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Classification: UNCLASSIFIED Status: [STAT]
Document Date: 01 May 90 Category: [CAT]
Report Type: JPRS Report Report Date:
Report Number: JPRS-UPA-90-053 UDC Number:

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Tsvetkov: ''On the Market--Not in the Bazaar Fashion'']

Headline: Council of Ministers Official Urges Improved Economics
Reporting

Source Line: 90US1115A Moscow ZHURNALIST in Russian No 5, May 90 pp
30-33

Subslug: [Article by USSR SOVMIN Information Department Chief
Specialist Lev Tsvetkov: ''On the Market--Not in the Bazaar
Fashion'']

FULL TEXT OF ARTICLE:

1. [Article by USSR SOVMIN Information Department Chief Specialist
Lev Tsvetkov: ''On the Market--Not in the Bazaar Fashion'']

2. [Text] How to enter market relations without breaking your neck?
This question is increasingly troubling the readers, but they do not
find clear-cut answers in the press. Why?

3. THE FACT

4. On 18 February newspapers published a TASS report-- the AUCCTU
had sent the government a protest in connection with plans to develop
auction and commercial trade in consumer goods in the country: ''For
millions of people, and especially persons with fixed income
(pensioners, students, young families and families with many
children), many goods will become practically inaccessible in
connection with their sale through commercial stores, wherein the
prices will exceed retail prices two-to-fivefold. Extremely
hard-to-get goods will be accessible to mainly sharp dealers in the
'shadow' economy, but not to the ordinary laborer.''

5. Thus, the fact. But we all have known since our university days,
that one must proceed from the fact to the phenomenon, and from the
particular to the general. Those who have already been working in
the press know, however, that it is not always that easy to see the
phenomenon through the fact--especially a newly-arrived phenomenon.

6. THE PHENOMENON

7. The phenomenon is already revealed in the headlines: ''The Market

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and Prices,' 'The Market--the Great Uniter of Nations,' 'The Difficult Path to the Market,' and 'The Market or the Barracks'...

8. In reading and preparing such articles, we gradually master the phenomenon. First we understood that the market--is not the bazaar. What is even a broader conception--the 'consumer market'--is merely a part, a fragment, or sector... 'Why?' asks the reader. Giving the appearance that--you see, that the 'why' has been clear to us all along, we began to write on other elements: the market of the means of production, valuable papers, the work force, products of intellectual labor, and so on.

9. Piecing together from this mosaic a likeness of the whole, the reader began to pose other questions as well: How do the parts interact with one another, and how does the market (in the very broadest sense of the word) operate? Our brother, the all-knowing newspaperman, did not falter, and bravely began to expound on the 'alternative economy.' Once, he says, we have a market--the alternative economy-- it will not operate like the administrative-command economy. On the contrary: there will be competition--as opposed to monopolism; free agreements--as opposed to the Plan; and market prices--as opposed to centrally-established prices.

10. The discerning reader, however, was not entirely satisfied with an argument 'from the opposite.' The people did not want to hear copy-book maxims--this is a question of a serious choice. But the press, puzzled, not to say dismayed, by the complexity of the problems heaped up upon it, and urged on by the increasing politization of social processes, did not, with rare exceptions provide clear-cut answers to the readers' increasingly troubling question: How to enter market relations without breaking your neck?

11. The phenomenon, served up piecemeal in the publications, was perhaps for the first time presented to us and the readers in all its complexity only in the draft platform of the CPSU Central Committee for the 28th Party Congress (PRAVDA, 13 February). A draft is a draft, and the system of views and approaches expounded in it will no doubt be subjected to some kind of amendments. It will be attacked in terms of content as well. For example, can the proponents of the rigid formula, 'the plan or the market' really agree with those posing the question of a 'planned-market economy'? But with all this, the draft provides an impression of 'construction' and the internal ties between the elements of the market. The phenomenon will come through more precisely out of it.

12. BETWEEN THE FACT AND THE PHENOMENON

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13. The story of the AUCCTU protest lodged in January can serve as an example of how newspaper people sometimes wander between the fact and the phenomenon.

14. At that time an acute financial situation had taken shape in metallurgical enterprises and enterprises of other branches. The cause was--an increase in wholesale prices for diesel fuel, and increased rates for freight shipments and electric power. The mechanics of the loss are uncomplicated: as the expenses of the users of these resources increase, their profits decline. Nor are the customary solutions complicated: either compensate for the losses by raising prices for your own product, or hold out your hand and demand compensation from the budget. It would appear there is no other recourse. But you see, neither are there any extra resources in the budget.

15. The press sounded the alarm; at the metallurgical plants, they began to talk about electing strike committees. One can judge the attitude of the authors of these reports toward raising wholesale prices by the headlines: ''A Stumbling-Block to Reform'' (TRUD, 31 January), and ''Trade Unions Protest Ill-Considered Government Decisions'' (RABOCHAYA TRIBUNA, 1 February). And because of the ''stumbling block,'' without further commentary, it goes without saying, they reported of the ultimatum which the trade unions declared in their Protest No 1: If the government does not correct its ''ill-considered decision,'' before 5 February... What followed was a transparent hint on the law on collective labor disputes.

16. If one takes a look at these and earlier articles--and no fewer than 10 had accumulated by 1 February--one sees that the correspondents' attempts to delve into the essence of what was taking place did not go beyond an elementary estimate of the enterprises' possible losses; which by the way did not, for example, stop A. Yevgenyev in RABOCHAYA TRIBUNA from immediately and unconditionally condemning the actions of the government organs. In the same manner, the correspondent accepted the arguments of the trade union officials, and in any case arranged them in a certain logical order--and then met the explanations of Minfin representatives with obvious sarcasm: ''It turns out that the correction of the prices and rates of which we are speaking, is in pursuit of the noblest of goals.''

17. But you see the goal is indeed a noble one--to normalize the situation in the national economy and to force the pricing mechanism to operate to economize on resources in short supply. It is hard to imagine anything else which the national economy requires more acutely. Everyone can remember the miners' demands to increase prices for coal. Next there were the serious conflicts with the railroad

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workers, for whom the rates have not been changed since 1955, although the costs of the means of transport and other resources necessary to them have increased significantly. And now the very same questions are arising among the manufacturers of cement, among metallurgists, and in other branches. In each separate instance there are grounds for such demands. But what will happen if this exploitation is not cut short? From the raw-material and transportation branches it will move quickly to the processing industry, and then the wave of higher costs will inevitably dash into the sphere of retail prices.

18. This is one part of the problem, the most obvious one, which everyone understands, because it directly concerns one's own pocket. So much has been said about escalating prices, that in the minds of many of us, 'one' has unwittingly turned into 'the only one.' However, the other part of the problem has certainly not ceased to exist because of this. Alas, it too costs us a pretty penny; but it is not as obvious as the former except through a chain of cause-and-effects associations.

19. We never tire of branding our economy as 'cannibalistic' in the press. But you see, just as the word 'candy' does not produce sweetness in our mouths, nothing at all changes from our incantations. Once one decides to move toward cost-accounting and market relationships--one must take the practical steps. Careful steps-- but take them, all the same! One of the first is to force the prices to operate for thrift. For example, on the world market diesel fuel is on the average only one-fifth cheaper than gasoline; in our country, however--it costs half as much. Is it surprising then, that certain managers utilize motor fuel in their boilers! Why then did raising the price of fuel for diesel engines--that is, changing it from a kind of symbol into a price-stimulus, a price-lever--cause such dissatisfaction on the part of the author of 'A Protest [Against Ill-Considered] Government [Decisions] ' '?

20. I will remind you how the story of this protest turned out. The government was unable to examine it prior to 5 February. It was examined somewhat later. And then its representatives met with an inter-union trade union commission, apologized for the delay in answering the inquiry and set forth its own proposals, which after discussion and, naturally, certain clarifications, were adopted.

21. On the essence of the proposals--a bit later. But now, on the nature of the reactions to this event. A TASS report published in the papers on 11 February started out triumphantly: 'The sharp conflict brought about by the government decision to raise wholesale prices for diesel fuel and freight shipment and electric power rates, was decided in favor of the workers and their trade unions. In fact, the

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government itself established a 'moratorium' on this decision until 1 April." And in order not to leave any doubts that the capitulation was complete, it reports about the apologies of the Council of Ministers, and about "those miscalculations which were committed in drawing up and adopting the decision." In short, it was a fiasco. Certain other newspapers gave their estimates in the very same key.

22. I truly do not know what there is to celebrate here. Just the fact that they managed to avoid a strike? But if the press continues to provide such one-sided analyses, there can be no doubt: somewhere down the line a strike will occur.

23. There were, however, other articles as well, the authors of which delved far more deeply into the essence of what took place. For example, as I. Ognev wrote in "Opazdyvayut novyye tekhnologii" [The New Technology is Late] (IZVESTIYA, 1 February), "Is it necessary to raise prices on energy sources? Alas, we are forced to do so, even immoderately. But at the same time I can recall that about seven years ago scientists at the Power Engineering Scientific Research Institute imeni G. Krzhizhanovskiy were telling me about installations of the fountain type, in which a mixture of half coal and rock burns marvelously. Others cited principally new technologies as well... But then--where are they?" It is not hard for the reader to come to the conclusion: If we continue to merely proclaim market management methods, and not take advantage of them, we shall continually be asking fruitless questions, and all the while engendering no-less-futile "measures" on technical retooling and economizing on resources.

24. V. Mamontov, writing in SOVETSKAYA ROSSIYA (11 February, "Urok Soglasiya" [The Lesson of Agreement]), clearly sees the danger of tendentious approaches, where the only way out of financial difficulties is compensation from the state budget:

25. " 'Send compensation!'--cry the business executives today...and immerse themselves in losses (from increasing prices--L.Ts.) from paying fines for delivery shortfalls and losses from their own mismanagement. Many 'burned out' people, as it turns out from detailed examination...have rejected orders from the state and have not concluded agreements. Alas, one must admit, that some people have decided on the Q.T. to negotiate a quiet life for themselves."

26. V. Golovachev, writing in TRUD (13 February, "Trudnyy put k soglasiyu" [The Difficult Path to Agreement]), provided what is in my view a particularly weighty article, which also put all the accents in the right place. He, it goes without saying, noted that the government organs--the union-level Minfin, Gosplan and Goskomtsen [State Committee on Prices]--have been acting improperly, and did not

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coordinate in a timely manner with the trade unions regarding their intentions to raise prices. Moreover, the mechanism for implementing this decision was not completely thought through. But the incomplete organizational work did not screen the essence of the matter from the author: "...The goal of the governmental decision is understood: to put into operation an important economic stimulus, aimed at increasing resource conservation, a regimen of thrift, and a reduction in production costs." The enterprises, of course, do need compensation in order that they are not bled white. And the author described in detail what kind of compensations these are, and why certain working collectives were given a grace period for payments to the budget until 1 April (the same "moratorium"). However, it is clear to the reader: the enterprises themselves must tighten their belts, in order that the economizing on resources provided for in the plan do not turn out to be a "paper exercise." Whether they can succeed in expending less while not reducing, but even increasing the volume of manufactured products, as is done in many countries--there is your second, and principal channel for compensation. the "principal" one because the deeper we go into a market economy, the more important its role will be.

27. FROM THE FACT--TO THE PHENOMENON

28. The thread that stretches from the fact to the phenomenon is at times not immediately visible to the naked eye in the reports of some experienced journalists. But one certainly senses in their dispatches or conclusions the "connection" of the fact to a certain pivotal thought. What can that pivot be right now? The economic recovery program. No matter how each of us relates to it individually, I am convinced that any practical step in the economy must be considered in the context of this program.

29. In spite of the fact that rampant speculation has had an adverse effect on public opinion, I dare say that having voted on 19 December 1989 in support of the government's economic recovery program (I would remind you that three-fourths of those taking part in the by-name voting spoke out for it), the Second Congress of USSR People's Deputies reflected prevailing public opinion-- which is in favor of a moderately-radical development variant, and for a perspicacious and gradual entry into market relations. And it is opposed to throwing both individual people and entire collectives and social groups under the relentless millstone of a "free" market.

30. What were the newspapers saying about the transition to these relationships before and after 19 December?

31. The "before" was extremely rich, especially for EKONOMICHESKAYA GAZETA, which illuminated in detail the preparations

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for and the course of the All-Union Scientific-Practical Conference on Problems of Radical Economic Reform.

32. The theoretical squabble had only just subsided, when various deputy groups at the Congress plunged into the fray. One can judge even now from the minutes how the situation had hardened by the day of the vote. The blazing discussion also heated the pages of the periodicals.

33. Youth publications were no exception. One after another, deputies from the Komsomol rose to speak, sharply criticizing the government's conception and insisting upon examination of their own. On 12 December they spoke out through KOMSOMOLSKAYA PRAVDA, MOSKOVSKIY KOMSOMOLETS, SOBESEDNIK (No 50), MOLODEZHNYI KANAL, and national radio, with appeals to the Chairman of the USSR Council of Ministers, demanding that their alternative program not be ignored.

34. All this was 'before.' But after 19 December, it was cut off. For one thing because, of course, the Congress of People's Deputies had taken up other questions--they were also important and critical, and it was necessary to devote attention to them too. But all the same it appeared somewhat strange that even after the conclusion of the Congress, the program on which the country was to have begun work on 1 January was moved from the front page--not even to second place, but to tenth. The press, for example, enthusiastically discussed the escapades of a UFO, which obstinately appeared in full view but impudently ignored the radars. Then, the mass information media all marked the coming of Christmas... And only on New Year's Eve, invoking the traditional forecasts that the coming day had in store for us, did they once again turn their gaze on this sinful world, and remembered the program.

35. How, and at what rate are we to undertake transition to market relationships? Many editors once again asked the people's deputies to speak out on this. And they once again spoke in complete agreement with the by-name voting record.

36. Some kept on bashing the program, as before. For example, in KOMSOMOLSKAYA PRAVDA, (31 December, 'Dva voprosa v kontse goda' [Two Questions at Year's End]), Deputy G. Filshin bluntly wrote: 'Here is the kind of situation I would find most desirable: that the government would, not later than the first quarter, sit down at a 'round table' with the deputies and specialists who had introduced constructive suggestions on radical changes to the economic strategy at the Supreme Soviet session and at the Second Congress...' And if the Council of Ministers does not sit down at the table and does not start to re-shape the strategy approved by the Congress, then 'there is no guarantee that the present government will last to the end of

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the year.'' This is the kind of ''democracy'' proposed through the press by those who had voted against the program.

37. Those who wanted the program to be adopted by the Congress only for information, also remained at their previous positions. This position was formulated in all its nakedness in the magazine KROKODIL (No 3, ''Zanimatsya svoim delom'' [Mind Your Own Business by Deputy A. Sobchak, who himself, it is true, did not vote all that logically in my opinion--both for adopting the program ''for information,'' and for declining it: ''Today the Premier is trying to share his responsibility with us, so that tomorrow we would not be able to say, 'the Government's program has failed; it has not fulfilled its functions--it should be retired.''' Here the key word is ''responsibility.'' Many people do not want it thrust upon their shoulders at all. And they did not shoulder it. In spite of the resolution of the Congress.

38. In their public pronouncements, a third of the deputies--those who voted to support the program--stressed over and over the difficulty of implementing it. And one would have to look through a very powerful magnifying glass in order to find how these difficulties are overcome in real life. In my opinion, the fog is spreading, and not without our journalistic ''assistance.''

39. Whether our concern with the economic crisis is genuine or for show is relatively easy to determine today: by the orientation of the printed word. Such as, that which is in most cases characteristic of IZVESTIYA. It was this very newspaper that declared at the beginning of the year: Enough arguing; let us do our business, independent of the ''leftists'' and ''rightists.''' Such a note was fleetingly glimpsed in the articles of certain other newspapers, but soon faded away. But IZVESTIYA continued to follow that line, issue after issue.

40. Many readers probably noticed the page in the newspaper of 21 January, which was almost completely devoted to two letters: one from the general director of the Korvet Association in Kurgan, and another in response, from USSR Council of Ministers Deputy Chairman L. Abalkin. The authors ''ran their fingers over'' all the most urgent problems of the contemporary stage of economic changes--and one can imagine how many works were referenced in order for the articles to coincide; so that they would be free of ''trivialities''; and so that not a single truly major question would be left without a well-argued response.

41. Were this a one-time publication, perhaps it would not have been mentioned. But the fact of the matter is, that from the first days of the new year, IZVESTIYA began to report on every step being taken at the central organs for implementing the economic recovery program,

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and keenly followed how these steps were received at the enterprises. More often than not, the subject concerned adopted resolutions. But occasionally, as in the 17 January issue ('' Tri dnya--na dorabotku proekta'' [Three Days--to Finish Working on the Draft]), about those who were only preparing.

42. I consider IZVESTIYA's position with respect to the author of the program--the USSR Council of Ministers--respectful in every way. The government asked for enough time to reach a turning point in the unfavorable trends--and the newspaper finds it impossible to place a stick in the spokes; on the contrary, it has taken upon its shoulders the burden of common concerns. (This is the impression one gets, at least from the articles published in January and February.)

43. In the aforementioned IZVESTIYA issue of 21 January, L. Abalkin wrote: "...Public opinion has not yet grasped the design of this (governmental--L.Ts.) program, nor even the practical steps for implementing it. Nor has it grasped the connection between the planned measures and the evaluation of the current situation in the economy." This observation, incidentally, amounts to criticism of us, as journalists.

44. How are the newspapermen conducting themselves in this situation?

45. It is time to return to the fact with which this review began--to the new protest of the AUCCTU, and this time in protest of the plans for auction and commercial trade. You read the news dispatches--and you get the feeling that indignation is growing. But just what is in fact happening? The best color TV's, convenient dual-compartment refrigerators, ''vidiki'' [possibly--VCR's] and Volgas--an ordinary mortal cannot buy any of these things at the state prices, and at auctions there simply are no reasonable prices. The gossnab organizations are sending surplus valuable material goods there from the enterprises. It's not enough that trade is also introducing commercial stores--and is sending to them a flow of scarce imported goods. Well, how can one help grabbing someone by the shirt here: ''Just what did we fight for?'' And how can one not stand up together with the trade unions in defense of the interests of the hapless pensioners, students, young people, and large families!

46. On that very day, 18 February, IZVESTIYA published a front page dispatch by V. Romanyuk: ''Incident at the Goods Market: Why the Trade Unions Are Protesting Again.''

47. In a restrained, even rather laconic manner, we are asked to ''Try to look at this situation without emotion. First of all...''. And, having cooled off, you begin to ponder. If we affirm that the

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enterprise is an independent goods-producer, then, apparently, one should not become indignant that it has accumulated above-plan reserves-- whether this be equipment, building glass or special clothing--it has the right to sell them at the maximum price. In ''exquisite'' foreign stores the price of the goods on sale threw us into considerable confusion; but we understood and could relate to the fact that along with goods ''for everyone'' there are also goods there (and this is not at all confined to luxury goods or antiques) for the few also. Then why can we not put up with commercial stores at home? And how is this method of drawing off the money some people have accumulated because there were no goods to buy worse than, for example, monetary reform, with the help of which some people are proposing to simply confiscate this money?

48. IZVESTIYA, in short, once again returns our thoughts to the economic recovery program, and once again faces everyone with the choice: Either we take practical steps toward the market, or... Or should we just talk and talk? For how long?

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