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29 Jan 87

C.1 CPSU CENTRAL COMMITTEE PLENUM

Gorbachev's Report: "On Restructuring and the Party's Cadre Policy"

Tass in Russian for abroad 1134 (and in English 0958) gmt 27 (also Moscow home service 0600 gmt 28) Jan 87

Agency's "full text" of report at 27th January plenum:

Comrades! The 27th Party Congress vested in us, members of the Central Committee, the tremendous responsibility of ensuring implementation of the strategic course of accelerating the socio-economic development of the country. The Politburo understands the situation and the role of the Central Committee at the current stage in the life of Soviet society precisely in this way.

It is proceeding from this that the plenum has on its agenda a matter of paramount importance for the successful implementation of the political strategy worked out by the April 1985 plenum of the Central Committee and the 27th CPSU Congress, the matter of restructuring and the party's cadre policy. We must consider it in a broad social and political context, with due regard for the lessons of the past, the nature of the current moment and the tasks for the future.

The April plenum and the 27th Party Congress opened up the way for an objective critical analysis of the situation which has arisen in society and adopted resolutions of <u>historic importance</u> for the destiny of the country. We have begun restructuring and have done so irrevocably. The first steps on that road have been taken.

Drawing an overall political conclusion, we can say with confidence that major changes are taking place in the life of Soviet society and that positive trends are gaining momentum.

Before the plenum, I and other Politburo members and Central Committee Secretaries had many meetings and conversations with members of the Central Committee, public figures, workers, collective farmers, intellectuals, veterans and young people. The overall tenor and meaning of their statements was unambiguous: The policy line of renovating our society should be firmly pursued and efforts redoubled in every field.

The Central Committee finds it important that the policy line of the 27th Congress, the practical efforts to fulfil it and restructuring itself have been given broad support by the working people, by the whole Soviet people. This, comrades, is the most important thing thing to a ruling party.

At the same time, we see that changes for the better are taking place slowly, that the cause of restructuring is more difficult and the reasons for the problems which have accumulated in society deeper than we first thought. The further we go with our work of restructuring, the clearer its scope and significance become, and more and more unresolved problems inherited from the past emerge.

The main evaluations of the condition of society and the conclusions drawn from them by the Politburo have already been presented to the 27th Party Congress and plenums of the Central Committee. They have been fully corroborated. But today we know more, and that is why there is a need to examine once again and in detail the sources of the existing situation and to sort out the reasons for what took place in the country in the late 1970s and early 1980s.

This analysis is necessary to prevent mistakes from recurring and to carry out the resolutions of the congress, on which the future of our people and the destiny of socialism depend. It is all the more important since there still is some misunderstanding in society and in the party itself of the complexity of the situation in which the country has found itself. Perhaps this also explains questions from some comrades about the measures

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that are being taken by the Politburo and the government in the course of restructuring. We are often asked if we are not manoeuvring too sharp a turn.

We need the utmost clarity on all the vital issues, including this one. Only an indepth understanding of the situation enables us to find correct approaches to complex tasks.

By and large, comrades, there is an urgent need again to return to an anlysis of those problems which faced the party and Soviet society in the few years preceding the April plenum of the CPSU Central Committee. The experience of the past 18 months bolstered our resolve to deepen that analysis, to understand the causes of negative processes and to work out measures to accelerate our progress, to keep us from repeating mistakes and to allow us only to advance, proving in practice socialism's organic ability to continuously improve itself.

The Politburo believes that it is precisely on the basis of this approach that we should hold the current plenum.

1. Restructuring is an Objective Necessity

Comrades! Our plenum is taking place in the anniversary year of the Great October Socialist Revolution. Almost seven decades ago the Leninist party raised over the country the victorious banner of socialist revolution, of struggle for socialism, freedom, equality, social justness and social progress and against oppression and exploitation, poverty and lack of rights of nationalities.

For the first time in world history the working man and his interests and needs were placed at the centre of state policy. The Soviet Union achieved truly epoch-making successes in political, economic, social and spiritual development as it built socialist society. Under the leadership of the party, the Soviet people built socialism, won victory over fascism in the Great Fatherland War, rehabilitated and strengthened the national economy and made their homeland a mighty power.

Our achievements are tremendous and indubitable, and Soviet people by right take pride in their successes. They constitute a firm base for the fulfilment of our current plans and our intentions for the future. But the party must see life in its entirety and complexity. No accomplishments, even the most impressive ones, must obscure either contradictions in the development of society or our mistakes and failings.

We talked about this and should repeat anew today: at some point the country began to lose momentum, difficulties and unresolved problems started to pile up, and there appeared elements of stagnation and other phenomena alien to socialism. All this seriously affected the economy and the social and spiritual spheres.

Of course, comrades, the country did not cease to develop. Tens of millions of Soviet people were working honestly and many party organisations and our cadres were energetically acting in the interests of the people. All of this held back a build-up in negative processes but could not avert them altogether.

Objectively, a need for change was coming to a head in the economy and other fields - but it was not being realised through the political and practical work of the party and the state.

What was the reason for this complex and contradictory situation?

The main cause - and the Politburo considers it necessary to say so with utmost frankness at the plenum - was that the CPSU Central Committee and the leadership of the country failed, primarily for subjective reasons, to appreciate in time and in full the need for changes and the danger of a bund-up of crisis phenomena in society and to formulate a clear line for overcoming them and making fuller use of the opportunities intrinsic to the socialist system.

Conservative sentiments, inertia, a tendency to brush aside everything which did not fit into conventional patterns and an unwillingness to come to gcips with pressing socio-economic issues prevailed in policy making and practical activities.

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Comrades, the leading bodies of the party and the state bear responsibility for all

The extent to which vital problems and contradictions and tendencies and prospects in society were understood depended in many ways on the state and development of theoretical thinking and on the atmosphere which existed on the theoretical front.

Lenin's dictum that the value of a theory consists in its providing an exact picture "of all the contradictions which are present in reality" (Vol. 4, page 78) was often merely ignored. The theoretical concepts of socialism remained to a large extent at the level of the 1930s-1940s, when society had been tackling entirely different tasks. Developing socialism, the dialectics of its motive forces and contradictions and the actual condition of society did not become the subject of in-depth scientific research.

The causes of the situation go back far into the past and are rooted in that specific historical situation in which by virtue of well-known circumstances vigorous debates and creative ideas disappeared from theory and social sciences while authoritarian evaluations and opinions became unquestionable truths that could only be commented upon.

The forms of organisation of society which had emerged in practice became absolutised in a way. Moreover, such ideas were actually equated to the essential characteristics of socialism, viewed as constant and presented as dogmas which left no room for objective scientific analysis. There emerged an ossified concept of socialist relations of production, and their dialectic interrelation with the productive forces was underestimated. The social structure of society was portrayed schematically, as having n no contradictions or dynamism of the multifarious interests of its different strata and groups.

Lenin's ideas of socialism were interpreted simplistically and their theoretical depth and significance were often left emasculated. This was true of such key problems as public property, relations between classes and nationalities, the measure of work and measure of consumption, co-operation, methods of economic management, people's rule and self-government, struggle against bureaucratic distortions, the revolutionarily transforming nature of socialist ideology, the principles of education and upbringing and guarantees for the healthy development of the party and society.

Superficial notions of communism and various prophecies and abstract views gained some currency. This in turn detracted from the historical significance of socialism and reduced the influence of socialist ideology.

This attitude to theory could not but have a negative effect - and did have oneon social sciences and their role in society. It is a fact, comrades, that all manner of scholastic theorising, having no bearing on anyone's interests and vital problems, was often even encouraged in the country, while attemps to carry out a constructive analysis and put forward new ideas were not supported.

The situation on the theoretical front had a negative effect on the solution of practical problems. For decades outdated methods were perpetuated in the practice of economic management while some efficient economic forms, conversely, were groundlessly rejected. At the same time relations which did not correspond to the real maturity of society and which in some instances came into conflict with its nature were fostered in production and distribution. Production and incentive were actually oriented to quantitative, extensive growth.

Special mention should be made of socialist property. There was a serious slackening of control over who managed it and how. It was often eroded by departmental and parochial attitudes and became "no-one's", free, without any real owner, and in many cases came to be used to derive non-labour income.

There was an incorrect attitude to co-operative property, which was depicted as being something "second-rate" and having no future. All this had grievous consequences

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Conservative sentiments, inertia, a tendency to brush aside everything which did not fit into conventional patterns and an unwillingness to come to grips with pressing socio-economic issues prevailed in policy making and practical activities.

There emerged violations of a most important principle of socialism, distribution according to work. The struggle against non-labour incomes was indecisive. The policy of material and moral incentive to work efficiently was inconsistent. Large unjustified bonuses and various additional incentives were paid and distortion of reports for profit was allowed to take place. Parasitic sentiments grew stronger and the mentality of "wage levelling" began to take hold. All that hit at those workers who could and wanted to work better, while making life easier for the idle.

The violation of the organic relationship between the measure of work and measure of consumption not only deforms the attitude to work, holding back the growth of productivity, but leads to distortion of the principle of social justness, and that is a matter of great political importance.

Elements of social corrosion which emerged in the past few years had a negative effect on society's morale and somehow, unnoticed, eroded the lofty moral values which have always been characteristic of our people and of which we are proud, namely, ideological dedication, labour enthusiasm and Soviet patriotism.

As an inevitable consequence of all this, interest in the affairs of society slackened, manifestations of callousness and scepticism appeared and the role of moral incentives to work declined. The stratum of people, some of them young people, whose ultimate goal in life was material well-being and gain by any means, grew wider. Their cynical stand was acquiring more and more aggressive forms, poisoning the mentality of those around them and triggering a wave of consumerism. The spread of alcohol and drug abuse and a rise in crime became indicators of the decline of social mores.

Disregard for laws, distortion of reports, bribe-taking and encouragement of toadyism and adulation had a deleterious influence on the moral atmosphere in society.

Real care for people, for the conditions of their life and work and for social wellbeing were often replaced with political flirtation - the mass distribution of awards, titles and prizes. An atmosphere of permissiveness was taking shape, and exactingness, discipline and responsibility were declining.

Serious shortcomings in ideological and political education were in many cases disguised with ostentatious activities and campaigns and celebrations of numerous jubilees in the centre and in the localities. The world of day-to-day realities and that of makebelieve well-being were increasingly diverging.

The ideology and mentality of stagnation had their effect on the state of culture, literature and the arts. Criteria in appraising artistic creative work were reduced. As a consequence, there appeared quite a few mediocre, faceless works which did not give anything to the mind or the heart, along with works which raised serious social and moral problems and reflected true-to-life collisions. Stereotypes from bourgeois mass culture with its propagation of vulgarity, primitive tastes and spiritual callousness began to infiltrate Soviet society to a greater extent.

I cannot help mentioning here the responsibility of our ideological agencies, editors of arts journals, leaders of articstic unions, literary critics, men of letters themselves and workers in the arts, for the ideological and artistic direction of the creative process and for the moral health of the people.

There was a lack of principledness, exactingness and true care for fostering and encouraging talent in the work of the artistic unions. Questions of paramount importance, relating to the state of affairs in and condition of the cultural sphere, often failed to get adequate attention from the leaders of the unionss. At the same time, redtape and formalism flourished and extreme intolerance of criticism emerged. In some cases excessive ambitions began to take the upper hand over realistic appraisals and selfappraisals.

The situation was aggravated by the fact that the party approach to artistic work was often replaced by unwarranted departmental interference in purely creative processes and with sympathies and antipathies based on personal predilections, while methods of ideological influence and guidance gave way to administration by decree.

Comrades, the condition of the party itself and its cadres also had an effect on the socio-economic and political situation which took shape in the late 1970s and early 1980s.

The leading party bodies were unable to appraise the danger of the growth of negative tendencies in society and in the conduct of some communists in good time, and critically, and to take decisions which life was imperatively demanding.

Although possessing immense potentialities and acting virtually in all work collectives, many primary party organisations failed to keep to positions of principle. By no means all these organisations waged a resolute struggle against negative phenomena, permissiveness, mutual protectionism, slackening of discipline and the spread of drunkenness. Departmentalism, parochialism and manifestations of nationalism were not always properly rebuffed.

Our party organisations sometimes lacked a combative spirit, exactingness towards party members and adequate attention to the development of ideological and political qualitites in communists. And yet it is precisely high ideological standards, conscientiousness, readiness to subordinate one's personal interests to those of society and selfless service to the people which are the most valuable qualities which were always characteristic of Bolsheviks.

The situation in the party was also influenced by the fact that in a number of cases the party bodies did not attach proper attention to strict compliance with Leninist principles and the norms of party life. This made itself especially manifest, perhaps, in breaches of the principles of collective work. [Tass English: leadership]. What I mean is the weakening of the role of party meetings and elective bodies, which denied communists the opportunity energetically to contribute to the discussion of vital issues and, in the final analysis, actually to influence the atmosphere in labour collectives and in society as a whole.

The principle of equality between communists was often violated. Many party members holding leading posts were outside control or criticism, which resulted in failures in work and serious breaches of party ethics.

We cannot overlook the just indignation of working people at the conduct of those senior officials, in whom trust and authority had been vested and who were called upon to stand guard over the interests of the state and of those citizens who themselves abused their authority, suppressed criticism, sought gain and some of whom even became accomplices in, if not organisers of, criminal activities.

Negative processes related to the degeneration of cadres and breaches of socialist legality manifested themselves in extremely ugly forms in Uzbekistan, Moldavia, Turkmenia, some oblasts of Kazakhstan, in Krasnodar Kray, Rostov Oblast and also in Moscow, in some other towns, oblasts, krays and republics and in the systems of the Ministry of Foreign Trade and the Ministry of Internal Affairs.

Naturally, party organisations and the party as a whole were fighting those phenomena and had expelled from the CPSU a considerable number of renegades. Among them were people guilty of embezzlement, bribe taking and inflation of reports, people who violated state and party discipline and indulged in heavy drinking.

The overwhelming majority of those who have joined the party are the best representatives of the working class, the peasantry and the intelligentsia. They have sincerely and selflessly done their party duty. Yet we should admit that in those years there was no strong barrier put up in the way of dishonest, pushing, profit-seeking people who were intent on benefiting from their party membership.

We deviated to some extent from the rule that the main thing was not the number of new members but the quality of the party ranks. And as a result the combativeness of party organisations was affected.

Everything said above, comrades, shows how serious the situation was in different spheres of society and how urgent was the need for profound changes. This makes it all the more important to stress once again that the party found in itself the strength and courage to take a sober view of the situation, to admit the need for drastic changes in policy, in the economy and social, cultural and intellectual fields and to steer the country onto the road of change.

It was in this situation, comrades, that the matter of accelerating the socioeconomic development of the country, the matter of restructuring, was raised. The case in point is actually a radical turn and measures of a revolutionary nature. As we talk about restructuring and associated processes of the profound democratisation of society, we mean truly revolutionary and comprehensive transformations in society.

We need to make this decisive turn because we just don't have the choice of another way. We must not retreat and do not have anywhere to retreat to. We must steer the course charted by the April Plenum of the Central Committee and the 27th Congress consistently and unswervingly, go forward and take society to a qualitatively new level of development.

When starting social change, it is imperative, as V.I. Lenin taught, to know the anwers to the question: "How is this change to be explained and what are the limits of its practical application?" (Vol. 43, p.147). Criticism of the past - an important part of progress - makes it possible to draw lessons and conclusions for today and tomorrow and facilitates the constructive work of choosing the right ways and means of making headway. We have evolved a scientifically valid acceleration strategy, being clearly aware that any rashness or spontaneity in shaping the notions of the future are no less dangerous than inertia and dogmatic distortions.

Today, it is essential to say once again what we mean by restructuring.

Restructuring is a decisive reversal of the processes of stagnation, destruction of the braking mechanism and the creation of dependable and efficient machinery for expediting the social and economic progress of Soviet society.

The main aim of our strategy is to combine the achievements of the scientific and technical revolution with a plan-based economy and bring the entire potential of socialism into action.

Restructuring is reliance on the creative endeavour of the masses, all-round extension of democracy and socialist self-management, encouragement of initiative and self-organised activities, better discipline and order, greater openness, criticism and selfcriticism in all neids of public life and high respect for the value and dignity of the individual

Restructuring is the ever greater role of intensive growth factors in Soviet economic development, reinstatement and enhancement of the Leninist principles of democratic centralism in the management of the national economy, employment of costbenefit methods of management everywhere, renunciation of the domineering style of management and administration by decree, conversion of all units of the economy to the principles of full-scale economic accountability and new forms of organising labour and production, and every kind of incentive for innovation and socialist enterprise.

Restructuring is a decisive turn to science, the business-like partnership of science and practice in the name of the highest possible end results, ability to put any undertaking on a sound scientific basis, readiness and keen desire on the part of scientists to assist the party's policy of revitalising society, and concern for the development of science for increasing the number of research personnel and for making them actively involved in the process of change.

Restructuring means the priority development of the social sphere, ever more fully meeting Soviet people's requirements for good working and living conditions, recreational facilities, education and medical services. It means unfailing concern for raising the intellectual and cultural standards of every person and of society as a whole, it is the ability to combine decision-making on the major, cardinal problems of public life with that on the current issues of immediate interest to the people.

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Restructuring means vigorously ridding society of any distortions of socialist morals, consistent enforcement of the principles of social justice, harmony between words and deeds, indivisibility of rights and duties, promotion of conscientious, highquality work and overcoming of pay-levelling tendencies and consumerism.

The final aim of the restructuring effort is, I believe, clear: it is to effect thorough-going change in all aspects of the country's life, to give socialism the most advanced forms of social organisation and bring out the humane nature of our system in all decisive aspects - economic, social, political and moral - to the fullest possible degree.

This, comrades, is the job on which we have embarked. The reorganisation effort is unfolding along the entire front. It is acquiring a new quality, not only gaining in scope but also penetrating the deepest fibre of life.

Restructuring has stirred all healthy forces in society to action and given people greater confidence in what they are doing. An objective and self-critical assessment of the state of things, a departure from formalism and set routine in their work, and the search for new off-beat [Russian: neordinarnyy] solutions to problems are becoming typical of more and more party committees, public organisations and labour collectives. We feel active and resolute support from workers and peasants, frome intellectuals in the arts, science and technology, and from all sections of Soviet society.

A new moral atmosphere is shaping in the country. A reappraisal and creative rethinking of values is under way, debates have opened on ways of transforming the economy and social and cultural life, and the quest for new methods of organisational and ideological work has been expanding. Public openness and candour in judging phenomena and developments, intolerance of shortcomings, and the desire to secure improvements have been increasingly affirming themselves as effective principles of life.

Exactingness and discipline and the level of organisation in production have been rising and there is greater order. The first steps in restructuring - spiritual life are especially important to us, comrades, because we cannot hope to succeed without decisively changing public awareness, without changes in psychology and thinking, in the mood of peopl. We have begun to radically transform the material and technical base, to reconstruct deeply the national economy on the basis of scientific and technical progress and to change structural and investment policies. Large-scale goal-orientated programmes have been adopted in the leading areas of scientific and technical progress. The 12th Five-Year Plan has been drawn up and is being implemented with due consideration for them.

Major measures are being implemented to improve management further. From the start of this year all industrial enterprises and associations have been switched over to experimentally tried-and-tested methods of economic management. A number of industries, enterprises and associations have begun working on the basis of complete financial autonomy and self-financing.

The branches of the economy directly involved in supplying the needs of the population such as the agro-industrial complex, light industry, retail trade and the services sphere have begun operating on principles which ensure broad independence while increasing their responsibility. Fundamental change is taking place in the way the capital construction industry is run. A system of state acceptance of output has been introduced at 1,500 leading enterprises with a view to stepping up the struggle for high product quality. Applied by the struggle for high product of the struggle of the struggle for high product.

The system of foreign economic activities is being restructured. The rights of enterprises and industries in foreign economic relations have been broadened. New forms of co-operation, including direct relations between enterprises, joint associations and specialised-production and co-production schemes with foreign partners are being further developed. Substantiation and co-production schemes with foreign partners are being further developed. Substantiation and co-production schemes with foreign partners are being further developed. Substantiation and co-production schemes with foreign partners are being further school grubshate as an integrated system for running the national school with the aim of moving over to an integrated system for running the national economy, permanently operating organs have been set up at the USSR Council of Ministers to manage groups of inter-related industries. A Law on the State Enterprise (Association) has been drafted and work is proceeding to draw up documents on ways of

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perfecting the functions of central economic bodies, ministries and departments to fit in with the new economic machinery and to prepare proposals on organising new forms of large financially autonomous production structures based on associations and enterprises and on a number of other important matters.

Major measures are being implemented to improve things in the social field. New principles have been worked out, and are being implemented, for raising pay in sectors of production. We are firmly set on the course of abandoning wage-levelling and consistently observing the socialist principle of distribution in accordance with the quantity and quality of work.

At the same time unwarranted restrictions of individual labour activity have been lifted and favourable conditions are now being provided to promote this kind of work activity. People are being encouraged to set up co-operatives in various areas of production and services to meet consumer demand more fully.

Following up an analysis of the situation in housing construction and considering the programme task of providing every family with a separate flat by the year 2000, extra reserves have been found to quicken the pace and improve the quality of home building. An additional 10% of capital investments are being earmarked for this purpose, which will make it possible as early as 1987 to increase the amount of housing construction by 9.1 million sq.m., or nearly 8%, as compared with the target in the Five-Year Plan.

The scale of home building by co-operatives and individuals is growing. Easyterm credits are being offered and the necessary resources made available, and measures are being adopted, among others, to promote the economic method of building homes by enterprises from their own funds and to increase the productive capacity of the construction industry.

A programme has been drawn up for building and reconstructing medical institutions, more facilities are being provided to produce pharmaceuticals and medical equipment, and work to introduce and develop new forms of medical services and organise medical science are being speeded up. In organic connection with this measures are also being taken to improve people's working and daily-living conditions, extend the system of preventive treatment, eradicate drunkenness and alcholism and reduce sickness rates. Medical workers are having their pay increased.

So even a brief review of the work that has been planned and started, comrades, demonstrates the immense sweep of the restructuring work under way across the land. The amount of work facing us is enormous but it cannot be otherwise. The party does not have the right to slacken its attention to any single sector of restructuring. Everything planned must be carried out without fail, fulfilled precisely and on time.

Of course, some of the measures we are working out and implementing will only yield practical results after some time. But even today the very atmosphere and new public mood are already changing attitudes to work and bringing about practical, palpable results.

This is borne out, among other things, by the results of work to fulfil the plan for the first year of the current Five-Year Plan period.

Generated national income went $u_{i'}$ by 4.1% as against 3.9% in the plan and as compared with the annual average of 3.6% in the previous five-year period. Industrial production grew by 4.9%, which is a third more than the average annual increase in the 11th Five-Year Plan and makes the highest growth rate for the past nine years.

You know that the 12th Five-Year Plan period is of decisive significance to us in terms of modernising the country's machine-building sector, updating production assets and speeding up scientific and technical progress. The task of priority development of the machine-building sector is being tackled amid great difficulties, but nevertheless it is under way. In the past year the production of industrial robots has increased by 14%, that of flexible automated production systems 2.6 times, that of production modules 2.2 times and that of machining centres 1.4 times. Capital investment in retooling and reconstruction of existing machine-building enterprises grew by 30%. The Politburo will keep

constant watch over how the programme concerning the machine-building branch is being fulfilled. We hope that machine-builders will cope with the tasks set them.

Things are looking up also in a number of other industries. Ferrous metallurgy, coal mining and the gas industry ended the year with results that were not bad and the ground lost in oil production is also being made up.

Labour productivity in industry rose overall by 4.6% as compared with the planned target of 4.1%. This increase accounted for 96% of the growth in output for the year. Unit production costs dropped noticeably for the first time in many years. The turnover rate of material assets went up, while the stocks of uninstalled plant, including imported equipment, were reduced.

Improvements in the agrarian sector are there for all to see. As compared with the average annual harvests in the past five-year period, grain productin in 1986 increased by almost 30 million t or 17%; potatoes by nearly 9 million t or 11%; sugar beet by almost 3 million t or 4%; meat by 1.5 million t or 9%; milk by 6.5 million t or 7%; and eggs by almost 6,000 million or 8%.

As you see comrades, output has begun to grow, something we have not seen as regards the majority of most important indices for many years. However, it must be said that the growth in output of such crops as vegetables, fruit, sunflower and cotton was either insignificant or zero.

It is also important to note the improvement of the main financial and economic indices in the performance of collective farms and state farms. Labour productivity in the socialised economy increased during the year by 6.9%, the profit rate amounted to 19% and profits went up by R 2,000 million.

However, while noting the positive changes in the development of the economy, it should be said that the plan for the year that set targets for growth of national income used for comsumption and accumulation was not fulfilled, because of big losses and nonproductive outlays and non-fulfilment of assignments to expand trade turnover.

The increments in such key indices as real per capita incomes of the population, gross agricultural output, manufacture of consumer goods by industry, volume of capital investments and introduction of fixed assets into operation and profit from the national economy fell short of plan assignments despite a substantial increase as compared to the previous year. Nor have there occurred serious changes in the investment process. Only two-thirds of the projects included in the list in the state plan were put into service.

Changes in the social sphere have begun all the same, but with great difficulty. The number of accidents and loss of working time have declined for the first time since the 1960s after the measures taken to strengthen discipline and combat alcohol abuse. The total number of crimes has dropped by almost a quarter and the number of grave crimes by a third. The fight against violations of law and order has been intensified everywhere.

The volume of housing construction has grown and this has made it possible to surpass the 1985 figure by 5.2 million sq.m. More kindergartens and nurseries, schools, outpatient clinics and hospitals, cultural institutions and service establishments have been built.

In short, there are positive changes. But the weight of problems which have accumulated in this important sphere is too great and we are still too timid in tackling them.

As you know, it was with great difficulty that reserves were found to expand construction of housing, cultural institutions and service establishments. But alas, not everyone made proper use of these opportunities. Many construction plans for these projects were not fulfilled. The reasons for this should be sought not only in the lack of organisation of builders but also in insufficient attention from enterprises, ministries, local soviets and party committees. We still have difficulties with trade in foodstuffs and manufactured goods, with urban transport and the utilities, with institutions of public health care and culture. In short, we have not yet achieved fundamental changes in the development of the social sphere and remain largely in the power of old approaches.

Concluding my description of the work conducted by the party and by the whole people to implement the resolutions of the 27th Congress, I would like to say the following:

It is very important for us members of the Central Committee to adopt a realistic stand, make an objective assessment of what has been done and view the results obtained not just from past positions but above all proceeding from our announced plans and promises made to the people. This is the only correct party approach.

We must clearly realise that we are only at the initial stage of restructuring. The main and most complex work is yet to come. We must advance persistently, step by step, without wavering. We must soberly assess what has been done. We must not be afraid to rectify mistakes. We must search for and find new ways and means of solving tasks as they arise and definitely achieve advance towards the set goals.

We should firmly master the lesson of the past - that no gap should be allowed to form between decisions and practical work to implement them. There should be no conceit and complacency. I am saying this once again because we encounter this even now.

We must act, act and act once again - vigorously, boldly, creatively and competently.

The need to pose the question thus is dictated by the fact that to this day in many economic, government, state and even party bodies and in work collectives themselves by no means everyone is marching in step with the demands of life. There are quite a few people who are slow to throw off the burden of the past, who are adopting a waitand-see attitude and openly putting a spoke in the wheel, impeding the extensive development of the people's political, public and labour activity.

Not all have understood that to work in the new way means to give up resolutely old habits and methods. In the long run this depends on the civic stand of every person, on a conscientious attitude to the job one is allocated, to one's duties, and we are all responsible for this to the party, the country and our own conscience.

Meetings and conversations with working people and, with party and economic cadres show that the restructuring is receiving ardent support. It can be said that the people are all for restructuring. But what attracts attention is that many people, while supporting innovations, believe that people must restructure somewhere higher up, that this has to be done by others - by party, state and economic bodies, other branches of the economy, allied enterprises, by others in the production shop, on the farm or building site. In short, this must be done by everybody except themselves.

No, comrades, while justly demanding restructuring at every level, each of us must begin with himself. Everybody - workers, collective farmers, intellectuals, in short everybody from the work collective to the Central Committee of the CPSU and the government, must work in a new way - vigorously, creatively and I repeat conscientiously.

In the immense undertaking of restructuring we communists rely above all on a high degree of awareness and organisation, social initiative and the major labour accomplishments of the working class, the leading political force of our society.

While thinking highly of the party's course of restructuring, the working class and all Soviet people at the same time express concern about the course of the way it is being implemented in practice. They call on the party not to rest on its laurels, but to act resolutely, advance and undeviatingly implement the adopted course.

From this, comrades, we must draw political conclusions.

Since such concern exists in society it means that our efforts are still insufficient, it means that we are not yet acting with the necessary effectiveness and vigour everywhere and in everything. It means that the measures that are being taken and the work that is being done do not accord by any means everywhere with the scope and acuteness of the accumulated problems, that not everything is being done as is demanded by the times.

This means, comrades, that the Central Committee has a substantial reason for analysis and drawing the essential conclusions.

We understand of course that the process of overcoming existing stereotypes of thinking and acting is a complex and not unpainful process requiring time and a considered approach.

It is absolutely clear that this process cannot proceed autonomously, in isolation from the transformations in political, socio-economic and spiritual life.

We must clearly realise that today a whole system of measures is needed. This includes the formulation of theoretical provisions based on the realities of our time and a thoroughly substantiated scientific forecast of the future, changes in social consciousness and a consistent development of democratic institutions, fostering the political culture of the masses and the restructuring of the mechanism of economic management and organisational structures and, of course, the pursuit of a vigorous social policy.

This is the only way to remove the mechanism holding back progress and to give the necessary scope to the forces of acceleration.

I think today's plenum of the Central Committee should tell the party and the people that a difficult struggle lies ahead, requiring of every communist and every citizen a high degree of consciousness and organisation, tenacity and utmost selflessness.

Comrades! The analysis of the state our society was in on the eve of the April plenum of the Central Committee and the experience of restructuring raise with all acuteness the most important question:

Do we have guarantees that the process of transformations that we have started will be continued to the end, that the former mistakes will not be repeated and that we will be able to ensure the full-blooded development of our society?

The Politburo answers these questions in the affirmative: Yes, we do have such guarantees.

These are the single will, the joint actions of the party and people united by past experience, by awareness of responsibility for the present and the future of the socialist homeland.

They are the all-round development of the democratism of the socialist system, the real and ever more active participation of the people in solving all matters in the country's life; they are the full restoration of the Leninist principles of openness, public control, criticism and self-criticism; they are sincerity in politics, which consists in the unity of words and deeds.

Finally, these are the healthy development of the party itself, its ability to critically analyse its own activity, its capacity to renovate the forms and methods of its work, to determine on the basis of revolutionary theory the prospects of development of society and struggle to solve the new tasks life poses.

It is precisely the deepening of socialist democratism, the creative endeavour of Soviet people, the vanguard role of communists in practical deeds that will ensure both the success and the irreversibility of the revolutionary transformations mapped out by the 27th Congress.

II. To Deepen Socialist Democratism and Develop Self-Government by the People

Comrades! We now understand better than before the entire depth of Lenin's thought about the living, inner link between socialism and democracy.

The entire historical experience of our country has convincingly demonstrated that the socialist system has in fact ensured citizens' political and socio-economic rights and their personal freedoms, has revealed the advantages of Soviet democracy and has

But in conditions of restructuring, when the task of intensifying the human factor has become so urgent, we must return once again to Lenin's approach to the matter of the maximum democratism of the socialist system under which people feel that they are their own masters and creators.

"We must be guided by experience, we must allow complete freedom to the creative faculties of the masses," Vladimir Lenin said (Vol.35, p.27).

Indeed, democracy whose essence is the power of the man of labour is the form of realising his extensive political and civil rights, his interest in transformations and practical participation in their implementation.

A simple and lucid thought is becoming increasingly entrenched in social consciousness: a house can be put in order only by someone who feels that he owns this house. This truth is correct not only in the worldly sense but also in the socio-political one.

This truth must be undeviatingly applied in practice. I repeat, in practice. Otherwise the human factor will be ineffective.

It is only through the consistent development of the democratic forms inherent in socialism, through a broadening of self-management that our advancement in production, science and technology, literature, culture and the arts, in all areas of social life is possible. It is only this way that ensures conscientious discipline. Restructuring itself is possible only through democracy and due to democracy. It is only this way that it is possible to give scope to socialism's most powerful creative force - free labour and free thought in a free country.

Therefore the further democratisation of Soviet society is becoming the party's urgent task. Herein, properly speaking, lies the essence of the course of the April plenum and of the 27th CPSU Congress for deepening socialist self-government by the people. The point at issue is certainly not any break up of our political system. We should make use with maximum effectiveness of all its potentialities, fill the work of the party, the soviets and the state bodies, public organisations and labour collectives with deep democratic content and breathe new life into all cells of the social organism.

This process is already under way in the country. The life of the party organisations is becoming more full-blooded. Criticism and self-criticism are broadening. The mass media have begun working more actively. The Soviet people can sense well the salutary effect of public openness, which is becoming a norm of society's life.

The congresses of creative unions proceeded in an atmosphere of principledness and criticism. New public organisations are being set up. The All-Union Organisation of War and Labour Veterans has come into being. The Soviet Cultural Foundation has been set up. Work is under way to set up women's councils. All these facts indicate the growing participation of the working people in social affairs, in the administration of the country.

What does the Politburo see for further deepening of Soviet society's democratism?

We shall be able to boost effectively people's initiative and creativity if our democratic institutions vigorously and effectively influence the state of things in every labour collective, whether it concerns planning, organisation of labour, distribution of material and other benefits, or selection and promotion of the most authoritative and competent people to leading positions.

It can confidently be said that the sooner every Soviet citizen feels these changes in his or her own experience, the more active his or her civic positions and participation in all public and state affairs will be.

given each person confidence in the morrow.

The development of democracy in production is of paramount significance, the consistent introduction of genuine self-administration principles in the work of labour collectives. The economy is the decisive area of society's life. Tens of millions of people are occupied there daily. Therefore the development of democracy in production is the most important trend in deepening and broadening socialist democracy as a whole. This is the lever which will make it possible to ensure the broad and active participation of the working people in all areas of social life and make it possible to avoid many blunders and miscalculations.

The most important practical objective is to create conditions and introduce forms of organisation of production which will enable every working person to feel himself or herself true masters of the enterprise.

And this is a lofty and responsible position. It not only gives one broad rights in the real administration of affairs, but also presupposes great responsibility for all that is happening in the labour collective.

Diverse forms of participation by the working people in production management have asserted themselves in the course of building socialism. The life of labour collectives is unthinkable without the party, trade union, Komsomol and other public organisations. The role of workers' meetings and collective agreements has been growing of late, new forms of democracy, such as the councils of production teams and workshops, have come into being and conditions are ripe for still further steps along that path.

Life itself has placed on the agenda the need for drawing up such a fundamental legal act as the Law on the State Enterprise, whose draft has already been issued to you. That law is designed to change radically the conditions and methods of management in the main section of the economy, to consolidate in the activities of enterprises the combination of the principle of planning and full financial autonomy, independence and responsibility, to make law the new forms of self-administration born of the creativity of the masses.

The law is intended to put into practice one of the most important directives of the party congress, that is, the line towards effective use of direct democracy. The powers to be given under the draft law to the general meetings and councils of labour collectives in resolving matters in connection with production, social and cadre affairs will be a major political measure in proceeding, as V.I. Lenin put it, "to genuine self-government by the people" (Volume 34, p 316).

The consistent implementation of the Law on the State Enterprise in combination with the package of measures being implemented now in the economic field will, we believe, create a new situation altogether in the national economy, become an accelerator of economic development and lead to the qualitative further improvement of many aspects of social life. Considering the tremendous significance of that law, the Politburo proposes that the draft of it be submitted for nation-wide discussion. I believe that the members of the Central Committee will support this proposal.

Our collective farms and socialist co-operation as a whole have broad potential that is still far from being fully used for democratising the management of the economy and the social sphere.

The restructuring of the system of administration in the agro-industrial complex and the resolution on further development of co-operation in other sectors of the national economy create good prerequisites for making use of these potentialities. In that connection it would be advisable, in our view, to convene a new congress of collective farmers to discuss the pressing problems of life of collective farms and make the necessary amendments to the Model Rules of the Collective Farm.

The Politburo actively supports the practical steps already undertaken in many republics, krays and oblasts to broaden other co-operative forms of activity. This will make it possible to meet even more fully the growing demand of the population for many commodities and services and will also create additional conditions for the development of democratism in the economic field and for better realisation of man's opportunities. It is necessary, comrades, resolutely to overcome vaccilations as regards the co-operative movement, vaccilations which existed in the past and can still be observed to this day.

Far from its potentialities being exhausted, co-operation holds out great prospects.

Why am I returning to this issue and emphasising it? Because even since the 27th CPSU Congress, despite the resolutions adopted by the Central Committee and the government on the development of co-operation in the field of material and technical supply, consumer services and public catering, municipal economy, local industry and construction, this matter has not been given due scope. All sorts of obstacles are being put in its way, the commitment to administrative-bureaucratic methods of management is still strong, as is rejection of forms of management which are out of tune with the concepts that have traditionally taken shape, even if these are vital and stimulate the initiative of the working people and enhance their social activeness.

Some comrades, apparently, find it hard to understand that democratism is not just a slogan but the essence of the restructuring. They must change their views and habits so as not to find themselves out of the mainstream of life. This is our persistent advice to all who are still doubting and slow.

It is necessary to single out the matter of the appointment by election of heads of enterprises, factories, workshops, departments, sections, farms and teams, team leaders and foremen. The stage reached today in restructuring, the transition to new methods of economic management, financial autonomy, self-financing and self-recouping make that task a very practical one. This is an important and indispensable measure, and it will, undoubtedly, meet with the working people's approval.

We have embarked in a big way on the path of transferring enterprises to full financial autonomy, self-financing and self-recouping; we have introduced the state acceptance service. This means that the profits of enterprises, all forms of incentives for members of the labour collective and the degree to which social demands are met will depend totally on the ultimate results of work, the quality and quantity of the products made and the services rendered.

Under these conditions workers and collective farmers are far from indifferent as to who heads the enterprise, workshop, section and team. Since the well-being of the collective is made dependent on the abilities of the managers, the working people should also have real opportunities to influence the election process and check on their activities.

Certain experience in open, public selection of management has been gained in the country. Thus more than 8,500 leading workers have been promoted in Krasnodar Kray since 1983 with due regard for the opinion of collectives and primary party organisations. Yet 200 candidates did not have the support of the working people and were rejected. The same kind of experience has also been acquired in a number of other places. It has been received favourably by the people and is having a positive effect on the results of work.

To sum it all up, comrades, from whatever viewpoint we may approach that important matter, we cannot help drawing one conclusion: the time has come for change, for democratising the process of management formation at enterprises on the basis of all-round application of the elective principle. This, as you understand, means a qualitatively new situation, a completely altered form of participation by the working people in the management of production and a significant enhancement of the role and responsibility of the collective for the results of its activities.

All this should be taken into account in the course of the practical resolution of that issue. Yet I would like to convey one idea right now.

The point at issue is one-man management [Russian: yedinonachaliye]. We think that electiveness, far from undermining, on the contrary enhances the authority of the leader, who feels the support of the people who elected him, enhances the feeling of responsibility for the job, and mutual exactingness in the collective.

The role of party and public organisations and of economic management bodies must be interpreted in a new way. A great amount of work is to be carried out to inculcate in all our cadres a correct understanding of the fact that expansion of democracy in production presupposes an organic combination of one-man management and collectivity, a deepening of democratic centralism and development of selfadministration.

The Politburo considers the further improvement of the Soviet electoral system to be one of the main avenues in democratising our life. Appropriate proposals are being drafted on that issue on the instructions of the 27th Congress.

What can be said in that connection? The existing electoral mechanism ensures representation for all sections of the population in the elected organs of power.

The working class, the collective farm peasantry, the intelligentsia, women and men, veterans and young people and all the country's nationalities and ethnic groups are represented in the present soviets at all levels.

The elective bodies reflect the social, professional and national structure of Soviet society and the diversity of the interests of the entire population. This in itself is an immense achievement of socialist democracy.

But, just like all political, economic and social institutions, the electoral system cannot remain hard set and uninvolved in restructuring and the new processes developing in society.

What is the essence of proposals and wishes on these matters that working people are sending in to the CPSU Central Committee, the Presidium of the USSR Supreme Soviet and to other central bodies and the mass media?

From the political point of view, it is a matter of deepening the democratism of the electoral system and of more effective and real participation of the electorate at all stages of the pre-election and election campaigns.

Specifically, what most proposals come down to is that voters at meetings in labour collectives and at places of residence, as well as at pre-election meetings, should discuss, as a rule, several candidacies, that elections be held in larger constituencies, and that several deputies be elected from each of them. Comrades believe that this would enable each citizen to express his or her attitude to a broader range of candidates and will enable party and local soviet bodies to get to know better the sentiments and will of the population.

Responding to these wishes we should look anew at the way the elections themselves are organised and at the practice of nomination and discussion of candidacies for people's deputies. It is essential to rid the voting procedure of formalism and to see to it that the election campaign already this year be held in an atmosphere of broader democratism and interested participation of people in the process.

TA SEEN Pople. As far as a legislative act on introducing adjustments to the electoral system is concerned, it would be useful to publish its draft for preliminary discussion by all the people.

The implementation of these proposals would be the first important step towards further democratisation of the process of forming the bodies of state power and of their functioning. But, obviously, it is also necessary to consider deeper changes and further steps in this direction. With due regard for the experience gained and the new tasks we must once again take a most thorough and deep look into Lenin's legacy on matters of building the Soviet state and draw on it in dealing with the tasks that society is faced with today.

It is quite natural that matters concerned with broadening inner-party democracy should be considered within the overall course of further democratisation of Soviet society.

Flections

As is known, a number of important provisions aimed at strengthening the democratic principles of the party's life were introduced at the 27th Congress by means of the changes and additions to the CPSU Rules. This work should be continued. It appears advisable to take counsel about perfecting the mechanism of forming leading party bodies.

Many different proposals have come in to the Central Committee in this connection. Allow me to report on the conclusions which have been drawn on the basis of the generalisation of these proposals.

To begin with, the formation of elective bodies in the primary party organisation. The gist of most proposals on this score is to give full scope to the expression of the will of all communists without exception during the election of secretaries of party buros and party committees and in raising their accountability to those who elect them.

There is also a need to think of changing the procedure for the election of secretaries of rayon, okrug, town, oblast and kray committees of the party and the central committees of the communist parties of the union republics. Here comrades suggest that secretaries, including first secretaries, could be elected by secret ballot at the plenums of the respective party committees. In that case the members of the party committee would have a right to enter any number of candidacies in the voting list. Such a measure should seriously raise the responsibility of secretaries to the party committees which elected them, give them more confidence in their work, and make it possible to determine more accurately the degree of their authority.

Of course, the statutory principle, under which the decisions of higher bodies are binding on all lower party committees, including those on cadre matters, should remain unshakeable in the party.

The Politburo's opinion is that further democratisation should also apply to the formation of the central leading bodies of the party. I think this is wholly logical. It would seem logical to democratise the elections of leading bodies in other public organisations as well.

Comrades, I think you will agree that all these measures will strengthen the foundations of democratic centralism in party life and will promote stronger unity and cohesion of party ranks and greater discipline, responsibility and activity on the part of each communist, all party organisations and the party as a whole.

The questions will possibly arise: Shall we not be complicating the procedure of formation of the elective bodies of the party, to what extent is all this justified, and in what measure will it facilitate matters?

Ever since the April plenum of the Central Committee we have been continuously emphasising that the problems which have accumulated in society are connected to a considerable extent with shortcomings in the activity of the party itself and in its cadre policy.

The Politburo holds that the further democratisation of the process of forming elective bodies is one of the important conditions for enhancing vital activities by the party, for infusion of fresh blood and for active work by party organisations and a safeguard against repetition of the errors of the past.

Elections within the party are not a formal act, and we should approach their preparation in a well-considered way and in a spirit of high responsibility, proceeding from the interests of the party and society.

The democratisation of society poses anew the question of control over how the party, local soviet and economic bodies and their cadres work. As far as control "from above" is concerned, marked changes, as you know, have occurred in this respect of late. So-called "forbidden areas" for criticism and control are receding into the past. The Politburo and the Secretariat of the Central Committee at their meetings regularly hear reports by the central committees of the communist parties of the union republics and kray and Oblast party committees, and consider other fundamental matters concerning the life of the party and society in-depth and comprehensively. The USSR Council of Ministers and its Presidium have begun to make much more exacting demands of ministries and departments and the councils of ministers of the union republics.

Although, frankly speaking, the Politburo, the Secretariat of the Central Committee and the government have still a lot to do in this respect. We still have to return to one and the same matter several times over and to take additional measures to secure its solution. This has been vividly shown, in particular, by the discussion at the latest meeting of the Politburo on the progress of implementation of the resolutions of the Central Committee and the USSR Council of Ministers on accelerating the development of machine-building. We take the necessary decisions but, as before, we do not implement them to the full and on time. This happens also because many have not yet got rid of the burden of old habits and an irresponsible attitude to their duties. Discipline is lax. Far from all leaders follow the principle of unity of words and deeds, while others talk more than work. We must draw the most serious conclusions from this.

But even given all the importance of control "from above", it is of fundamental importance in the conditions of the democratisation of society to raise the level and effectiveness of control "from below" so that each leader and each official constantly feels his responsibility to and dependence on the electorate, the labour collectives, public organisations the party and the people as a whole.

The main thing in this respect is to create and strengthen all instruments and forms of real control stemming from working people.

What instruments and forms do I have in mind?

Accountability, first of all. The time has come strictly to observe rules for systematic accountability by all elected and appointed officials to labour collectives and to the population. It is necessary that each such report be accompanied with a lively and principled discussion, criticism and self-criticism and business-like proposals, and end with an evaluation of the activities of the person giving an account of his work.

That will be the implementation in practice of Lenin's behest that the work of elective bodies and leaders be open to everyone and be done in sight of the mass of the people. If we achieve such control, there can be no doubt that many causes for complaint and messages to higher organisations will disappear, and most matters raised in them will be solved at local level. In the conditions of broad democratism, people themselves will put things in order in their collective, town or village.

The soviets of people's deputies, trade unions and other public organisations have immense resources for control. In the supreme and local soviets it is necessary to strengthen the democratic principles of the work of the sessions, standing commissions and deputies and raise the efficiency of regular accountability of officials to the soviets and the practice of inquiries by deputies. Such an approach will even further consolidate the prestige of the bodies of people's power among the masses.

While perfecting control, it is necessary to regulate without delay the veritable avalanche of all manner of verifications and inspections at enterprises, institutions and organisations which distract people from work and introduce an element of nervousness into work. The actual value of them is, as a rule, negligible. These issues are not new. They have repeatedly been spoken of and written about. But the state of affairs has not changed so far. It would seem that the Secretariat of the Central Committee and the Presidium of the Council of Ministers of the USSR should straighten out these matters and follow the principle of quality, not quantity, in such inspections.

In seeking a more healthy atmosphere in society, it is essential to further encourage openness. This is a powerful lever for improving work at all levels of our development and an effective form of control by the whole people. The experience which has been gained since the April plenum of the Central Committee is good confirmation of that. Evidently, the time has come to begin elaborating legal acts guaranteeing openness [Russian: glasnost]. These should ensure maximum openness [Russian: otkrytost] in the activities of state and public organisations and give the working people a real opportunity to express their opinions on any issue in public life.

Criticism and self-criticism are a tested instrument of socialist democracy. There would seem to be no open objections to this. However, in real life we encounter facts indicating that far from everyone has become aware of the need to support the critical frame of mind in society. Matters at times go so far that some employees regard even the slightest remarks as an encroachment upon their prestige and defend it with all possible means. There have also been cases involving the more experienced. They admit the justness of criticism and will even thank you for it, but are not in a hurry to eliminate shortcomings, expecting to get away with it as they did before.

Such an attitude to criticism has nothing in common with our principles and ethics. At the present stage, when we are asserting new approaches in socio-political life, in the cultural and intellectual sphere, the important of criticism and self-criticism grows immeasurably.

People's attitude to criticism is an important criterion of their attitude to restructuring and to everything new that is taking place in society.

Here I cannot but say regretfully that we continue encountering not only cases of non-acceptance of criticism but also facts of persecution for it, of direct suppression of criticism. Not infrequently this assumes such dimensions and proportions and takes place in such forms that the Central Committee has to intervene in order to re-establish the truth and justice and to support honest people who take the interests of work close to heart.

I have already had occasion to speak of this matter, but things are only slowly improving. Take materials from the central press for January alone, and you will see that persecution of people for criticism is far from being a rare phenomenon.

In this connection the efforts of the mass media to develop criticism and selfcriticism in our society must be supported. Their position in the struggle for restructuring has been worthily appreciated by Soviet people.

The readership of central newspapers and journals has increased by over 14 million people and Central Television programmes on topical subjects are attracting audiences of many millions. People are impressed by the bold and profound treatment of topical problems involved in the acceleration of the socio-economic development of the country and affecting the most diverse aspects of life in our society. The party believes that the utterances of the mass media will continue to be marked by depth and objectivity and a high sense of civic responsibility.

One can talk of positive changes taking place in republican and local publications. But far from all of them have joined in the work of restructuring in a real way. Some of them lack firmness of principle and boldness in raising issues and a critical attitude to shortcomings. Many party committees sometimes fail to use in a proper way the mass media, this powerful lever of restructuring, and in some places continue to fetter their activity.

While continuing to count on principled and constructive criticism of shortcomings and omissions, the party expects the mass media to give wider coverage to the experience gained by labour collectives, party, local soviet and economic bodies, public organisations and leading cadres in conditions of restructuring.

We badly need answers to many burning problems restructuring has raised and will yet raise, I think. We must help everyone to restructure their ways more quickly in the spirit of the time. As V.I. Lenin said, this organising function of the press should be strengthened from day to day and it should learn in practice to be a collective agitator, propagandist and organiser of the masses.

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There is one more matter that must be made clear. We say that in Soviet society there should be no zones closed to criticism. This applies in full measure to the mass media, too.

Comrades! There can be no real democracy outside the law or above the law. The 27th Party Congress laid down the main guidelines for the development of our legislation and for strengthening law and order. A great amount of work is to be done in the current Five-Year Plan period to prepare and adopt new laws connected with the development of the economy, the social sphere and culture, socialist self-government by the people, and the broadening of guarantees for the rights and liberties of citizens.

The Politburo has supported a proposal for drafting new criminal legislation in the near future. The task set is to make it meet more fully the present conditions of development of Soviet society, defend more effectively the interests and rights of citizens and help strengthen discipline, law and order. We must consider and adopt measures to raise the role and prestige of the Soviet court, strictly observe the principle of independence of judges, resolutely strengthen the procurator's supervision and improve the work of investigating bodies.

A draft law has been prepared on the procedure for filing a complaint with a court against illegal actions of officials infringing the rights of a citizen, and is soon to be submitted for discussion. Additional steps are planned to improve the work of state arbitration and broaden propaganda about the law. When we speak of democratisation of Soviet society - which is a matter of principle to us - it is opportune to underline once more the main, distinguishing, feature of socialist democratism.

What I have in view is an organic combination of democracy and discipline, of independence and responsibility, of the rights and duties of officials, of every citizen.

Socialist democracy has nothing in common with permissiveness, irresponsibility, anarchy. Real democracy serves every person, protecting his political and social rights, and it simultaneously serves every collective and society as a whole, upholding their interests.

Democratisation of all spheres of life in Soviet society is important first of all because we link with it the further development of working people's initiative and the revelation of the entire potential of the socialist system. We need democratisation in order to move ahead, in order to ensure that legality grows stronger and justice triumphs in society and that a moral atmosphere, in which man can freely live and fruitfully work, is asserted in it.

Comrades! It is well-known that the effectiveness of real democracy depends on how far it stems from the interests of the broad masses, relies on them and is supported by all segments and groups of society.

In this respect too, the tasks of restructuring make it necessary for us to analyse once more our reserves and opportunities for further broadening the social basis of democracy. The pertinence of such an approach to the issue is obvious.

All our experience teaches us that in a period of change, when tackling the most difficult and boldest tasks, the party has invariably turned to the Komsomol, to youth, to their enthusiasm and dedication to the cause of socialism, their unwillingness to accept stagnation and their commitment to progress. Today when we speak of the need for democratic changes, for broadening the real participation of the people in solving the tasks of restructuring, the matter of the position taken by the younger generation is assuming tremendous political significance.

I should like to repeat once more at the plenum: we can be proud of our youth, we pay tribute to its work - this is factually true and politically correct.

But the time requires everyone to display still greater energies. Of course, young people, who are interested in restructuring, should be more active. It is they who will live and work in a renovated society. Party organisations, their committees and the

Komsomol should open up the prospects before the younger generation and act so as to ensure that young people indeed become energetic participants in the changes.

It is from these positions that we should also approach preparations for the next congress of the Komsomol.

In our work with the Komsomol we should give more attention to the labour, politico-ideological and moral education of young people, and we should act quicker and with greater resolve in getting rid of everything extraneous in our work with youth, especially in eliminating the didactic tone and administrative methods. Yes, all this exists and mention of it should be made. Whatever lies behind this approach - lack of trust in the reasonableness and maturity of the social aspirations and actions of young people, a simple desire to play safe or soften life's difficulties for our children - one cannot possibly agree with such a position.

No, comrades, there is no other realistic way to form a personality, to mould a young person's civil position than his or her own involvement in all public affairs. There can be no substitute for practical experience. That is why it is important to alter the present situation. What exactly do I have in mind?

Above all - more trust in young people, combining appropriate assistance and freedom of comradely criticism of mistakes, more independence for them in organising their work, studies, daily life, leisure, and more responsibility for their undertakings and actions. This also presupposes for them the right to take part in governing society at all levels.

One important aspect of the democratisation of public life is promotion of nonparty comrades to leading work. This is a question of principle. One of the firm guarantees of the health and progress of socialist society lies in the political and professional growth of the front-ranking worker, farmer, engineer, researcher, doctor, teacher and worker in the services' sphere in constantly pushing to the fore and promoting talents from among the people.

Sometimes one hears the opinion that the matter of promotion of non-party people has become outdated because the CPSU now has over 19 million members. I think this is erroneous. To proceed from such a concept means to deform the party's relations with the masses and, moreover, putting it straight, to infringe on the constitutional rights of citizens and thus limit our opportunities as regards cadres.

We have had and still have quite a few remarkable examples of fruitful work by non-party comrades in leading positions. They head works and factories, collective and state farms, building organisations, scientific and pedagogical collectives, engineering services and are actively involved in public activities.

Open selection of people to be promoted - both from among communists and non-party people - will meet the aims of democratisation and help attract broad masses of the working people into administration.

In the same way there is also the matter of promoting women more widely to leading work. There are many successful working women in party and state posts, in science, health care, education, culture, light industry, trade and everyday services. It meets our country's needs today even more actively to involve women in running the economy and culture on an all-union or republic scale. We have the opportunity; all we have to do is trust and support women.

Comrades! There is not a single fundumental issue that we could resolve, now or in the past, without taking into account the fact that we live in a country of many nationalities.

There is hardly any need to prove the importance of socialist principles in the development of relations between the nationalities. It is socialism that did away with national oppression and inequality and all manner of infringements on the rights of people on grounds of nationality and ensured the economic and spiritual progress of all

nationalities and ethnic groups. In short, the successes of our party's nationalities policy are beyond any doubt and we can rightly take pride in them.

But we must also see the real picture of relations between the nationalities and the prospects for their development. Now that democracy and self-government are growing more extensive, now that there is a fast growth of the national awareness of all nationalities and ethnic groups, now that processes of internationalisation are growing deeper, it is especially important to settle quickly and fairly matters arising on the one possible basis - in the interests of the flourishing of each nationality and ethnic group in the interests of their drawing even closer together and in the interests of society as a whole.

And in this connection it must be said that the negative phenomena and deformations we have been combating have also manifested themselves in the sphere of relations between nationalities. Now and then there have been manifestations of parochialism, tendencies towards national isolation, sentiments of national arrogance and even incidents similar to those which took place quite recently in Alma-Ata.

The events in Alma-Ata and what had preceded them call for a serious analysis, for a principled assessment. All this is yet to be thoroughly examined. But is is clear already today: what has happened should compel not only communists in Kazakhstan, but all party organisations and their committees to face up to the problems of the further development of relations between the nationalities and of enhancing internationalist education. It is especially important to save the rising generation from the demoralising effect of nationalism.

V.I. Lenin taught "to be able to be an internationalist in deed" (Vol 31, page 177) and it is our duty not to interrupt this teaching.

All of our experience shows: nationalist (infections) can be successfully opposed only by consistent and sustained internationalism. Everything that we have accomplished is thanks to concerted effort. If one region produces oil, another one provides it with bread. Those who grow cotton receive machines. Each ton of bread, each gram of gold, each ton of cotton, coal and oil and each machine - from the simplest to the most sophisticated - contains a particle of labour of all Soviet people, of the entire country, of our whole multi-national union.

The entire atmosphere of our life and joint labour, the family and school, the army, culture, literature and arts are called upon to shape and inculcate in Soviet people of all nationalities, above all young people, the noblest feelings, those of internationalism and Soviet patriotism.

Acting in the spirit of Leninist requirements, in the spirit of the directives of the 27th CPSU Congress, it is necessary to follow firmly the line of all nations and ethnic groups of the country being represented in party, state and economic bodies, including those at all-union level, so that the composition of the leading cadres may reflect in the fullest possible way the country's national structure.

Of course, what we are talking about is not a mechanical allocation of jobs and posts according to nationality indications - this would mean the vulgarisation of the very idea of internationalism. Political, practical and moral qualities are what determine in all instances the image of the worker. Besides, one should not disregard the especially delicate nature of nationality considerations in any particular problem, nor should one lose sight of popular traditions in way of life, in people's psychology and behaviour. All this needs to be taken into account in the most careful way.

I ought to mention, comrades, that some leaders at times approach the solution of matters connected with relations between nationalities without due responsibility.

From time to time there emerge misunderstandings in relations between neighbouring rayons or oblasts of various republics. At times, they flare up into disputes escalating even into litigation, while the heads of party and local government bodies shirk principled solutions rather than prevent or abate the passions. Political workers ought to be able to act skilfully in such situations and cool unhealthy emotions.

Our theoretical thought is greatly failing in its duty to the practice of relations among the nationalities. I mean the clearly insufficient analysis of nationalities policy issues that would correspond to the present stage of the country's development. It is a fact, comrades, that instead of conducting objective research into real phenomena in the sphere of relations among the nationalities and analysis of the actual socio-economic and spiritual processes - very complicated and contradictory in their essence - some of our social scientists have for long preferred to create laudatory treatises reminiscent at times of fulsomely complimentary toasts rather than serious scientific studies.

One should admit that the errors which are being allowed to occur in the sphere of relations among the nationalities and their manifestations remained in the shadow, and it was not accepted practice to mention them. This has resulted in the negative consequences with which we are now having to deal.

We stressed at the 27th Congress the unshakeable nature of our party's tradition that was initiated by V.I. Lenin: to display special tact and care in everything that concerns the development of relations between the nationalities or that affects the interests of each nation and ethnic group and people's national feelings, and to resolve in good time the issues emerging in this sphere.

It is in the traditions of Bolshevism to wage a principled struggle against any manifestations of national narrow-mindedness and boastfulness, nationalism and chauvinism, giving preference to local interests, Zionism and anti-semitism - no matter in what form they occur. We ought to bear in mind constantly that nationalism and proletarian internationalism are two opposite policies, two opposing world outlooks.

Proceeding from these positions, we shall be firm and principled. People's national sentiments deserve respect, they should not be ignored, but they should not be played up to either. Let those who would like to play on nationalist or chauvinistic prejudices entertain no illusions and expect no indulgence.

Principles, comrades, are principles precisely because they are not to be forgone. Without doubt, this position - the principled, Leninist position - will be backed by the entire party, by the entire multi-national Soviet people.

III. Cadre Policy in Conditions of Restructuring

Comrades, I think that we all realise full well that the success of restructuring depends to a decisive extent on how rapidly and profoundly our cadres will understand the need for changes, and how constructively and purposefully they will implement the party's policy. What is necessary today is a cadre policy to match the tasks of restructuring and the need for accelerating social and economic development. In formulating its initial requirements, we ought to take into account both the lessons of the past and the new large-scale tasks life poses today.

The years of socialist construction in the country saw the formation of a powerful pool of highly skilled cadres, while the immeasurably improved level of education and culture of workers and peasants and the whole people create favourable conditions for its constant replenishment and renewal. Everything that we have accomplished, everything that we have attained is the result of Soviet people's work and is due to our cadres' selfless efforts.

At the same time one should also mention at this plenum mistakes in work with cadres and distortions in cadre policy which have occurred in recent years and resulted in major shortcomings in the activity of several links of the party, state and economic apparatus and in negative phenomena in society. Many errors could have been avoided if party bodies had always pursued in a consistent way a principled and effective cadre policy and ensured the high efficiency of all links of the party leadership and economic management. Of course, one should not limit oneself today to the mere admission of mistakes. In order to avoid such miscalculations in the future, we ought to draw lessons from the past. What are these lessons?

The first one is the need to resolve in good time cadre issues which have come to a head within the party Central Committee itself, its Politburo - above all from the viewpoint of ensuring continuity in the leadership and an inflow of fresh forces.

The violation of this natural process resulted at a certain stage in the weakening of the capacity for work of the Politburo and the Secretariat, the CPSU Central Committee as a whole, its apparatus, and also the government.

Indeed, comrades, since the April plenum, within a short period of time a large proportion of the Secretariat and heads of departments in the CPSU Central Committee have been replaced and practically the entire composition of the Presidium of the USSR Council of Ministers has been renewed. This change was a forced one, since renewal of the composition of the Central Committee and the government and their constant replenishment with new cadres had not been ensured for a long time, as life demanded. All this ultimately affected the elaboration of policy and the practical work of the party in leading society, too. This cannot and should not be repeated.

In order to prevent the process of renewal from being interrupted and to prevent continuity from being disrupted the CPSU Central Committee, the Politburo and the Secretariat of the Central Committee, the government, the top echelons of the party and state leadership must be open for the influx of fresh forces from various spheres of activity. Raising the matter in this way fully corresponds to the Leninist understanding of cadre policy, to the interests of the party and people.

Of course, the Party Central Committee has carried out a great deal of work and continues to do so. But the level of this work should never, under any circumstances, be allowed to go down. On the contrary, it should constantly grow and meet the demands advanced by life, by the development of society and the international situation. Any weakening in the Central Committee's activity is impermissible.

The CPSU Central Committee is called upon to be a model of the implementation of Lenn's idea, principles and methods in work. Our plenums should discuss truly principal issues of party life and the country's domestic and international situation. They should be discussed in a free and frank way, with a sense of profound responsibility, in an atmosphere of ideological cohesion and broad comparison of viewpoints.

In this connection I want to emphasise particularly the role of Central Committee members, their rights and responsibility. During plenums, each Central Committee member should be guaranteed the right to raise questions and participate in their collective constructive discussion. In the party - the more so at plenums of the Central Committee - there can be no persons beyond criticism or people with no right to criticise.

There are many things we will have to rectify here. Let us say honestly. There were many crucial problems of concern to the party and the people which remained outside plenum agendas for several years. Comrades will remember the plenums of the Central Committee were frequently brief and formal. Many Central Committee members had no opportunity throughout their membership term to participate in debates or even put forward proposals. Such an atmosphere at the plenums of the Central Committee told upon the style of work of local party committees and organisations.

The second lesson out of past experience, comrades, is that we should not allow any underestimation of political and theoretical training, of the ideological and moral tempering of cadres.

Otherwise, this leads to most serious shortcomings in the activity of party committees as bodies of political leadership.

These criteria in the selection, placement and education of cadres were not always taken into account in recent years. Not infrequently, prime attention was given to a functionary's knowledge of the specifics of a particular branch of production, of science and engineering, technology, or his will power. All that, undoubtedly, has importance. But one should not allow such qualities in leaders as their ideological and theoretical outlook and political maturity, moral standards and the capacity to persuade and lead people to be lost sight of.

One should admit directly and honestly that the technocratic, "administrativepressure" style of work caused substantial damage to the party cause, above all to work with people which is the principal element in the party's activity. In plunging into economic work and assuming in several instances functions not properly pertaining to them, many party functionaries reduced attention to political issues, to phenomena of social significance in the sphere of the economy and in social and spiritual life.

Of course, objective causes, too, underlie such a style. They are connected with a number of unresolved economic management issues and with the lack of an effective economic mechanism. In this situation many party committees, aware of their responsibility and their duty before the people, have to take upon themselves the solution of a large number of economic problems. This has been happening for a number of years. It has struck deep root in the style and methods of work, and led to a certain deformation in the principles of party guidance and in the very composition of our cadres.

Large-scale measures to restructure management and the economic mechanism in the country open up wide opportunities for improving the work of the party committees and organisations, enhancing party influence in all spheres of the life of society and practising a political approach to all problems under consideration.

I want to emphasise that no-one can relieve party committees of their concern and responsibility for the state of affairs in the economic field. As I have already stated, the point at issue is such an improvement of the methods of party guidance as would rule out doing the work of and assuming petty tutelage over economic bodies.

The third lesson we must learn is that two opposite tendencies paradoxically coexisted in cadre policy in recent years. What do I mean, comrades?

On the one hand, the phenomena of stagnancy have manifested themselves rather strongly in the cadre corps. The necessary personnel changes have not occurred, at times for decades, and there has been no influx of new people into the positions of secretaries of a number of party committees, and into local soviet and economic bodies at the local, republic and all-union levels.

Speaking of that, I do not want to cast the slightest aspersions on many hundreds and thousands of marvellous workers, particularly at the rayon and town levels, who have always devoted all their energies and knowledge to selfless service to the party and the people and are continuing to do so. Years of honest work and their truly deserved prestige reaffirm their right to hold leading positions. The CPSU and the people highly value their difficult work, their great services and give them due credit for that.

I think that the well-known and, moreover, the well-assimilated thesis that personnel stability is necessary in principle does not need additional proofs, but it should not be carried to extremes, to the point of absurdity, if you will.

We know all too well what this led to and what price is now being paid for that and for artificial stability, which in essence turned into cadre stagnancy.

On the other hand, there also existed another, no less disquieting, tendency in the work with cadres, particularly at the primary level of the national economy. It is a matter of a high level of cadre turnover, a real merry-go-round of directors of industrial enterprises, construction projects, collective and state farms and other organisations.

You know how great the role of highly qualified organisers of production is. The leaders of work collectives - communists and non-party people - are the party's main

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support in the pursuance of its socio-economic policy. They shoulder a great number of diverse tasks. In this case I want to ask one question: How could it happen that the leading personnel of work collectives changed completely within a few years in many rayons and oblasts?

This can only happen when actual work with cadres and real concern for their political and professional growth and for rendering them practical assistance are pushed to the background and are replaced by administration by decree and by hasty and at times rash judgements of their activities and capabilities

I think that the party committees should take this very serious reproach as referring to themselves and draw the right conclusions.

Unfortunately, there are also party committees and there are secretaries who cover up their own blunders and, sometimes, their failures with ostentatious exactingness towards cadres, by pseudo-adherence to principle without regard for either the essence of the matter or the fate of the people involved.

In this connection I want to speak of yet another inadmissible phenomenon. I mean the intolerance of some leaders to independent actions and thinking on the part of subordinates. It happens <u>quite often</u> that as soon as some worker or other begins to express independent opinions which do not coincide with those of the secretary of the party committee, the head of the ministry or department, enterprise, institution or organisation, attempts are made to get rid of him on any pretext, at times even under outwardly plausible ones.

In that way it would appear to be better. But better for whom? For what? For the job in hand? Nothing of the kind! This is always worse for the job in hand.

In this respect, too, we should learn from Vladimir Lenin, who better than anyone else could bring people together, get concerted efforts going, support resourceful people and attentively hear out party comrades and, if necessary, patiently make them change their mind. We should learn to be principled, exacting and attentive.

The fourth lesson of our work with cadres is to enhance responsibility for the work assigned, tighten discipline, and create an atmosphere of mutual exactingness. How could it happen, comrades, that many leading positions were held for decades - at the district, town, regional, republic, and even all-union levels - by leaders who could not cope with their duties, by undependable and undisciplined people?

The consequences are well known. For years a number of sectors, among them ferrous metallurgy, the coal industry, railway transport, machine-tool manufacture, agricultural engineering, the meat and dairy industry and some others were headed by leaders who were failing to accomplish the assigned tasks.

Everyone ostensibly knew about that. The state of affairs in those sectors was quite often criticised at sessions of the USSR Supreme Soviet, at plenums of the Central Committee and even at party congresses. But everything remained unchanged.

Are there not oblasts, republics, towns and rayons where production targets have not been met for many years, and where social matters have been neglected? At the same time, their leaders did not bear any responsibility for failures in work. They got away with it all.

The same can be said about some directors of enterprises, economic organisations, health care, educational scientific and cultural institutions, and the news media: they have long neglected their work, cannot cope with their duties and instead are masters at throwing dust in people's eyes and are complaisant in their attitudes. Only recently this turned out to be enough for them to retain their leader's arm-chair.

It also happens that some particular leader finds himself in the wrong position and, as they say, is in no way up to the mark. His misfortune is that he has got that post and the work is beyond him. What should be done in such cases?

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It seems that it is essential to admit such errors, to rectify them and, without dramatising them, to assign the person concerned to a job which would correspond to his abilities.

We must not and cannot be "kind" at the expense of the interests of the party, society and the people. The party and people's interests are above everything else. Such is our unshakeable law. Real concern for cadres has nothing in common with complacency and all-forgiveness, philanthropy and playing up to people. We must assimilate this lesson well, too.

Finally, for yet another lesson. It is natural to raise this question at our plenum: Why have all these problems whic have piled up in work with cadres remained for a long time unattended to and unresolved? How could it happen? This question, as you well understand, is very serious.

The Politburo's opinion is that the main cause is in laxity in adherence to democratic principles in work with cadres. In a principled way I have already spoken of inner-party democracy as the chief guarantor of the realisation of the party's strategic course and the tasks of restructuring. Proposals on such a cardinal question of democratisation as the formation of elected organs within the CPSU were expressed as well.

Now I would like to single out the matter of raising the role of all elected organs. It must be admitted at once that if they had acted properly as they should, both within the party and in the state, in the trade unions and in other public organisations, many serious omissions in the work with personnel could have been avoided.

Let us look at life with open eyes, so to speak. An excessive growth of the role of executive organs to the detriment of elected ones has occurred. At first glance everything proceeds as it should. Plenums, sessions and meetings of other elected organs are regularly held. But their work is often overformalised. Secondary issues or even those decided upon in advance are brought up for discussion. As a result, there is a lack of due control over the activities of executive organs and their leading cadres. Let's face it, some comrades started to view elected organs as a certain burden which brings only difficulties and hindrances. That is how far things have gone!

This resulted in the diminishing of the role of the deputies of the soviets and of members of party and other collegiate organs in the formation of executive committees, in the selection of cadres and in control over their activities. Is this not proved by the nature and style of relationships between the salaried staff and members of elected organs. Quite often one can come across attempts by staff employees in the apparatus to command members of party committees and other public organisations and deputies of the soviets. In actual fact it turns out that democratic mechanisms for the formation and functioning of the elected organs are proclaimed but by no means always function and, consequently, are not effective enough.

This is why, returning again to what was said about the development of socialist democracy in the conditions of restructuring, I want to emphasise once again the topicality and immense importance of the proposals formulated on these matters. We should work out and implement measures which would ensure a decisive role for collegiate elected bodies. No executive organ, and this applies even more so to its staff, may, or has the right to, substitute for the elected one or dominate it.

The necessary prerequisites - political and legal - should be created for the elected organs to exercise effective control over the executive staff, its formation and activities. This will be a reliable safeguard against many errors, including those in work with cadres.

I think the participants in the plenum are well aware of the entire fundamental importance of putting this matter in this way and of the need to urgently resolve it.

One of the causes of serious omissions in cadre policy is the weakening of the role of control bodies both within the party and in the sphere of state and public organisations. They did not pay attention to many reports about abuses and violations in a

number of regions and branches of the national economy or in party committees of oblasts, krays and republics.

The work of the control bodies was often confined to superficial checks and formal financial inspections, examination of various complaints and minor squabbles. These matters, certainly, also demand attention, but to reduce work to these alone is inadmissible, especially now.

The 27th CPSU Congress has given a new direction to the activities of the control bodies. It is important that all of them, beginning with the rayon and ending with the central ones should live up to their lofty purpose and set an example of principled-ness and fairness.

In general terms, comrades, we cannot and should not repeat the mistakes of the past. In addition, I think, nobody will allow us to do so.

Such are the main lessons of the cadre policy about which, in the opinion of the Politburo, it is necessary to report to the plenum.

The main conclusion from them is that we must seriously renew our cadre policy, free it from distortions and oversights, make it truly up-to-date, more active and purposeful and inseparably link it with the key trends in the effort to accelerate socioeconomic development.

I repeat that the point at issue is not just improving the organisation of work with cadres, but of drafting a cadre policy which is in accordance with the tasks of restructuring. It is only with such a broad approach that work with the cadres will serve towards carrying out deep-going transformations which are revolutionary in essence.

V.I. Lenin taught us to approach cadre work above all politically, to view it in inseparable connection with the essence of the problems being resolved at the given stage and select cadres "by the new standards, according to the new tasks" (Vol.45, page 447).

What does that mean as applied to the present-day stage in social development?

The attitude of cadres to restructuring, to the tasks of accelerating the country's socio-economic development, an attitude not in words but in deeds is today the decisive criterion in cadre policy, a sort of tuning fork for it. We must certainly take into the account the fact that the formation and activity of cadres have proceeded for a long time not in the best conditions. That is why change does not come easily. We are faced with painstaking and persistent work to restructure the cadre corps.

We have resolutely taken the course of supporting enterprising, thinking and energetic people who can and wish to forge ahead boldly and are capable of ensuring success. We have many of them. The resolutions of the April Plenum and of the 27th Congress have lent them wings and given broad scope for creative activities. Look how the talent has been revealed again strikingly and powerfully of such economic managers as Vladimir Pavlovich Kabaidze from Ivanovo, Boris Ivanovich Fomin from the Leningrad Electrosila works, Anatoliy Alekseyevich Parshin from the Taganrog Krasnyy Kotelshchik works, Ivan Vasilyevich Frantsenyuk from Novolipetsk metallurgical works, Raisa Georgiyevna Roshchinskaya, director of Novocherkassk clothing factory, Yuriy Ivanovich Baranov, director of the Donetsk Sotsialisticheskiy Donbass mine administration, Nikolay Ilyich Travkin, head of Moscow Oblast No 18 Rural Construction Trust, Aleksandr Nikolayevich Duduk, director of the Belorussian Mir state farm combine Mikhail Ivanovich Klepikov, a well-known team leader from the Kuban, and collective farm chairmen, Vasily Yakovlevich Gorin from Belgorod Oblast, Nikolay Dmitriyevich Tereshchenko from Stavropol Kray, Mikhail Grigoryevich Vagin from Gorkiy Oblast and Yuri Fedorovich Bugakov from Novosibirsk Oblast and many, many others.

We must learn to support such workers in every way possible and value their independence and initiative. It is important to create in every party organisation and every work collective an atmosphere which will stimulate all to a search for effective decisions and a most open and frank exchange of views. It goes without saying that it is Today, everyone has the opportunity to display his abilities. And we must assist those who wish to work both with advice and comradely exactingness. Yet we are naturally going a different way from those who cling tenaciously to the old, remaining indifferent to current changes or even opposing them.

Thus the attitude towards restructuring and real actions for its implementation are decisive in the approach to the appraisal of cadres. We must certainly take into account other basic qualities. I mean, first and foremost, an uncompromising attitude towards shortcomings, routine, towards indifference and passiveness and a commitment to everything advanced and progressive.

Restructuring requires of the workers competence and high professional standards. Today one cannot do without up-to-date and all-round training, without profound knowledge of production, science and technology, administration, the economy, organisation of work and incentives and psychology. In general terms, we must put the country's intellectual potential to maximum use and considerably increase its creative effectiveness.

Organisational standards and discipline are assuming ever greater significance. They are always necessary everywhere, but are especially important in conditions of modern production, with the broad application of the latest technologies. In recent years we have achieved a noticeable increase in the economic growth rates just by introducing elementary order and dealing with carelessness.

Yet this task remains urgent. Loose discipline and a lowering of responsibility are too deeply rooted and are felt painfully to this day. It is precisely criminal irresponsibility and carelessness, which are the main causes of such tragic events as the accident at Chernobyl nuclear power station, the sinking of the liner Admiral Nakhimov and a number of plane and train crashes which involved human casualties.

It is necessary to create everywhere an atmosphere that would exclude every possibility of a repetition of such occurrences. Organisation, promptness and efficiency should become the law for everybody.

Finally, a most important demand is the high moral standard of our cadres, such human qualities as honesty, incorruptibility and modesty. We now know not only from the past but also from present experience that we shall not be able to resolve the tasks involved in restructuring without strengthening society's moral health. It is not coincidental that we have clashed so acutely with negative phenomena today precisely in the moral and ethical sphere. I mean the effort to eradicate drunkenness, embezzlement, bribery, abuse of office and protectionism.

Everything connected with the moral image of party members, above all of party leaders, is perceived particularly keenly in society. Our paramount objective is to restore the untarnished and honest image of communist leaders, an image lessened to a certain extent by the crimes of a number of degenerates.

In general, comrades, taking into account the demands of the times we will have to resolutely readjust work with the cadres in all branches of the national economy, in all areas of social life and in all echelons of the leadership, both in the centre and in the localities.

The Politburo interprets the essence and the main objective of present-day cadre policy first and foremost as increasing the demands made by the party on its own self and on its cadres. Deepening the restructuring of society means restructuring the work done by the party and its cadres at all levels - from the Central Committee to primary organisations. This means creatively comprehending and consistently pursuing Lenin's principles and norms of party life in all sectors. How is restructuring proceeding in the party? What example is set by the party committees, party leaders and activists?

Today we can say that most party committees and their leaders have taken up this work with a great sense of responsibility and a sincere desire for change. They have not yet learned to cope with many things, but they are accumulating experience and acting more decisively with every passing day. These changes create reliable prerequisites for speeding up our advance.

All the party cadres are going through the test of restructuring. But they cope with it differently A visible gap has formed between those who are forging ahead with determination and those who are marking time.

The school of restructuring does not come easy to some party leaders. They cannot yet give up the overseeing functions which are outside the competence of party committees, the wish to decide all questions for everyone and keep a tight grip on things. But this, as always, hampers growth in the responsibility of the cadres for the work they have been entrusted with, the development of their initiative and independence.

Instead of developing innovative thinking, party officials quite often react adversely to the initiative and activeness of people and view them as almost a natural calamity. But the paramount duty of the party committees in the conditions of restructuring is to lead the creativity of the masses, help people eliminate shortcomings and really get things running smoothly.

Yet it is necessary at the same time to warn comrades against artificially speeding up events and putting the cart before the horse.

Restructuring and the acceleration of our advance are based on the objective laws of the development of society. But as in every social movement, the role of the subjective personal aspect is quite great here, too. Its influence can be either positive or negative. Therefore it is highly important that the process of renovation, which quite perceptibly affects human lives, be reliably protected from relapses into administration by decree and a mechanical approach to matters at hand. A devaluation of the concept of reconstruction cannot be allowed anywhere, not in a single sector of our social and production system. One must see and react immediately, when timeserving personal ambitions and self-seeking appear under its banner, when specific work on restructuring is replaced with high-sounding phrases and verbosity.

I wish to repeat that without developing democracy, without the broad participation of the working people, we shall not be able to cope with the tasks involved in restructuring.

The party committees and all cadres should learn to work in conditions marked by increasing democracy and growing political and labour activity by the people.

There have been many occasions to become convinced that the process of restructuring tends to have a stronger momentum where the rayon and town party committees are more energetic and work in the new manner. This is understandable. They are the closest to the primary party organisations and work collectives and hence to the front line of the struggle to speed up the country's social and economic development. Most of these committees have taken the right stands and begun implementing the party's policy of restructuring resolutely and consistently.

Yet an analysis of the way things stand at the local level, articles in the press and letters by working people to the Party Central Committee indicate that there are still quite a few town and rayon party committees whose staff keep to the old ways, act in the old fashion and remain on the sidelines of restructuring.

Even if this were limited to just one town committee or rayon committee, that still could not be ignored. But this is something widespread and so must, comrades, make us concerned In many cases this kind of situation in the town and rayon party committees is explained by the style and methods of work and by the attitudes of their secretaries

I think we will do right if we pay more attention to this highly important party echelon and help the rayon and town committees more rapidly adopt an active attitude in the restructuring. The primary party organisations will then also work still more actively and lead the labour collectives in solving the set tasks. We see how the communists' activity is steadily growing and how inertia and formalism are gradually receding from the work of party organisations. But there is still a great deal to be done [Russian: del nepochatyy kray], so to speak, in this respect, too. The primary party organisations need efficient aid and support.

Comrades, immense responsibility for effecting the strategic policy of acceleration in social and economic development rests with economic cadres. A changeover is currently under way in the country from administrative to economic methods of management and to a responsible and creative manner of tackling things.

The labour collectives of factories and associations today are being provided with large funds and amounts of materials and equipment to re-equip their production facilities and solve social issues. The managers are being granted broad rights not only to make whatever tactical economic manoeuvres are expedient but also to pursue long-term aims within the Five-Year Plan period and beyond. In short, a new economic, social and political situation is developing in which an energetic and competent manager [Russian: khozyaystvennik] can reveal his abilities well

Most economic cadres support the major measures launched by the party and government to reform the system of management and are joining in their practical implementation more and more actively.

We can already see a positive start on the implementation of many useful initiatives.

The experience of Leningrad and Kharkov in converting industrial enterprises to working in shifts is catching on and bringing the first benefits.

In Leningrad itself and in Leningrad Oblast virtually all leading enterprises have been switched over to two- or three-shift operation. This has made it possible to increase the number of afternoon-shift workers by almost 50,000. Fixed assets are now being used better and updated more quickly. It has become possible to release 350,000 sq m. of operational areas for other uses and cut the need for new building by 120,000 sq m. According to preliminary estimates, all this will help save over R 100,000,000 in capital outlays, most of which could be spent on housing construction and the provision of other social amenities.

The managers and specialists of the enterprises and associations which have followed the example of VAZ [Volga motor vehicle works] and Frunze machinebuilding association in Sumy to change to full financial autonomy and self-financing from the start of this year have been initiating no little innovation.

Interesting experience in mastering new managerial methods has been gained by the Belorussian Railway and several other of the country's railways, helping to improve the performance of the industry and raise labour productivity.

Labour collectives in a number of oblasts in the Ukraine have displayed acumen and managerial enterprise by launching a broad-based drive for resource conservation.

The initiative of mine and foundry-worker teams opening up latent reserves to meet their plan tasks ahead of schedule deserves to be supported.

Labour collectives in Sverdlovsk, Lipetsk and some other towns have been setting a good example of how to go about tackling housing and other social problems.

In the countryside the area under grain and a number of other crops cultivated by means of industrial technology has been on the increase. Collectives operating on the basis of team contracting and financial autonomy are being formed at collective farms

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and state farms and are quickly increasing agricultural production and making the economy more cost-effective.

Yet it must be said frankly: the <u>process</u> of the mastering by cadres of modern economic management methods and approaches to work is proceeding with difficulty, in a contradictory manner and not without painful phenomena and recuirences of past practices.

The introduction of the state acceptance service is a patent example of this. Understanding the immense importance of this measure many collectives have prepared well for work in the new conditions. They are getting on with this, though not without difficulties; labour discipline is strengthening and the quality of output improving.

But there are also those who, faced with the high requirements, capitulated. Instead of rolling up their sleeves and getting down to improving quality, they began scaring themselves and others with possible complications, conflict situations and even factory stoppages.

Comrades, I am far from simplifying the situation. But one thing is clear: we communists and all Soviet people cannot any longer put up with a situation when many enterprises for years are putting out products that are hopelessly obsolete, come under serious criticism from consumers and hold back the country's scientific and technical progress.

We are tackling a big task and are obliged to see it through to the end.

The transition to the cost-benefit methods of economic management and the expansion of the rights of associations and enterprises create a new situation for ministries and departments. We discussed matters to do with changing their style and methods of work at the June 1986 plenum of the Central Committee. What has been done since?

Changes in the work of ministries and departments are taking place, even though slowly and painfully. These headquarters of the economy's various branches are taking a direct part in drafting proposals on switching enterprises to new conditions of management. They are giving more attention to matters of scientific and technological policy, the reconstruction of enterprises and starting the output of goods in line with modern demands.

We have strengthened some branches and their sub-units with capable people. As a rule, energetic specialists wishing to run things in a new way and ensure the introduction of modern work methods have been placed in senior posts. This policy should be continued and the performance of the staff of ministries and departments should be vigorously improved and replenished with highly qualified cadres capable of initiative.

At the same time we continue to encounter instances of red tape and irresponsibility in the work of ministries and departments to carry out party and government resolutions. The apparatus [Tass English: staff of ministries and agencies] appears to be the captive of old regulations and instructions, acts by inertia and refuses to waive its rights.

It is not the first time, comrades, that we draw the attention of the heads of staff members of ministries and departments to the need for a radical overhaul of their activity. Thereby the opportunity is given to all to join this work and master new approaches to the business at hand.

But it should not be permitted for a ministry or its apparatus to be idle and particularly not to impede restructuring. This warning from the rostrum of the plenum is necessary, because this concerns the interests of the state and the people, matters of overall policy.

It is apt to recall here Lenin's words, "The apparatus exists for policy and not policy for the apparatus."

But it should be well understood that success in external economic activities is possible only if active use is made of achievements of science and technology, if cadres are adequately trained, if new markets are developed, etc.

The main precondition of using the new opportunities is to start putting out goods of world-standard quality.

After the resolutions had been adopted, much time and effort were spent on various organisational matters, on specifying rights and duties and the relations between foreign trade organisations and the managerial bodies in individual branches. But the organisational period has ended.

Now it is necessary to move efforts to the plane of practical deeds, to tackle more vigorously the development of foreign economic ties with all partners abroad, first of all in socialist countries.

I have already had occasion to say that the success of the strategy of acceleration depends first of all on how we fulfil the tasks of scientific and technical progress, on how skilfully we combine the advantages of socialism with the achievements of the scientific and technical revolution.

The real accomplishments here are determined by the state of scientific knowledge, by putting forward original ideas that can be incorporated in fundamentally new machines and technologies making it possible to forge ahead to the frontiers of science and technology. Such is the strategic task set before science by restructuring.

Everything is important in implementing it - from enrolment of students at higher education establishments and, the standard of training specialists to replenishing the Academy of Sciences with talented scientists, from the work of scientific student societies to the research programmes of the leading academic and branch institutes, from the creative atmosphere in scientific collectives to the most effective forms of organising and stimulating science.

Integration of science with production has now acquired special importance, an important role in this matter is assigned to inter-branch scientific and technical complexes. Over 20 of them have already been established to date. It is with the activity of these complexes that we link great hopes for speeding up the development of new ideas and, particularly, for introducing scientific and technical achievements. That is why it is necessary to pay more attention to the work of inter-branch scientific and technical complexes. The Presidium of the USSR Academy of Sciences and appropriate ministries and departments should provide them with all that is necessary, give them all the assistance they need and facilitate in every way their effective work.

Such important matters as efficient co-ordination of academic, high school and branch science, integration of efforts by natural, technical and social sciences, the integrated nature of research, the depth of treatment of fundamental problems and enhancement of the effectiveness of concrete developments remain unsolved in many respects.

Addressing our scientists and all scientific workers on behalf of the plenum, I want to say that for science to be actively involved in the process of restructuring it should restructure itself in many ways. Life hurries us on. He who is not in the lead in scientific ideas risks falling behind in everything. That is the way the question is raised by our times, times of the most profound changes in science and technology, unprecedented in mankind's history.

This makes it necessary for party committees, ministries and departments and economic organs to face the needs of science which should always experience effective

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support. We know that the Presidium of the USSR Academy of Sciences and its President, Academician G.I. Marchuk, have interesting ideas and proposals on this score. I can assure you that these ideas will find support in the Central Committee and the government.

Prospects for socio-economic, scientific and technical and spiritual progress are determined in many ways by the education system and the quality of education. We hav have begun a reform of general education and vocational schools. As you evidently know, this reform is not proceeding without difficulties and therefore it requires unflagging attention along all lines - from strengthening the material and technical base of schools to the content, form and methods of the teaching and upbringing process. Decisions have been taken to restructure higher and specialised secondary education and raise the salaries of employees of higher educational establishments, as well as grants for post-graduate and undergraduate students. All this will create favourable preconditions for the accelerated development of science and production and for the implementation of the Party Congress's resolutions. We must put them into practice and see to it that high end results are achieved as soon as possible.

The system for raising the qualifications and retraining of specialists will be built on a new basis. In present-day conditions of production, the concrete knowledge, skills and experience of all workers should be continuously increased and improved. The establishment of a state system for uninterrupted education was set by the 27th Congress as one of the most important tasks for us to accomplish. This is the only way to maintain the competence of cadres at the level of present-day demands, especially in the new and latest fields of technology and engineering. There is hardly any need to prove how important it is to speed up the preparation of proposals on this question.

Finally, a few words about the tasks of the cadres of our planning, financial and other economic bodies. It is now necessary for them fundamentally to restructure their work, taking the tasks of the economic reform into account.

The economic departments of this country have submitted quite a number of proposals for restructuring management and the economic mechanism. But, frankly speaking, the cadres of these departments are slow to restructure themselves and, I would say, even fall behind economic transformations in the sphere of production. All the things happening there require considerable changes to be made in the functions of general economic departments and their local organs.

The political directives formulated by the 27th Congress should be taken as a guide in their work. The aim of the economic reform in the country is both the broad development of independence for the lower levels of the economy and the further consolidation of the principles of centralism in management while simultaneously freeing the centre from petty tutelage of branches, associations and enterprises. All cadres, primarily the leaders of economic departments, should now act precisely in this key and give up old approaches to work.

One more matter directly relating to the activities of economic and management cadres: Special attention in the 12th Five-Year Plan is given to the development of the social sphere. This is dictated by the state of affairs in this sphere.

We must close more quickly the existing gap between development levels in the productive and social spheres.

The Party Congress made serious corrections to the political directives on these matters and came to the conclusion that insufficient attention to the social sphere has become one of the factors accounting for the lagging behind in scientific and technical progress and in the growth of production efficiency, and hampered the use of the existing potential.

The fact that in the course of long years economic executives were not asked with due strictness to account for the way they dealt with social matters left a serious stamp on their attitude to their work. This situation must be resolutely corrected. It will be difficult to do so without a firm stand by party committees and without consistent practical steps at government level.

Let us take the very latest example. The first stage of Astrakhan gas complex was commissioned towards the end of last year. Over R 1,500 million of capital investments had been absorbed there. There are 8,000 workers and specialists working there but only 3,000 of them have permanent housing.

Moreover, the lag in building housing, polyclinics, canteens and other social and cultural amenities had been built into plans from the very beginning. Such is the deplorable outcome of the incorrect, mistaken approach to social affairs at the level of planning bodies. The situation must be put right as soon as possible.

All leading cadres from top to bottom are responsible for conducting the party's social policy vigorously. Life itself demanded that the interests of man be given top priority in the activity of leading cadres, while the ability to resolve social matters has become one of the chief criteria of their business and political maturity.

Comrades! A great role in implementing the resolutions of the 27th Congress is imparted to the soviet, trade union, Komsomol and other public organisations and to their cadres. They, too, are squarely facing the task of restructuring their activity. In effect, the restructuring has already begun.

In what direction should it be continued? This is a matter with immense political connotations since the point at issue revolves round very important institutions of our political system.

In carrying out restructuring, one should bear in mind both the current situation and trends in the development of Soviet society in general, of the political system, socialist democracy and the economic mechanism.

I want to reiterate: the course towards democratisation and the establishment of a new mechanism of control and management gives an opportunity to achieve a correct combination of the party's political guidance and the active role of state bodies, trade unions and other public organisations.

We have already taken fundamental decisions on perfecting the activity of the Soviets in present-day conditions. These decisions enable them to act as true bodies of authority over their territory. Changes in the activity of the Soviets are taking place, but they cannot as yet satisfy us. We are all interested in seeing the Soviets starting work as soon as possible in earnest, in the spirit of the times.

Party committees ought to take up firmly the course towards enhancing the role of the soviets and not to permit unjustified interference in their affairs, and even less, their substitution. It is of no less importance that the heads of soviets themselves and the soviet apparatus start work at full capacity and overcome inertia, the habit of looking back all the time at someone and waiting for instructions. It is necessary to enhance democratic principles in the activity of the soviets and their executive organs.

We said at the 27th Congress that there are many issues affecting the vital interests of the working people that no-one will resolve for the soviets. These are problems of social policy and improvement of consumer services. The soviets, however, have not fully coped with their new rights and do not make due demands of economic managers. This is also one of the reasons why last year's plans were not fulfilled in respect of many indicators of building social and cultural amenities.

Let us take the communal services. Their operation evokes much criticism at present, especially in the conditions of freezing termperatures! But that is the direct and proper business of the soviets. They should drastically alter the work on improving retail trade, consumer services, organisation of recreation for working people and consumer goods production, and use more broadly the reserves for replenishing food resources. We are planning major measures in the field of health services and public education. They are linked most directly with the activity of soviets at various levels. The tasks are building up, so the soviets ought to act with greater efficiency and persistence. This is what we may rightfully demand from the cadres working in the soviets and their apparatus. This is what Soviet people expect of them.

Restructuring - all its facets - concerns trade unions. Their rights are substantially expanded with the growth of the economic independence of enterprises and associations. Simultaneously, their responsibility is also considerably enhanced in connection with bigger powers given to work collectives and the development of self-management. Naturally, no-one relieves the trade unions of their obligations in fulfilling tasks of social policy and defending the workers' interests.

In brief, the demands on trade union cadres have sharply increased. It is necessary to help them adopt an active stand in restructuring and create conditions for broader participation in managerial decision-making at all levels.

At present, when the report-back and election campaign is drawing to an end in trade union organisations and the scheduled congress of the Soviet trade unions is approaching, it is important that the entire complex of topical problems related to restructuring be placed in the focus of attention of the delegates to the congress. Work collectives make up the central link of restructuring. It is there that the trade unions should reveal their potential, re-assess their capabilities and rights and thus increase their contribution to the national cause of socio-economic acceleration.

In launching the struggle for improving the health of society, the party has proceeded since the very beginning from the premise that this immense work should be based on the firm foundation of persuasion. Shaping the consciousness of millions of working people in the spirit of restructuring is one of the key directions of ideological activity.

We have succeeded to a certain extent in bringing ideological work closer to life, to the processes taking place in society today. It is largely due to party organisations and to our propaganda cadres that the ideas of renewal are becoming truly attractive to the masses.

However, work on the ideological front is yet to be launched in earnest in many directions, including along the lines of political and economic study, reading lectures and foreign-policy propaganda, atheistic upbringing and so on.

The Central Committee orients party organisations at involving all party activists and all communists in ideological work. But this in no way removes the tasks of strengthening ideological sectors with highly skilled, educated cadres who fully feel the pulse of the times, who have an in-depth understanding of the tasks that have been set and who are capable of propagandising efficiently the policy of the party and persuading and organising people.

The present-day conditions persistently demand that the party's ideological cadres be reinforced with people who are knowledgeable about economics, jurisprudence, philosophy, sociology, literature and the arts, who are deeply convinced of the vital need for the resolutions adopted by the 27th Congress and for the course of restructuring.

Comrades, the need for strengthening socialist legality and law and order in the country also generates new important tasks for the cadres of Soviet courts, Procurator's Office, militia and other law-enforcement agencies.

The Central Committee, attaching great significance to these socially sensitive issues, recently adopted a special resolution "On further strengthening socialist legality and law and order and stepping up protection for the rights and legitimate interests of citizens". It has given the law-enforcement agencies and their cadres important and more complex tasks.

The party committees and organs of local Soviets are duty-bound to make every effort to raise the authority and adherence to party principles of those working in the courts, procurators' offices, judicial administrations, militia, courts of arbitration and notaries' offices as well as to support the voluntary militia in helping to maintain public order and to promote the spread of knowledge of the law.

This position held by the party makes high demands on those standing guard over the law. Letters from working people and complaints from the localities point to the fact that there are still quite a few breaches to be found in law-enforcement agencies themselves and that in some areas, to use a popular idiom, they "use cannon to shoot at sparrows", while leaving grave crimes against the interests of our society and citizens unsolved.

We set the law-enforcement cadres the task of undeviatingly implementing the provisions of this resolution and learning persistently to work amid greater democracy and openness, relying on the trust and backing of all people.

Now a few words about diplomatic corps cadres. The activities of the Foreign Ministry are currently being restructured and the structure of its central apparatus and establishments abroad is being reorganised. Senior personnel are being renewed. This line should be pursued consistently, increasing the efficiency of the diplomatic service and striving to make it match fully the vigorous international activities of the CPSU and the Soviet state.

The state security bodies, staffed by ideologically aware and professionally welltrained cadres devoted to the party and the people, stand vigilantly on guard over the homeland's interests. We are convinced that Soviet Chekists [Tass in English the security service] will continue to uncover hostile intrigues against our country in good time and cut them short decisively.

Finally, the tasks of the military cadres. The party never slackens its efforts to further raise the country's defence capacity and assigns military cadres a special role in fulfilling this vital task. This determines their tremendous responsibility to the people.

The Soviet armed forces are deeply involved in restructuring as well. They are protecting the peaceful work of the people and the country's security reliably and discharging their internationalist duty with honour.

The Central Committee firmly counts on the military cadres and on the Soviet officer corps in solving tasks in strengthening the country's defence capacity, and is convinced that in the complicated international situation today communists and all army and navy cadres will act with greater complete responsibility, raise and perfect their skills and increase the combat readiness of all arms and services. The Soviet people and our party rely on our armed forces. They are doing everything to strengthen them and are entitled to expect that no aggressive forces will be able to catch us unawares.

Comrades, in conclusion I would like to speak briefly about the tasks to be solved for 1987. This year, marking the 70th anniversary of the October Revolution, holds special significance for us.

The Soviet people are looking forward to the coming anniversary as they thoroughly restructure all aspects of public life. The Politburo believes it would be right this year to issue an address to all party members and all working people in the USSR.

The Central Committee calls on communists and on all Soviet people to display a still greater understanding of and sense of responsibility for what is to be accomplished, the destiny of the country and the future image of socialism.

We have achieved much in the decades of socialist construction. But time is placing new and greater demands on us. In the changed conditions Soviet society is again passing a test of dynamism, the ability to climb rapidly the steps of progress.

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Our economy is passing the test of high efficiency, being receptive to advanced technologies, ability to produce first-class output and rival competitors on the world markets.

Our morality and the entire Soviet way of life are being put to test to check their ability to develop steadily and enrich the values of socialist democracy, social justness and humanism

Our foreign policy is being put to the test to check its firmness and consistency in the defence of peace and its flexibility and self-control in the conditions of the frenzied arms race fuelled by imperialism and the international tension fanned up by it.

In its deep revolutionary essence, in the Bolshevik audacity of the plans, in its humanistic social purpose, the work being done now is a direct follow-up to the great accomplishments started by our Leninist party in October 1917.

The whole world is today looking at the Soviet people: Will we be able to cope with the task? Can we do it? Will we be able to respond in a worthy manner to the challenge thrown to socialism? We have to give a worthy answer by our deeds and by persevering work. And we cannot put it off.

As you understand well, comrades, the year 1987 has a most important role to play in the implementation of the party's strategy of acceleration. The success of the whole Five-Year Plan period, of our most important projects and the fulfilment of longterm plans will depend on how we work. Hence it is so important to concentrate from the very beginning on specific deeds and on implementation of the resolutions adopted. Hence it takes work - painstaking, routine, but extremely important work - on the part of party committees and organisations and all work collectives to implement the Congress's resolutions.

We must not only consolidate and develop what we have achieved in the first year of the Five-Year Plan period in all sectors of the economy and in all spheres of life, but also advance further, make fuller use of long-term growth factors. In all these orientations it is imperative to achieve noticeable positive changes and to make them irrevocable.

While orienting the cadres to fulfilment of the current tasks and rigorous fulfilment of the tasks of the 12th Five-Year Plan period, as Vladimir Lenin taught us we must not lose sight of the perspective, but concretise and specify the ways of economic and social progress. The drafting of the plan for the 13th Five-Year Plan period will begin very soon on the basis of the new system of management which makes it possible to use socialism's potentialities and advantages to a fuller extent.

Since the on-going radical reform of economic management concerns fundamental matters of the functioning of the socialist system of economy, as well as many aspects of political and social life and the style and methods of party work, it would be expedient to study the entire range of these problems at the Central Committee's next plenum.

In view of these growing tasks, we turn to our cadres. What is required of them is organisation, efficiency in work and the ability to mobilise to the utmost the creative energies and resources of work collectives. Everyone should learn to be able to react quickly and in a businesslike manner to the problems and difficulties which naturally may emerge, since new and not easy tasks are being tackled. In essence, all of us have to pass an examination in political maturity in mastering new methods of work and of management in all sectors of socialist construction.

In short, the new year has brought forth new and quite responsible tasks in implementing the general line of the 27th Congress. The Politburo is convinced that the ideas of the Congress, which have been profoundly understood by all our cadres and

which have taken hold of their minds and thoughts, will more and more persistently and on an ever larger scale make their way into life, determining the course of our development and the country's qualitatively new advances in the economic, social and spiritual spheres.

It is possible to sum up what has been said as follows: we all and every one of us should gear up ourwork. The mobilising role of our party, all its organisations and all communists should manifest itself with particular force in the new atmosphere. It is of importance to continuously keep one's finger on the pulse of life and to do everything for plans to be implemented.

I would like in this connection to take counsel on such a fundamental issue: Possibly, it is advisable to convene an all-union party conference next year on the eve of the report-back and election campaign within the party and extensively to review the course of implementation of the resolutions of the 27th CPSU Congress and sum up the results of the first half of the Five-Year Plan period. It would be also right for the conference to discuss matters of further democratising the life of the party and society as a whole.

The discussion started at this conference could be continued at report-back and election party meetings and conferences at which the results of the restructuring work of each party organisation should be analysed in an exacting way.

The very fact of convening an all-union party conference in accordance with the CPSU's rules would become a serious step in practical democratisation of our party life and developing communists' activity.

Comrades! By formulating cadre policy in conditions of the restructuring and acceleration of the country's social and economic development, the plenum of the Party Central Committee thereby determines the most important directions of our work for many years to come.

At the plenum today we constantly turn to Vladimir Ilyich Lenin, his thoughts and ideas.

This is not just a tribute of great respect, not only an acknowledgement of Lenin's authority. This reflects the pressing desire to revive in modern conditions and revive to the fullest extent possible the spirit of Leninism and to assert in our life the Leninist demands of cadres. You will recall how passionately, how tirelessly Lenin taught that the success of revolutionary struggle, the success of any cardinal restructuring of society is determined in many ways by the mood set by the party.

We wish to turn our country into the model of a highly developed state, into a society with the most advanced economy, the broadest democracy, the most humane and lofty ethics, where the working man would feel that he is the complete master, would enjoy all benefits of material and spiritual culture, where the future of his children would be secure, where he would have everything that is necessary for a full and interesting life. And even sceptics would be forced to say: yes, the Bolsheviks can accomplish anything. Yes, the truth is on their side. Yes, socialism is a system serving man, working for his benefit, in his social and economic interests and for his spiritual elevation.

(The report was listened to with great attention and received with lengthy applause.)