of the economy and for improved
utilization of the potential that has been built up. About two-thirds of the
rise of the productivity of social labor is being achieved on that basis. In
future there is a need to rely still more fully on the best achievements of
science and technology in social production and to discover the broad highway
toward their rapid and full-fledged use by all work collectives. Particular
attention should be paid to the questions of intensifying the social welfare
orientation of scientific-technical progress, above all in connection with
solving the problems of reducing manual, heavy and low-skill labor.

Highly productive creative labor in the social economy is a basic condition
for harmonious development of the personality. Increasing every worker's con-
tribution to building the material and nonmaterial wealth of a mature social-
ist society, optimum use of worktime and reduction of worktime losses figure
not only as a factor in economic growth and in the intensification of the
economy, but they also contribute to the development and fuller realization of
the creative abilities of the workers, to raising the level of job satisfac-
tion, i.e., to solving important social problems.

The rise in work efficiency is also important because it figures as the basis
for increasing the amount of nonworking time, especially leisure time, and for
more optimum use of that time. At the present time USSR workers are not en-
gaged in work in the national economy during nearly one-third of the calendar
days in the year. The amount of leisure time of our country's workers is one
of the highest in the world. It is a most important task to increase the ef-
cectiveness with which this immense amount of time is used. Reducing ineffi-
cient expenditures of time in the household advances to the foreground here;
this requires faster development of the sphere of social services to the pub-
lic and social amenities in everyday life. At the present time labor expendi-
tures to manage the household amount to about 140 billion hours just for work-
ers, employees and kolkhoz members employed in the economy, and the figure
is more than 200 billion hours a year if the work done by those who are not em-
ployed is included; this is only slightly less than the annual amount of work-
time. As for the use of leisure time, the situation revealed by surveys in
which many people spend by far the greater portion (80-90 percent) of their
leisure time in a passive manner cannot be regarded as optimum by any means.
This means more rapid development of the sphere of services related to active
rest and recreation and increasing the popular involvement in physical educa-
tion and athletics. It should also be pointed out that a major increase in
the leisure time of the workers has still not been given the attention it de-
serves in the way settlements are laid out, in the decisions made in building
cities.
Improving Remuneration as the Principal Source of Personal Income

The system of relationships in distribution plays a vigorous role in raising the standard of living of the workers. Real income, which reflects the volume of goods consumed by the members of society, depends upon distribution. In 1984 real per capita income was 1.6-fold higher than in 1970. The task of bringing income levels of the working class and peasantry and of the urban and rural population closer together is being consistently performed. In 1960 the real income of kolkhoz members on a per family member basis was 70 percent of the real income of workers and employees, in 1970 it was 80 percent, and in 1984 it was higher than 90 percent. In 1983 total family income of kolkhoz members on a per person basis exceeded the per capita level of income of families of sovkhoz workers and employees.

The rise in the real income of all strata of the population is guaranteed by increasing money income, above all remuneration. In 1984 the wage fund in the national economy was twice what it was in 1970; at the same time the average monthly wage of workers and employees rose 52 percent, and remuneration of kolkhoz members 94 percent. We should note that personal savings in savings banks have been growing at still higher rates than real income: 4.3-fold over the period 1970-1984, reaching a total amount of 202 billion rubles. There has been widespread anxiety expressed in the literature about the rapid growth of savings, which is seen as something undesirable. But it has to be borne in mind that after people reach a certain standard of living, it becomes possible to set aside a larger and larger portion of income to meet needs that require accumulation and to buy expensive goods, mainly durable consumer goods and housewares, as well as for recreation and helping children, and people take advantage of this. All of this is a normal process, and it must be looked on favorably. It is a different matter if a portion of the growth of balances in savings accounts is resulting from unsatisfied public demand. In this case it is quite legitimate to speak of an unfavorable phenomenon, but only as a detail, not as a general characteristic of the growth of the money savings of the workers.

The growth of real personal income is directly dependent upon the policy of retail prices of goods and rates for services that is being conducted. In the current 5-year period retail prices have remained stable for foodstuffs and most nonfood products. The changes in retail prices have occurred only for individual products, and these changes have been both upward and downward. As a result the state retail price index of consumer goods in 1983 stood at 105.9 percent of what it was in 1980; in the case of foodstuffs it was 100.8 percent, alcoholic beverages 120 percent, and nonfood products 104 percent. As in the past, many foodstuffs, as well as products for children, are being sold at prices which are considerably below what it costs society to produce them. For instance, in 1983 more than 40 billion rubles were allocated from the state budget to make up the difference between the costs of procuring, purchasing, processing and selling meat and dairy products and their current retail prices. The size of these subsidies has increased substantially in connection with the new purchase prices and supplements which took effect 1 January 1983. For example, the state's total costs of producing and selling 1 kg of beef in 1980 exceeded the retail price by 2.2-fold on the average, while in
1983 the difference was 3.7-fold; for mutton the figures are 2.4- and 3.2-fold, respectively; for pork the difference was 47 percent in 1980 and twofold in 1983; for milk they were 9 percent and twofold, respectively; and for butter 53 percent and 2.8-fold. State subsidies to produce children's products amounted to about 1 billion rubles in 1983, and if we take into account the reduction of prices on certain of these goods as of 1 September 1984, they increased even more. The state is also supplying subsidies to reimburse expenditures to maintain the housing stock only a third of which is covered by the rent. In 1983 the sum total of these subsidies amounted to 8.3 billion rubles, as against 3.4 billion in 1970.

The distribution of the benefits of life is not solely confined to the formation of money income. It also consists of distribution of consumer goods themselves which the public receives in exchange for money income and bringing the goods and services produced to the consumers. Improvement of relations in distribution also presupposes, then, creation of better conditions for satisfying the public's effective demand. Full coverage of the demand for goods, expansion of their assortment, and the emergence of new goods arouse the workers' interest in increasing their personal income and that means they have a greater motivation to contribute to social production.

One of the most important features of the present stage is that along with remuneration work itself and its meaningfulness are acting more as incentives, and conditions are being created for the workers to make extensive use of their creative abilities. There has also been considerable enhancement of the role of such factors as improvement of housing conditions, longer vacation time and more social benefits. Yet it does not follow by any means that the sphere of distribution on the basis of labor must be all-inclusive and embrace all goods regardless of how they reach the members of society. Rather it is a question of strengthening the stimulative importance of essentially all areas of people's lives in the development and application of their abilities.

At the same time it is important to emphasize that distribution on the basis of work has been and will remain for a long time in the future the principal method of distribution of goods among the workers. Remuneration of labor accounts for almost three-fourths of the total income of workers and employees and more than half of the income of kolkhoz members. At the same time more than nine-tenths of all remuneration of workers and employees comes from the wage fund, while payments from the material incentive fund represent less than one-tenth. In the 10th Five-Year Plan more than 50 percent of all the resources committed to the new measures to raise the standard of living of the population have been used to increase remuneration of workers and employees.

The main direction in improving remuneration in the present stage is to guarantee a direct linkage between the amount of remuneration and the real results of labor. Solving this problem requires comprehensive improvement of the system of remuneration, beginning with improved planning of the wage fund and ending with establishment of full correspondence between its proportions and every worker's contribution in the form of labor. Improvement of the mechanism for formation of the wage fund is directed toward making it directly dependent on the final results of the work of work collectives through planning
based on assignment of standards. In the 11th Five-Year Plan the transition to this normative planning of the wage fund is being made in most branches of industry and construction.

Further improvement of conditions for remuneration, above all the system of wage and salary schedules of workers and employees, has paramount importance to improving the organization of wages. Remuneration based on the schedule represents 65–80 percent of the wages of workers and employees. In the 11th Five-Year Plan wage rates in the schedule have been increased for workers and employees in the coal industry, agriculture, the personnel in public education and a number of other categories of workers. Improvement of the system of wage rates and salaries is also being done by making it more flexible, by improving work norm setting, by improved certification of workers, and by improving the procedure for awarding skill ratings. A further enhancement of the role of the wage as an incentive also presupposes improvement of the awarding of bonuses, making the bonus system more effective, and establishing a more direct and evident relationship between the bonus and the results of work.

One of the urgent problems in improving remuneration is improving wage relationships between various categories of workers as a function of the complexity of the work they do, especially production workers and engineering and technical personnel. In recent years the spread has narrowed considerably in the income of these categories of personnel, more than was justified. For instance, in 1965 the wage of engineering and technical personnel exceeded average worker remuneration by 45.9 percent in industry and 48.2 percent in construction, in 1970 the differences were 36.3 and 34.7 percent, respectively, and in 1980 they were 14.6 and 2.4 percent, respectively. In 1983 this spread was only 10 percent in industry, while in construction the wages of production workers was even higher than that of engineering and technical personnel.

This could not but influence the prestige of engineering labor, which means that it has an impact on building staffs of engineers and on the effectiveness of their performance, whose significance under the conditions of the scientific-technical revolution is not only not decreasing, but on the contrary it is increasing substantially. The instructions of the April (1985) Plenum of the CPSU Central Committee as to the indispensable need to enhance the role and prestige of foremen, engineers, designers and production engineers and to increase their material and nonmaterial work incentives have extremely great urgency.* In carrying out these instructions it is important not only to halt any further deterioration of relationships in the level of remuneration between engineering and technical personnel and production workers, but also to increase the difference that now exists to the advantage of engineering and technical personnel. According to assessments of the Scientific Research Institute for Labor, the wages of engineering and technical personnel ought to exceed remuneration of production workers under present conditions by 23–24 percent on the average. There is obviously good reason for adopting this relationship as the starting point in a further improvement of the system of wage rate schedules and salaries.

Improvement of the organization of wages under present conditions also presupposes greater incentives for the skilled labor of workers. To that end there has to be a greater difference in wage rates dependent upon skill categories and broader use of supplements paid for occupational skill.

As people's well-being and level of education rise, it becomes increasingly more difficult to obtain manpower for those production jobs where the working conditions are adverse and unattractive. The principal way of solving this problem is to improve the working conditions themselves. But it has to be reckoned with that that strategy cannot be carried out in a short time. At present the need for labor of this kind still persists, and workers employed under relatively unfavorable conditions have to be furnished more appreciable advantages not only in remuneration, but also in benefits and payments from social consumption funds.

The process of closing the gap in levels of remuneration between workers and employees on the one hand and kolkhoz members on the other has speeded up in the context of advanced socialism. In 1984 the average monthly remuneration of the latter was 78 percent of the wages of workers and employees in the economy and 84 percent of the earnings of sovkhoz workers, whereas in 1980 their monthly wage was equal to 70 percent and 80 percent, respectively, and in 1970, 61 and 74 percent, respectively. A further closing of the gap in these levels must be based on an ever greater degree on faster growth of labor productivity, skills and employment of kolkhoz members in the social economy.

For a stable rise in the prosperity of the people, that is, one that is balanced with the growth of production, it is especially important to achieve the economically and socially substantiated relationship between the rise of labor productivity and remuneration, i.e., a higher rate of the former that is optimally greater than the latter. In the 10th Five-Year Plan these indicators came unjustifiably close together, mainly because of the drop in the growth rate of labor productivity; moreover, in construction, agriculture and transportation the growth rates of remuneration even exceeded the growth rates of labor productivity. In 1984 wages increased 0.85 percent in industry for every percentage point that labor productivity rose, but in 1982 the increase was 1.62. Thanks to the measures taken to strengthen discipline and the level of organization, to enhance supervision over expenditure of the wage fund, faster growth rates of labor productivity were achieved in the period 1983-1984, and the relationship indicated above was 0.47 in 1983, as against 0.5 in the plan, while in 1984 it was 0.68. As a result the average wage increased 0.81 percent over the period 1981-1983 for every percentage point which labor productivity rose in industry.

Standard ratios between the rise of labor productivity and the growth of wages, including bonuses and other awards from the material incentive fund, are being assigned in a planned way to industrial ministries and their associations and enterprises beginning in 1984 in order to improve the relationships between these indicators and to enhance the role of the plan in performing this task.
It should be emphasized that the fact of a higher rate of growth for labor productivity than for wages and the size of the difference are not ends in themselves. The essential thing is at what rates this growth is achieved and in what way it is achieved. The possibilities for augmenting accumulation to expand production and resources for raising the standard of living, other conditions being equal, of course, will be all the greater if the growth rates of labor productivity and consequently of wages are higher. From this viewpoint even a drop in the extent to which the rise of labor productivity exceeds the growth of wages is preferable if these growth rates are high than widening the gap at low rates. In addition, there is an absolute need for improvement of the relations between these indicators to be achieved in the context of a stepping up of the growth rates of labor productivity. After all, the point of the entire effort in this area is not to restrict the opportunities for raising wages, but for wages to increase as fast as possible, but under one very important condition: that labor productivity must increase still faster.

Enhancement of the Role of Social Consumption Funds

In the present stage social consumption funds are having a greater impact toward performing the tasks of raising the standard of living and developing production. At the present time about a third of the entire volume of consumption of material goods and services by the population is provided for from these funds. For a family of four the payments and benefits from social consumption funds represent an amount approximately equal to the annual wage of a worker or employee.

Social consumption funds have been increasing at faster rates than the growth of the national income (and the consumption fund), and also faster than remuneration. In 1984 they reached 139.5 billion rubles and increased 19 percent over 1980, while the growth of the national income used for consumption and accumulation increased 14 percent and the wage fund 13.6 percent.

The pattern of use of social consumption funds is such at the present time that more than two-fifths of their volume goes for combined satisfaction of needs in the form of gratis services to the public and approximately as much for the material support of those unable to work (primarily in the form of making money payments to them), while the rest goes to pay for vacations and other purposes. Moreover, the greater portion of the fund for combined satisfaction of needs (more than four-fifths) goes to develop education and medical service, and the bulk of the fund to maintain those unable to work (about two-thirds) goes for the material support of the elderly and disabled.

A further rise in the level of education of the workers is provided for through the use of social consumption funds. By the beginning of 1985 about nine-tenths of our country's employed labor force has higher and secondary (partial and complete) education, as against 43.3 percent in 1959 and 12.3 percent in 1939. At the same time by the beginning of 1985 more than 60 percent of those employed in the national economy have complete higher and secondary education. Socioeconomic and scientific-technical progress requires a further accelerated rise in the level of education and level of technical sophistication, improvement of the quality of training, a radical improvement in
the system for training and retraining personnel in all entities from regular public school and vocational and technical school to the VUZ and post-VUZ retraining.

Matters related to the development of health care are taking up an ever larger place in the party's social welfare policy. About one-third of the world's physicians and more than half of all Europe's physicians are working in the USSR. The Soviet Union occupies first place in the world with respect to the supply of physicians and hospital beds relative to population. Thanks to the development of health care and the general rise in the standard of living, indicators characterizing the state of health of the population have been improving. Along with a rise in the birth rate, there has been a regular drop in the mortality of infants and of mothers in childbirth. The indicator of the overall mortality of the population in 1983 was 10.3 pro mille; this is lower than in many advanced capitalist countries (11.7 in West Germany, 11.9 in Great Britain, 12.3 in Austria, and so on).

But the level of quality of health care still does not meet the requirements of the times in every case by any means either from the general social standpoint or from the purely economic one. In the national economy there are ever larger losses because of sick leave of personnel; the average worker uses 9 days of sick leave a year. This means that the economic losses resulting just from the sick leave of the working population amounts to about 4 percent of our country's national income, not counting the costs of medical treatment. The losses of worktime resulting from the morbidity rate represent the main item in the sum total of worktime losses lasting at least one entire day.

Still greater attention must be paid to improvement of working conditions and to disease prevention in order to improve the situation in this area. In 1983 regular preventive screenings involved 96 percent of the people subject to such screenings in the country, and more than 58 million persons were under dispensary observation, which is more than twice as many as in 1970.

More than 80 percent of all expenditures to support the elderly and disabled come at the present time from social consumption funds. At the beginning of 1985 the number of persons receiving pensions in the country was 54.8 million. The development of pension support has been aimed at further improvement of the living conditions and at increasing the involvement of pensioners in work: first of all the minimum size of the pension has been increasing, the gap has been closing in levels of pension coverage between workers and kolkhoz members, and differences in pension size resulting from the date of initial retirement have been reduced. In the 11th Five-Year Plan there were raises for the great majority of pensions of workers, employees and kolkhoz members who have retired for a well-deserved rest. In accordance with the decisions of the 26th party congress the size of the small pensions awarded earlier to workers and employees who ceased to be employed more than 10 years ago will be raised, as will the minimum pensions for kolkhoz members.

One of the urgent problems, especially related to raising the standard of living, is expanding the participation of able-bodied pensioners in social labor. The results of surveys show that extending the work activity of persons who
have reached pensionable age helps to preserve their health, involvement in social affairs and helps them to live longer. At the same time this is one of the important additional sources of manpower to the economy; its importance has increased as the growth of the able-bodied population has decreased. In 1984 about 35 percent of all persons of pensionable age were working in the economy, and for persons who had reached that age in a given year the figure was 60 percent.

Under present conditions increasing the share of social consumption funds committed to the material support of children and to improving the working and living conditions of women and mothers has especially great socioeconomic importance; these measures also have a favorable significance for improving the demographic situation.

In 1984 about one-third of the total volume of social consumption funds was used for education and the upbringing and support of children. According to our calculations, this covers approximately two-fifths of all expenditures for those purposes; the rest are provided for in the family budget. Expansion of the payments and benefits aimed at supporting and bringing up children are made out of social consumption funds in order to develop both public forms of service and also forms which assume private consumption (money benefits). As a rule preference is still given to development of the public forms of service. The importance of this direction lies in the fact that as the conditions improve for the upbringing and material support of children, it becomes possible to optimize their diet and also for women to take an active part in social labor. As for quite young children, emphasis is put on expanding the benefits aimed at improving the conditions for upbringing within the family.

Children's preschool institutions and schools as well as extended-day groups have experienced broader development. In 1983 more than 15 million children attended permanent preschool institutions, i.e., approximately half of the number in the respective age group. One out of every three pupils in grades 1-8 and preparatory grades is in an extended-day group. In the years of the 11th Five-Year Plan the charge collected from parents for supporting children in preschool institutions was abolished if the income per family member was no greater than 60 rubles per month, and the standard levels of nutrition in these institutions were raised, additional benefits were adopted to pay for travel to Pioneer camps, introduction of the free supply of textbooks in general public schools was completed.

At the same time there has been an expansion of payments and benefits from social consumption funds aimed at improving the living conditions and increasing the aid from society to families with children and young people, especially to working mothers. Increasing paid leave to women to care for children has accordingly taken on paramount importance. Leave at partial pay to care for an infant until he reaches the age of 1 year was introduced everywhere in 1983, and additional unpaid leave was also increased until the infant reaches the age of 1.5.

As the level of people's material well-being and culture rises, improvement of housing conditions takes on even greater importance. Over the last 10-15
years there have been major changes in this sector. For instance, over the period 1971-1984 about 150 million persons, or more than half of the country's population, have received better housing. In just the 11th Five-Year Plan 554 million square meters of residential floor space were opened to tenancy, as against 530 million square meters according to the plan, which is making it possible to improve the housing conditions for more than 50 million persons. In 1984 about 2 million housing units were built in the USSR, or approximately the same number as in the United States, Great Britain, France, West Germany and Canada taken together.

In the present stage the social problem of providing a separate dwelling for every Soviet family, which was advanced by the 26th CPSU Congress, is being carried out in practice. In 1984 the share of families living in separate dwelling units, including private dwellings, averaged 85 percent in the country, and about 80 percent in the public urban housing stock. The average size of dwelling units opened to tenancy in 1984 was 55.5 square meters, by comparison with 52.3 square meters in 1980 and 46.8 square meters in 1970.

The Rise in Personal Consumption and Fuller Satisfaction of Public Demand

We should emphasize that the rise in the consumption of goods, for all its great importance, is not an end in itself. It is socially justified insofar as it promotes fuller satisfaction of people's reasonable requirements and their harmonious development. This is one of the most important objectives which have been advanced concerning the expansion of consumption and determination of its optimum limits in the various stages of development of socialist society.

The growth of personal consumption in the present stage is characterized not only by an increase in its overall level, but also and to an ever greater degree by progressive structural changes. There is an increase in the share of goods used to satisfy social and nonmaterial requirements. In the material structure of goods consumed there is a drop in the share of food, though its consumption has been increasing in absolute terms, and an increase in the relative share of nonfood products, durable consumer goods and housewares and especially the volume and share of services. At the same time there has been a change in the relationship between nondurable and durable consumer goods; the relative share of the latter has been rising.

Food represents more than half of the population's total consumption of material goods. That consumption is characterized by an increase in the relative share of foodstuffs with good nutritional value--meat, milk, eggs, vegetables and fruit, while consumption of bread and potatoes has been dropping. Between 1970 and 1984 the per capita annual consumption of meat and meat products increased from 47.5 to 60 kg, that of eggs from 159 to 256, that of vegetables from 82 to 103 kg, and that of fruit and berries from 35 to 45 kg. At the same time bread consumption dropped 14 kg between 1970 and 1983, and potato consumption dropped 20 kg. The impact of carrying out the USSR Food Program has already been manifested in better supply of foodstuffs to the population. In the period 1983-1984 there was a substantial increase in per capita consumption of meat, milk, eggs, vegetables and fruit. For instance, the growth
in per capita consumption of meat and meat products increased threefold more in those 2 years than during the 10th Five-Year Plan as a whole. The growth in per capita consumption of milk and dairy products tripled over the period 1983-1984, and that of fruit increased almost twice as much as the growth achieved in the 9th and 10th Five-Year Plans taken together. These processes have been taking place while there has been a drop in the share of food expenditures in the family budget. For instance, whereas in 1970 food represented 35.6 percent in the family budget of workers and employees, in 1980 it represented 32 percent and in 1983, 30.7 percent, while the respective figures for kolkhoz members were 40.4, 35.9 and 34.1 percent.

In speaking about the growing consumption of nonfood products, especially durable consumer goods and household items, we should specifically point out that the per capita consumption of fabrics was 30.4 square meters in 1970, 34.6 square meters in 1980 and 36.3 square meters in 1983, including respective figures of 21.1 square meters, 23.8 and 25.4 square meters for cotton fabrics. Consumption of knitwear on a per capita basis increased from 5.3 to 6.3 pieces between 1970 and 1983.

Thanks to the changes noted above in the pattern of consumption there has been a rapid increase in the total amount of the population's personal property. Whereas at the beginning of the sixties its value was approximately 100 billion rubles, by the end of the seventies it exceeded 500 billion rubles, and in 1984 it reached about 600 billion rubles, i.e., almost one-fifth of the country's entire national wealth. For a four-member family the value of personal property has now reached approximately 9,000 rubles.

A growth in the volume and share of services provided to the public is a stable trend in the development of personal consumption. In 1983 those services already represented about one-fourth of the total volume of public consumption of material goods and services, and about two-thirds of all services were furnished from social consumption funds. Yet the lag of the sphere of services has still not been overcome. The share of expenditures for paid services amounts to only 9 percent in the family budget of the worker and employee and 4.5 percent in the budget of the kolkhoz member's family. If this lag is to be corrected, there must above all be faster development of consumer services and institutions for organized rest and recreation.

Significant improvements in meeting public demand were outlined in the 11th Five-Year Plan. The enterprises of heavy industry are playing an ever more vigorous role here. In 1984 their share in the output of consumer goods rose to 30 percent. At the same time opportunities for expanding the production of consumer goods at these enterprises had not been exhausted by any means. The party has set the task of involving every one of them in manufacturing goods for the population. It should be noted that in a number of ministries the share of goods for the public is now only 2-3 percent of the total volume of output. This is indicative of the large untapped potential that exists for improved satisfaction of public demand.

The rise in the standard of living is inseparably bound up with improving the quality of consumption. Only those needs are reasonable whose satisfaction is
necessary for normal reproduction of working power and comprehensive development of the personality under given historical conditions. Here again much depends on the people themselves, on their interests, on how sensibly they take advantage of consumer goods. Even K. Marx pointed out: "... in order to take advantage of most things a man must be capable of making use of them, i.e., he must be a cultivated person to a high degree."*

A pattern of sensible consumption presupposes optimal and economical use of consumer goods and the shaping and affirmation of people's reasonable needs. It is especially important to eradicate antisocial phenomena—alcoholism, acquisitiveness engendered by a fetishism of "things," and so on.

The Basic Goal of State Plans

The further growth of the prosperity of the people is a task set forth in the CPSU Program and a most important goal in social welfare policy in plans for economic and social development and a principal instrument for carrying out the party's economic strategy. In the 12th Five-Year Plan and over the long run up to the year 2000 there is to be a qualitative improvement over the entire range of living conditions of the Soviet people: consumption of goods and services, the supply of housing relative to population, education, health care, working conditions, pension coverage and nonmaterial development. The task has been set in the future rise in the consumption of the people not simply to increase the volume of material and nonmaterial goods consumed by the population, but to gradually guarantee attainment of a reasonable level of consumption in accordance with the requirements of science by all strata of the population. The qualitative aspect has come into the foreground even in the labor sector: optimization of employment and the comprehensive improvement of working conditions, and an increase in the meaningfulness of work. Qualitative improvement is also the main task in education, medical care and other areas of life.

Solving the problems of a qualitative improvement in the standard of living also presupposes qualitative transformations in that production which creates the indispensable conditions for this. Even in 1985 almost the entire growth of the national income and 95 percent of the growth of industrial output are to be achieved by higher labor productivity in accordance with the plan. The stage has come when for the first time in the country's history the entire growth of the national income has to be achieved thanks to higher labor productivity. This necessity is intensified even more because of the dropping rate of growth of the able-bodied population, which could increase somewhat only in the last 5 years of the 20th century.

A comprehensive target program to reduce the use of manual labor in the sectors of the USSR economy over the period up to the year 2000 will be drafted in order to carry out a set of interrelated measures in the field of improving working conditions in the future. As shown by the calculations, reduction of manual labor in the national economy will be accomplished to the extent of 75-90 percent on the basis of scientific-technical progress.

The 12th Five-Year Plan is an important stage in carrying out the Food Program and Comprehensive Program for Development of the Production of Consumer Goods and the Sphere of Services. These programs are aimed at resolutely improving the supply of foodstuffs, industrial goods and services to the public and at bringing consumption considerably closer to scientifically established levels.

The rise in the wages of personnel in public education, which began 1 September 1984, will continue during the 12th Five-Year Plan. As a result the wages of 6 million teachers and other personnel in public education will rise an average of 30–35 percent. Measures to improve wages of personnel in health care affecting more than 5 million persons will begin to be carried out in 1986. It is urgent to improve the wages of personnel in the production sectors of the economy on the basis of higher wage rates and salaries and greater effectiveness of the bonus system. A further closing of the gap in remuneration between kolkhozes and state enterprises requires that remuneration of kolkhoz members increase more rapidly than the wages of workers and employees.

Along with remuneration, continuing the growth of social consumption funds also has the greatest importance. One of the important tasks of the 12th Five-Year Plan is to carry out the reform of general and vocational education. During that period the principal measures of the reform will be carried out. Beginning in 1986 a gradual transition will be made to having children start school at the age of 6. Over the period 1986–1990 the plans call for building new schools with pupil accommodations of 7 million, i.e., almost twice as much as in the 11th Five-Year Plan: about 800 combined vocational and technical schools and a sizable number of nonschool institutions. About 11 billion rubles are being allocated from the state budget to carry out the reform, including 3.5 billion rubles per year which will go to raise the wages of personnel in public education.

It will be especially important in the social program of the 12th Five-Year Plan to further strengthen the population's health and to intensify preventive work in the health service and to improve the quality of medical service to that end. The Comprehensive Program of Efforts To Intensify Disease Prevention and To Strengthen the Health of the Population Over the Period 1986–1990 will help to solve this problem; it took effect at the beginning of 1985. It is assumed that as the result of performance of this program working conditions will improve for 25–30 million persons, and this alone should raise labor productivity 2–3 percent. In various sectors of the economy the morbidity rate involving sick leave should drop 6–20 percent. The program includes measures for prevention of cardiovascular, oncological, neuropsychiatric and other diseases. For instance, it is anticipated that the effort to combat arterial hypertension alone on the scale of the entire country can over the next 10 years reduce the mortality rate of cardiovascular illnesses approximately 15–20 percent in the age group between 35 and 74, reduce the total mortality in these age groups by 10–15 percent, and lengthen the average length of life by 3–5 years. The outlays necessary to carry out this program are being estimated in the total amount of about 2 billion rubles, and they are to be financed from the state budget and the resources of departments, economic organizations and trade unions.
Further improvement of the housing conditions of the population will continue during the 12th Five-Year Plan.

Raising the prosperity of the people is one of the most important conditions for strengthening and developing the socialist way of life and revealing its advantages more fully. This in turn requires a harmonious combination of the rise in the material well-being with the nonmaterial development of man, the inculcation of wholesome and reasonable needs, and their satisfaction in accordance with the society member's contribution in the form of labor.

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CSO: 1827/2
PERSONAL INCOME AND SAVINGS

TYPES OF CONSUMER CREDIT LOANS FOR LATVIAN SSR REVIEWED

Riga IZVESTIYA AKADEMMII NAUK LATVIYSKOY SSR in Russian July 85 pp 74-82

[Article by G. K. Makharadze, Institute of Economics of the Latvian Academy of Sciences: "The Types of Consumer Credit and Ways to Improve Them"]

[Text] As is known, the improving of credit and financial levers and the increasing of their role in the intensification of socialist management determine to a considerable degree the achieving of the main goals in the CPSU's social and economic strategy. In this connection, we have already pointed out the practical economic importance of developing and implementing a series of measures to optimize credit relations in the area of the population's individual and family reproduction as well as the almost complete absence of special research on consumer credit problems in Soviet economic literature. Based on the propositions that have been previously formulated by us concerning the essence, structure and functions of socialist consumer credit, the goal of the proposed article is to analyze its modern forms in the USSR and to define ways and conditions for improving them. Considering the extreme vagueness of the concepts in the modern theory of socialist credit, it is necessary to define more precisely how we understand a certain credit relationship, which is mainly distinguished by the specific purpose for using loan resources during the social reproduction process and also by the procedure for using it, under a credit form. The following forms of consumer credit have been developed in our country depending on the "balancing" influence on this or that portion of the family resources being treated, on this or that phase of their turnover, on this or that family group, and also on the composition of creditors and debtors. The USSR consumer credit area is a set of isolated credit links which usually have a rigid fixed goal, different types of creditors, and a commodity or monetary form of loan.

All the forms of present-day consumer credit in our country are represented in Table 1. Some researchers consider the domestic rental of durable items to be a form of consumer credit. We read in one of these works: "The credit, which is offered to the population by domestic rental enterprises, has a natural character. The population pays a fee that mainly consists of amortization deductions which in turn are part of the unused cost. The population returns the remaining unused part of the cost to the rental points. Based on what has been said, the relationship with respect to rental items can be related to consumer credit."
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<th>Название кредитной операции</th>
<th>Кредитор</th>
<th>Дебитор</th>
<th>Форма кредитуемой стоимости</th>
<th>Цель кредитной операции</th>
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<td>Кредитование потребительских кооперативов</td>
<td>Госбанк СССР</td>
<td>Жилищно-строительная кооперация, садово-огородные товарищества</td>
<td>Денежная</td>
<td>Строительство кооперативных жилых домов, приобретение и строительство садовых домиков, благоустройство садовых участков</td>
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<td>11</td>
<td>Кредитование индивидуального жилищного строительства на селе</td>
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<td>Лица и семьи в городе и сельской местности</td>
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<td>Строительство индивидуальных жилых домов</td>
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<td>Торговые предприятия</td>
<td>Отдельные лица</td>
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<td>Приобретение товаров длительного и среднесрочного пользования</td>
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<td>Предприятия</td>
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<td>16</td>
<td>Взаимный кредит</td>
<td>Касса-взаимопомощи</td>
<td>То же</td>
<td>Денежная</td>
<td>То же</td>
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Ключ:
1. Title of credit operation
2. Creditor
3. Debtor
4. Form of credit cost
5. Purpose of credit operation
6. Credit for consumer cooperatives
7. USSR Gosbank
8. Housing construction cooperative society, gardening association
9. Monetary
10. Construction of cooperative housing, acquisition and construction of garden houses, organization of public services and amenities in garden sections
11. Credit for individual housing construction in a village
12. Individuals and families in a city and rural area
13. Construction of individual houses
14. Sale of goods on credit
15. Trade enterprises and organizations
16. Individuals
17. Commodity
18. Acquisition of long-term and mid-term durable goods
19. Credit for newly-weds
20. Enterprises, organizations, kolkhozes
21. Young families
22. Ibid.
23. Credit for pawning valuables
24. Pawn shop
25. Operation not caused by a definite goal
26. Mutual credit
27. Mutual aid fund

To begin with, it is impossible to understand why the fee for the services of a costaccounting rental establishment is included (or should be included?) only in the principle reimbursement for the wear and tear on the rental assets. That, however, is not the trouble. The above-mentioned point of view does not pay attention to the entire variety of property relationships, which is characteristic of the consumer area, i.e., the relationship of complete possession, ownership and use. Renting is one of the forms of leasing, i.e., the granting of household articles, musical instruments, sports equipment, etc., for temporary use for a fee. A credit is primarily trade in costs (in a monetary or commodity form) with the payment of the entire cost in installments. It assumes a change either in the subjects of complete possession or the subjects of ownership. The relationships of rental and credit are similar in a formal respect to the extent that in this and in other cases the money functions as a means of payment but differs considerably in its economic content.

The structure and dynamics of consumer credit forms in the Latvian SSR, which has been completely submitted for a judgment concerning the country's consumer credit as a whole, are given in Table 2 (less credits for newly-weds which have still not been noticeably expanded). As is seen from the table, more than three-quarters of the entire amount of consumer credit is concentrated in housing construction, and credits in commodity form comprise another 20 percent.

Thus, practically every credit relationship emerges here in the form of rigidly defined and carefully regulated operations. During the period being studied (1965-1982), the amount of consumer credit increased from 25.2 million rubles to 105 million rubles, or fourfold. Credits for cooperative housing construction are outstripping credits for individual construction. On the average, credits for housing construction cooperatives form approximately 50 percent of the total amount of consumer credits. The size of these credits increased from 7.2 million rubles in 1965 to 49.8 million rubles in 1982, or sevenfold. Credits for individual construction in rural areas grew at slower rates, and in urban areas even decreased absolutely. At the present time (1982), their volume is only 0.2 percent of the total amount of consumer credits. The curtailment of individual housing construction in urban areas owing to Gosbank credits is connected with the advantage of cooperative construction which consists of the fact that there is no need for a cooperative member to realize the received loan on his own: In other words, unlike an individual homebuilder a cooperative member does not need to secure an individual parcel for the building, register its ownership, acquire construction materials, draw up design plans and specification, etc.
Table 2. The Structure and Dynamics of Consumer Credit Forms in the Latvian SSR (debt at the end of the year)

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<td></td>
<td>млн. руб.</td>
<td>% к Итогу</td>
<td>млн. руб.</td>
<td>% к Итогу</td>
<td>млн. руб.</td>
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<td>10,1</td>
<td>40,0</td>
<td>7,7</td>
<td>20,9</td>
<td>22,0</td>
</tr>
<tr>
<td>(5) 2. На строительство жилых домов ЖСК</td>
<td>7,2</td>
<td>28,6</td>
<td>25,0</td>
<td>68,0</td>
<td>42,5</td>
</tr>
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<td>(6) 3. На индивидуальное жилищное строительство в сельской местности</td>
<td>4,6</td>
<td>18,2</td>
<td>1,8</td>
<td>4,9</td>
<td>3,6</td>
</tr>
<tr>
<td>(7) 4. На индивидуальное жилищное строительство в городской местности</td>
<td>1,9</td>
<td>7,5</td>
<td>0,8</td>
<td>2,2</td>
<td>0,3</td>
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<td>(8) 5. Садово-огородным товариществам</td>
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<td>(9) 6. Залоговые операции ломбарда</td>
<td>1,4</td>
<td>5,7</td>
<td>1,5</td>
<td>4,0</td>
<td>1,8</td>
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<td>(10) 7. Кассы взаимопомощи</td>
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<td>3,5</td>
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| Итого | 25,2 | 100 | 36,8 | 100 | 73,7 | 100 | 84,3 | 100 | 88,5 | 100 | 105,0 | 100 |

* The table was compiled based on the following data: "Narodnoye khozyaystvo LatvSSR v 1982 godu. Stat. yezhegodnik" [The Latvian SSR National Economy in 1982. Statistical Yearbook], Riga, Avots, 1983, p 317; and The Reports of the Latvian SSR Gosbank (p. 5), its Proletarian Department (p. 6) and the Latvian Republic Trade Union Council (p. 7).

Key:
1. Types of credit
2. Millions of rubles
3. Percent of total
4. Installment payments for goods
5. For the construction of housing by housing construction cooperatives
6. For individual housing construction in rural areas
7. For individual housing construction in urban areas
8. For garden associations
9. Pawnbrokers
10. Mutual aid funds
11. Total
Based on the volume of credit operations, installment payments for goods are secondary to housing construction credits in all of its forms. Moreover, the rapid expansion of commodity and credit operations during the period 1970-1975 was subsequently replaced by their decrease and stabilization at the beginning of the Eighties. It is possible to suppose with a sufficient degree of probability that the above-mentioned dynamics of this credit form is explained by the marked change in the supply and demand relationship in the consumer goods market. This is expressed in the growing shortage of goods that enjoy wide demand, in the rapid accumulation of personal savings by the workers in savings banks (to a considerable degree, these represent delayed demands), in the development of more convenient and effective credit forms (the operations of pawnbrokers, mutual aid funds and mutual — so called "unorganized" credit), etc.

Credits for garden associations represent 5.8 percent of the total amount of consumer credit. This type of credit was expanded in agreement with the 7 April 1981 decree of the Latvian Communist Party Central Committee and Latvian SSR Council of Ministers entitled "On Additional Measures to Increase the Output of Agricultural Products on the Citizen's Personal Plots". Credit is offered to garden association members in order to acquire and construct garden houses and organize services and amenities in the garden parcels totaling 3,000 rubles for a period of 10 years. The purpose of the credit is to insure the normal reproduction of short-term use resources (food products) as well as conditions for the population's active rest.

The loan operations of pawnshop owners is a special type of credit relationship; here, the loan is offered in exchange for a person's property as security. The amount of this type of credit increased from 1.4 million rubles in 1965 to 3.2 million rubles in 1982, or more than twofold. The purpose of the credit is to satisfy a temporary need for monetary resources that arises as a result of unforeseen expenditures (vacation, purchase of goods, help to children, etc.). The amount of credit, which is offered by mutual aid funds, is more than four percent of the total volume of consumer credit. The purpose of this type of credit relationship is to organize mutual credit in the area of the population's reproduction.

Based on what has been stated above, it is possible to summarize the system of consumer credit forms in our country by a diagram from which it is first of all evident that the overwhelming portion of consumer credits (housing construction cooperatives, the sale of goods on credit, individual housing construction, and pawnshop operations) are connected with bank credit, the main form of credit under socialism, only in certain cases (credits granted to the population by mutual aid funds, credits for newly-weds granted from the assets of enterprise special funds, and loans issued by pawnshop owners from their personal assets) the bank emerges not as a creditor but as an accounting body keeping the assets of the public and cooperative organizations. Furthermore, it is evident from the diagram that the State Bank does not directly grant credits to the population. There is usually a third link between the bank and the population — enterprises, organizations and kolkhozes where the direct receiver of the credit works. When entering into credit relationships, the economic organizations
assume certain commitments for recovering the loan from the borrower and returning it to the body issuing the credit. Finally, the diagram shows especially graphically the absolute and complete absence of a direct connection between all consumer credit forms and the main and primary credit resource in the area of the population's reproduction -- the savings of workers in worker savings banks.

Figure. Purpose and Use of Consumer Credit Forms in the USSR

Key:
1. Gosbank
2. Industrial enterprises, trade organizations and kolkhozes
3. Housing construction cooperatives
4. Sale of goods on credit
5. Individual housing construction
6. Credit for youth
7. Pawnbroker operations
8. Individual borrowers
9. Mutual aid funds

The abundance of the separate forms of consumer credit and the complicated relationships between the creditor and the borrower engender a cumbersome multilink accounting system for consumer credit. In this regard, the accounts for goods, which are sold on credit, are especially typical. Here, the expenditure system boils down to the following at the present time: first, the bank grants credits to an industrial enterprise for accounts with commercial organizations for goods on credit; second, the trade organization receives the credit directly. The industrial enterprise transfers the entire amount of the granted credit to the trade organization and subsequent accounting takes place with all workers through deductions of payments from their wages and the transfer of these payments to payoff the credit. The second
accounting method, where the bank offers a credit to trade enterprises and enterprises and organizations deduct payments from the wages of their workers at the buyer's place of work and transfer them to pay off the debt, is more cumbersome. It is necessary to point out that trade organizations have additional expenses in writing off hopeless debts of its buyers of goods on credit. During 1982 alone, 9,000 rubles were written off in state trade, and 7,000 rubles in cooperative trade. The amount of the debt written off was 0.4 percent of the overall total of goods sold on credit. This organization of consumer credit, which is characterized by multilink accounts, is not sufficiently convenient for the population, requires considerable material and labor expenditures and hinders the use of mechanization and automation systems.

An analysis of the consumer credit forms, which have taken shape in our country, and also a consideration of the experience of fraternal socialist countries in this regard permit the consumer credit system to be improved by at least two fundamental variants when developing short-term and long-term programs:

1) the plan for improving population credit forms, which have already taken shape, with each taken separately;

2) a plan which provides for shifting at some time all consumer credit forms to a monetary form, the granting of freedom of choice in the way the loan is used to the borrower, and the concentration of both active and passive credit operations into a single worker savings bank system.

It seems to us that plan 2 has the most interest under modern conditions. In the best of cases, plan 2 is in the stage of local and limited experimentation in our country.

The European socialist countries have acquired considerable experience in developing flexible centralized systems for consumer credit.

In the GDR, consumer credit accounts are handled through savings banks or the post office. When a credit is registered, purchasers receive an account book in the store with a number of checks corresponding to the payment periods and they themselves deposit money in the closest savings bank or post office at the prescribed times. The savings banks grant trade organizations a loan for the entire amount of the credit granted. The customers pay 0.35 percent of the overall amount of the credit a month for the use of the credit. This is directed toward compensating for the organizational expenses for credit operations and toward the payment of interest on the loans. State savings banks in Hungary and Bulgaria grant consumer credits to the population for cooperative and individual housing construction, purchasers of durable goods, loans for cash, etc. At the present time in Bulgaria, savings banks grant credits to the population for developing the private production of the workers; purchasing domestic animals, agricultural tools and machines; constructing, expanding and reconstructing agricultural buildings; and purchasing plantings, fertilizer and fodder. The savings banks widely grant credit to workers, cooperative members, employees, and retirees who are producing agricultural products.
The consumer credit, which is granted by Czechoslovak state savings banks, has different forms. The most widespread and largest-in-amount types of this credit are: loans for acquiring durable consumer goods (furniture, televisions, refrigerators, washing machines and -- since 1973 -- passenger cars); loans for housing construction including the construction of individual houses; entrance and membership dues in housing construction cooperatives; purchases of apartments and one-family houses; loans for newly-weds intended for the acquisition and equipping of an apartment; and personal loans granted in cash without the savings bank checking on the purpose for which the loan will be used and having the highest interest rate (8 percent). In the majority of cases, we are talking about short-term loans for small amounts.

Using the experience acquired in the GDR, Hungary, Bulgaria, and Czechoslovakia in accounting for goods on credit and without changing the entire system of consumer credit, it is possible to bring the system as close as possible to the population by expanding this form.

The centralization of consumer credit operations and customer accounts through savings banks frees trade organizations from cumbersome and numerous customer accounts, decreases costs in retail trade circulation, permits the servicing of customers to be improved, raises the quality of accounting, and insures timely control over the arrival of fees from customers. Savings banks have an opportunity to maintain a centralized card index on each customer showing his place of work and the amount of his average monthly salary. Using this card index it is also possible to take earlier received credits into consideration.

As the experience acquired in the operations of savings banks in the fraternal socialist countries and in our country shows, a shift to the new form of wage accounts through savings banks is necessary in order to expand the functions of worker savings banks further. This creates conditions for the accumulation of temporarily free monetary assets of the population because a portion of the transferred amounts, which can be used for granting consumer loans to the population, accumulate in the savings banks. The majority of authors give a positive rating to the payment of wages through savings banks and support the expansion of its area of application. The work of Belorussian SSR savings banks in providing services to the population in the payment of wages is receiving a positive rating. Thus, in 1983, 67 percent of the workers and employees in industry, 44 percent in construction and 50.2 percent in transportation received their wages through the services of savings banks.

A great deal of attention in the Latvian SSR is being paid to expanding operations in the payment of wages to workers and employees and the monetary incomes of kolkhoz members through savings banks. In 1983, savings banks rendered this service to 224 enterprises and organizations and 89 kolkhozes which paid wages to 63,000 workers and employees and 34,000 kolkhoz members through savings banks. As is pointed out in our economic literature, however, the insufficient floor-space of savings banks and the understaffing in operation, cashier and bookkeeping workers do not permit this work to be expanded more intensely.
Despite the decree entitled "On Measures To Further Expand Savings Matters and Strengthen Personnel in Savings Banks" which was adopted by the USSR Council of Ministers on 2 June 1983, several republic ministries and departments are not shifting subordinate enterprises to the new form of wage accounts.

The transfer of consumer credit to savings banks will not only play a positive role in the flow of deposits but will also be an opportunity for using the deposits themselves to provide credit (because there exists a comparatively large number of families who accumulate assets or have free monetary assets at their disposal and who nonetheless make widespread use of consumer credits). Savings banks can use different forms of population accounts for issuing consumer credit; clearing by means of transferring payments from the enterprises and organizations, where the recipient works, or by cash payments, i.e., the depositing of payments in a savings bank. In this case, the accounting procedure will be similar to the accounting procedure for communal services by withdrawing the money from the deposit. When issuing consumer loans for the acquisition of goods, savings banks can issue checks. This is considerably more convenient for the customer than is the present organization of consumer credit where the customer acquires goods with a guarantee certificate from his place of work.

The further development of the existing forms of mutual credit (mutual aid funds) represents a special problem when developing long-range programs for improving socialist consumer credit. It seems to us that the widespread collectivization of small group property and the transformation of banks into large credit cooperatives are required. The experience of the socialist countries of the GDR, Hungary, Romania, and Poland, where credit cooperatives are creating favorable conditions for savings deposits and the obtaining of credit by shareholders, is of practical interest. The advantage of credit cooperatives over mutual aid funds consists of the following: when accumulating credit resources within the framework of the mutual aid funds of several enterprises, they receive an opportunity to grant credits to the population for a longer period. This provides an opportunity to approximate the issuance of consumer credit to bank credit and to differentiate the amount of the credits being offered depending on the income of each member of the mutual aid fund (two-three-four months, etc.). In order to provide material incentives to the members of credit cooperatives, it is possible to introduce a fee for the custody of the assets in the form of a certain percentage depending on the amount and the period. This is based on the principle the longer the period of deposit and the larger the deposit amount, the higher the percentage. Credit cooperatives can perform their activity not only using current income as security but also some type of property (an automobile, a dacha, a garage, etc.).

In order to improve the effectiveness in using the assets of credit cooperatives, it is advisable to introduce payments which have a special purpose (the purchase of refrigerators, televisions, clothing, etc.). The essence of this approach consists of the fact that accounts are opened up for the cooperative members (they can be special cards) with a higher (three or more) interest proportional to the amount and deposit period. The customer receives an opportunity to decide for himself whether to make his payment gradually or immediately for a particular type of item which he himself selects and which he would like to acquire in the future. Upon the expiration of the definite period and with the
availability of the complete payment required to acquire the certain item, the complete amount of the payment in cash (or check) to acquire the item is given to the customer. This operation is the reverse of selling goods on credit; i.e., instead of the procedure of first acquiring the item and then paying for it — in this case, the money is paid and then the item is acquired. The special purpose nature of such payments establishes an opportunity to thoroughly and accurately study the delayed demand for consumer goods, determine the level of solvency of the population at the time, and also effectively manage production and the distribution of goods. The incorporation of special purpose payments provides the state with an opportunity to direct monetary resources toward the disposal of specifically operating enterprises or ones being built, which produce or will produce goods required by specific individuals (the depositors).

Improving consumer credit forms assumes a flexible system of interest rates for the use of a loan. Consumer credit interest rates are the most important mechanism and financial instrument for influencing socialist society in the use of consumer credit and its individual forms. The interest of all of society in the development and use of individual consumer credit forms is expressed in the differentiation of interest rates. The establishment of interest rates should be based on the needs of both financial and social policies. Where consumer credit performs specific social policy tasks (housing construction, the providing of material help to the population in acquiring durable goods, and credit for newly-weds), the interest rate should be lower than for other consumer purposes; and on the contrary, higher interest rates should be established for credits granted for so-called luxury needs (a house, garage, or automobile). Based on what has been said above, the appropriate economic ratio should exist when calculating interest rates for deposit and consumer credit. That is why the calculation of interest rates for consumer loans should be higher than for deposits. On the other hand, an economic disparity may arise where it is more advantageous to take a credit and at the same time have deposits in a savings bank, thereby receiving a definite economic effect. From an economic point of view, a situation in which the interest from consumer credit compensates the interest from the permanent deposit amount and the savings bank expenses that are connected with the deposits and credits, is desirable.

In this respect, the experience of the Czechoslovak Socialist Republic is interesting regarding the differentiation of interest rates. Here, interest rates are established depending on the form of consumer credit. For example, low interest rates — 1-2.7 percent— have been established for credits for individual and cooperative housing construction and also for credits for newly-weds — 1 percent for purchasing apartments and 2.5 percent for outfitting the apartment. The highest interest rates are established for loans in cash and also for the acquisition and construction of dachas— 8 percent.

Thus, the development and implementation of a complex program which provides, on the one hand for the shift of all forms of consumer credit to a monetary form that is not conditioned by the special purpose regulation of the creditor and, on the other hand, for the concentration of all credit functions within
the worker savings bank system and the widespread collectivization of the small credit assets of mutual aid funds, will -- in our opinion -- contribute to increasing the effectiveness in using credit levers to achieve the main goal of socialist society -- increasing the level of the workers' prosperity.

FOOTNOTES


3. "... Socialist credit is the mobilization and use of temporarily unencumbered monetary resources (loan assets) by enterprises and organizations on the basis of reimbursement, urgency and retribution in order to maintain continuity and coordination in the circulation and turnover of assets as an essential precondition for the planned functioning of the entire economy as a whole." -- Ibid., p 26.


5. V. S. Zakharov, "Kredit v sisteme upravleniya ekonomikoy" [Credit in the Management System for the Economy] Moscow, 1979, p 77-78. Yu. A. Avdiyanu expresses a similar point of view; cf. Yu. A. Avdiyanu, "Kredit i povysheniye ekonomicheskoy effektivnosti prizvodstva" [Credit and Raising the Economic Effectiveness of Production], Moscow, 1972, pp 151-152.


8. In accordance with the 25 February 1982 decree of the USSR Council of Ministers entitled "On the Period for Introducing Interest-Free Loans for Improving Housing Conditions or Acquiring Household Items by Young Families Having Children" ("Sobraniye Postanovleniy Pravitelstva SSR" [Collection of USSR Government Decrees], Vol 1, 1982, p 47), enterprises, organizations and kolkhozes allocate credits from the social and cultural measures and housing construction fund to newly-weds on condition that the applicant has worked no less than two years in that organization. Families with children enjoy the right to obtain this type. A 1,500 ruble credit is granted for a period of eight years.
The purpose of the credit is to provide assistance to young families in acquiring the material resources which represent durable goods and which require a certain period for accumulating the financial resources to acquire them (furniture, televisions, refrigerators, etc.). The distinctive feature of this type of credit relationship consists of the fact that it is not directly connected with bank credit but is offered through enterprise special funds.


10. Calculated based on data from the Latvian SSSR Ministry of Trade.

11. Calculated based on Latpotrebsoyuz information.

12. Thus, for example several oblasts in the Belorussian SSR (Minsk and Molodechno) have been accumulating experience since 1975 in the granting of loans to the population for the acquisition of consumer goods in retail trade. The granting of loans occurs only with depositors in savings banks and are limited to four months of wages — but not higher than 1,000 rubles — for a period of up to two years. The loan recipient is issued a payment check which is accepted by all stores; one-two percent is levied for the use of the loan. The repayment of the loan can occur through deductions from one's salary, cash deposits into the savings bank and withdrawals of money from a deposit account. During 1983 alone, the republic's savings banks issued 33,000 consumer loans totalling 14 million rubles (L. D. Gitelman and N. V. Luzkin, "Wages Through a Savings Bank: Results and Problems," DENG I KREDIT, No 4, 1984, p 59).


18. Ibid., p 52.

19. Ibid.


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FOOD PROCESSING AND DISTRIBUTION

ARMENIAN OFFICIALS REVEAL NON-ALCOHOL PRODUCTION PROBLEMS

Yerevan KOMMUNIST in Russian 21 Aug 85 p 4

[Round table discussion conducted by V. Aloyan and R. Meliksetyan: "Production and Trade: What Can Be Used to Replace Vodka?"]

[Text] The campaign which spread throughout the entire country after the adoption of the CPSU Central Committee decree "On Measures to Prevent Drunkenness and Alcoholism" touched on a broad range of questions.

The fact of excluding alcohol from our practice was not only reflected in commodity turnover. An urgent need arose to expand the assortment of nonalcoholic beverages and confectionery and canning industry items and increase the supply of fresh fruits to the population.

The problem of reorienting raw materials to more rational use arose in all its magnitude. In order to demonstrate how serious this problem is, it is sufficient to cite only one example: last year the republic produced more than a million decalitres of fruit and berry wines for which several tens of thousands of tons of fruit, for the most part apples, were used. But this year not one decalitre will be produced.

Taking into account the importance and relevance of the topic, the KOMMUNIST editorial office decided to organize a proxy round table discussion with the participation of the leaders of ministries and departments closely involved with these questions.

S. Safaryan, Armenian SSR Minister of Trade

Immediately after the decree was adopted we ratified new rules of trade in vodka and other alcoholic beverages at enterprises of retail trade and public catering. And all questions of the number and location of trade and public catering enterprises in which trade in alcohol is allowed are decided by city ispolkoms and rayon Soviets of People's Deputies only.
Naturally, after the prohibitions were introduced our ministry's commodity turnover plan declined. After all, before the decree was adopted the proportion of wine and vodka items in the commodity turnover of foodstuffs was 20.5 percent.

Virtually all stores where wine-vodka item sections closed did not fulfill the plan; things are even worse with public drinking establishments and halls are practically empty. At the same time there are some who until recently held the opinion that we do not like to drink in our republic and only go to restaurants to spend a pleasant time. As you see, life has shown the reverse: one has only to take the vodka away and it is as if the wind blew the customers off.

We are not making a tragedy of the situation which has developed. We have searched, are searching, and will search for new ways and forms of attracting visitors and buyers. But even before the decree was adopted our ministry had begun opening a broad network of tea houses, children's cafes, milk bars, confectionery cafes, and specialized enterprises where alcoholic beverages were not sold. But this was only the beginning. Today we intend to open similar public drinking sites everywhere. We plan to open "Armenian Cheese" type cafes where a person can try all kinds of Armenian cheeses and "yaichnitsa" [scrambled eggs] cafes -- indeed few people know that more than 40 different dishes can be prepared from eggs. The network of ice-cream cafes, which enjoys great popularity among the public, is being expanded. The number of specialized stores for selling mineral waters will be increased, and in addition a broad small retail network for selling "kvass," waters, "tan," [translation unknown], and other nonalcoholic beverages in parks and stadiums and at mass recreation areas has been organized.

In stores confectionery item sections and sections for selling juices and waters will be enlarged. But for all of these good intentions of ours, above all the quantity and assortment of confectionery and canned items must be increased, at the time showing concern for their good quality. Today we offer the buyer a broad selection of expensive chocolate candies but common Turkish delight at counters is a great rarity, not to speak of zephyrs, pastila, and waffle tortes which disappeared long ago. We must expand production at the factory that makes Eastern sweets, which enjoy invariable demand from the population.

As for the low attendance at cafes and restaurants, in that regard we are inclined toward optimism. We will expand the assortment of snacks and dishes -- both first and second courses, attracting visitors (who earlier were regaled only with kebabs and shishkebabs with vodka) with a delicious and varied menu. The same thing can be said of cafes. Whereas until recently they were "inhabited" by citizens who spent hours there idly sipping champagne, now, if we are able to offer a good selection of confectionery items, ice cream, and juices, college and older secondary students, and mothers with children will begin to go there. In short, there will be customers, but the group will be different. And, of course, people engaged in trade will have to work hard. For the times have passed when we could fulfill the plan selling a couple of cases of champagne a day: now we have to sell almost a truckload of pastries and juices to realize the same amount.
R. Sukhudyian, Armenian SSR Minister of Fruit and Vegetable Industry

First of all, I will talk of how it used to be. Bruised apples which were not suitable for sale went immediately for processing into fruit-berry wine. The same was done with overripe or rotten peaches. Every year Aykoop alone bought from 20,000 to 30,000 tons of apples for their own purposes and we manufactured 500,000 decalitres of wine ourselves. Their production was stopped as of this year. And immediately a very major question came on the agenda: how to dispose of the liberated raw materials? After all, substandard fruits, that is, fruits not suitable for sale and even less so for winter storage, used to go to the processing industry.

I do not want to persuade anyone that only bruised apples and rumpled apricots grow on our trees. No. They grow and ripen completely normally. Then the question is how to harvest them. Apples are suitable for storage for the winter only when they are correctly picked by hand from the branches and then put in boxes or even better — in soft woven baskets. But it is our custom in practice to shake the tree by the trunk and then gather the fruit which has fallen into boxes. Naturally, a good half of the fruit gathered in this way is not suitable for much.

Why do I dwell precisely on apples in so much detail? Because more than 60 percent of the fruit we raise is seed fruit, for the most part apples and pears. The quantity of apricots, pears, plums and other pitted fruits liberated is not alarming. Trade organizations from all corners of the country ask for juices made from them. The situation is somewhat different with apples, since unlike pitted fruits, they grow virtually everywhere.

According to our estimates, this year the apple harvest throughout the republic should total 80,000 to 85,000 tons. Our capacities allow this entire amount to be processed into juices and various canned goods. But, unfortunately, we have not yet been able to reach an agreement with the Ministry of Trade on this question. Trade, in particular public catering, steadfastly ignores our apple juice. However, not only is it very beneficial for the health, but along with such popular juices of ours as apricot and tomato juice it meets the highest standards. In a restaurant, buffet, or cafe you can get literally everything, starting with a "fermented" drink and ending with pineapple juice, only not apple juice. Today we have 30 million standard cans of juice from last year's apple harvest lying in our warehouses; there is no demand for them.

Of course, the recent reduction in the price of fruit juices will undoubtedly have a favorable effect on selling them.

But besides this we ourselves are actively searching for ways to get out of the situation which has developed.

The production of natural purified apple juice is being substantially expanded. It is true this juice is not as rich in vitamins as juice with pulp, but then on an esthetic level it is much more attractive. We are going to try to produce juices in small packages. Jams, fruit paste, and dried
fruits will be made from apples, as well as other fruits. The production of fruit fillers for dairy products as well as apple vinegar and steeped apples is being incorporated. The expansion of the network of sections for selling juices in our ministry's stores has begun. Many people have most likely already seen the new cool-pouring automats installed in the central fruit and vegetable stores in the capital. Soon the same type of automats will appear in Leninakan and Kirovakan. We are thinking of opening a Juices company store.

The repair and construction of vegetable and fruit warehouses is being carried out at a good pace. This year 10,000 tons of apples will be laid by for the winter. New warehouses are being built in Nairiyskiy and Abovyanskiy rayons and the capacity of fruit warehouses is to be increased by 30,000 tons during the 12th Five-Year Plan period.

L. Titanyan, Deputy Chairman of the Aykoop Board of Directors

Since the first of June of this year, together with the ispolkoms of rayon Soviets, we have begun sharply reducing the number of stores and public catering points in the consumer cooperative system which trade in alcoholic beverages. Nonetheless, wine-vodka sections will not be empty for long. Already we intend to fill them with a broad assortment of flours, semifinished goods, juices, and ice cream soon. Numerous beer stalls are being reequipped to sell juices. This is what concerns trade, and now let us go on to production.

In recent years we have produced three types of vodka -- cherry, mulberry, and apple -- as well as fruit-berry wine for which great quantities of apples were bought from the state sector. This year we plan to completely renounce producing alcohol. To renounce only alcohol but in no way the raw materials from which it is made. Doshab jam and dried mulberries have already been made from mulberries. Cornelian cherries will be used for jam, compote, and juice. But as for apples -- that's another story.

The Ararat Experimental Canning Plant, which won the gold medal for its apricot jam at this year's international exhibition in Brno where 180 firms participated, received an order from Holland to manufacture 1,000 tons of purified concentrated apple juice. In order to more visibly present the size of the order, I will say that about 15,000 tons of apples must be processed to fulfill it. This same Ararat Canning Plant will produce jam and fruit paste in small packages of 100 grams. The production of such traditional Armenian delicacies as "sudzhukh" and "alani" has begun.

The Idzhevan Production Combine is starting to produce three types of apple vinegar -- table, medicinal, and industrial. The Oktemberyan Wine Plant is being reequipped to produce liqueurs which are the basis for producing nonalcoholic beverages.

In addition, we intend to incorporate and begin production of zephyr, marmalade, apple pies, and tarts with apple filling.
V. Vasilyan, Deputy Minister of Food Industry

In 1986 the production of vodka will be reduced by 200,000 decalitres and the production of grape wines will be reduced by the same amount. Along with this, planned work to increase the quality and assortment of cognacs and better kinds of Armenian wines will be carried out.

As for nonalcoholic beverages, we have a broad program. The construction of a shop to produce nonalcoholic beverages with a capacity of 500,000 decalitres is going at full speed at the Yerevan Beer Plant. The production of 7-8 kinds of highly stable drinks, that is, drinks which can be stored for a long time, will be set up here. A section is being organized to dry distill essential oil from local plant material for use as aromatizers. The vodka sector of the Yerevan Wine Combine in Oktemberyan is also being reequipped to produce nonalcoholic beverages.

The production of fruit and apple juices and herb extracts will be steadily expanded. The question of incorporating the production of low-alcohol "Table" beer is being worked out. The bottling of syrups -- "Urts," "Dakhts," and "Tarkhun" -- will begin in the third quarter. Rose grape syrup was also praised recently at the tasting.

A great deal of attention is being devoted to producing mineral waters.

The assortment of confectionery items will also be expanded. The Yerevan Confectionery Factory has been charged with studying the question of incorporating the technology for producing high-quality confectionery items, zephyr, and pastila and increasing the production of marmalade.

A. Vardanyan, First Secretary of the Armenian CP Oktemberyan Rayon Committee

We confronted the first major difficulty back in June when the mulberries ripened. There was no particular fuss about them before -- the lion's share of the harvest went to make vodka. But now we must find a different use for these sweet and very useful berries.

We consulted with specialists and decided to substantially expand the production of doshab and mulberry jam at the Oktemberyan Canning Plant. Special transport was assigned, the public was notified that mulberries were to be bought from homes, and the technological equipment was manufactured. In the season 280 tons of raw materials was gathered; the output from this did not remain on store counters for even one day.

It will be more difficult with grapes and fruits. But, of course, increasing the volume of their sale to the public in so-to-speak natural form would be a good solution to the problem since there is very great demand for these gifts of the land of the Ararat Plain. But this is not simple. After all, the rayon accounts for about 15 percent of all Armenia's grapes but only 6 percent of this enormous amount are table variety berries which are suitable for sale through the trade network. Thus, to a substantial degree we must "respecialize" our vineyards, gradually replacing the industrial varieties with table types.
A similar situation is developing with apples, which occupy a large part of those 4,000 hectares of land which were assigned to us for fruit crops. The minister of fruit and vegetable industry has already analyzed the "apple" problem here in detail so I will restrict myself to just a few comments. Most likely, in this situation it is worth thinking of such a form of linking the producer and the consumer as the field-urban labor collective connection. The point is that by preliminary agreement with the industry, in an organized manner workers, employees, and representatives of the intelligentsia could come to the orchards on their days off and with their own hands gather apples for the winter or peaches for compote and take them, of course paying the value according to state prices.

And one other thing. Today, when the question of raising high-quality fruits suitable for sale to the public and for storing for a prolonged period is crucial, we must think in earnest about revising some prices.

Representatives of the Ministry of Fruit and Vegetable Industry often complain that the fields and orchards are harvested poorly — there is a great deal of bruised and rotten fruit. But this is very simple to explain. The wages of kolkhoz workers for harvesting, let us say, one ton of apples are approximately 16 rubles. If the apples trees are shaken and the fruit knocked down from the branches, one person can harvest a ton in a day. But when they are harvested correctly, plucking them by hand and being careful to preserve each apple, then no more than 200 kilograms can be harvested. Therefore, most likely, it would be worth approaching the payment for this work more flexibly.

As for fruit plantings, we are taking a decisive course to expand apricot orchards.

The editorial office hopes that the materials from the round table discussion and the progressive experience, crucial questions, and new undertakings stated here will help solve an important, complex problem.