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USSR BRIEFING

from

PRE

November 9, 1990

106-4-10

THE WORLD BANK

ROUTING SLIP		DATE 11.12.90
FROM THE SENIOR VICE PRESIDENT, POLICY, RESEARCH AND EXTERNAL AFFAIRS		
NAME		ROOM NO.
Mr. Lamb		
APPROPRIATE DISPOSITION	NOTE AND RETURN	
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REMARKS		
FROM: Wilfried P. Thalwitz		

The World Bank/IFC/MIGA
O F F I C E M E M O R A N D U M

DATE: 12-Nov-1990 09:49am EST

TO: See Distribution Below

FROM: David R. Bock, OPNSV (DAVID BOCK)

EXT.: 82856

SUBJECT: Briefing for the USSR Trip

(Dictated over the phone on Saturday,
November 10)

The present briefing for Mr. Conable's trip to the Soviet Union is excellent. I agree with the cautious approach on technical assistance proposed. Mr. Conable should also be prepared for the possibility that the Soviets will ask for substantial immediate assistance. There is also some prospect that his visit will have accelerated their own timing about membership issue, a decision on which was taken in principle at least two years ago.

There is one substantive point that is missing in the brief which I think Barber may wish to take up. That is the issue of the legal and constitutional uncertainty that is pervasive in the Soviet Union today and which affects the economic behavior of everyone, particularly enterprise managers and potential foreign investors. The key productive? problem in the Soviet Union has been an excessive focus on short term output maximization at the expense of almost every other economic and environmental variable. The mixed system that is now emerging loosens central control but does not create any sense of ownership at the level of enterprise managers or workers. Consequently, the economy is being rapidly decapitalized and inflationary price increases are being pushed through by the monopolistic production structure. The key need is to move quickly to establish a governance structure for the enterprises appropriate to a market based economy. It is unlikely that this can be done through formal privatization, and other surrogated mechanisms need to be found.

This is a significant party political issue since it also affects the relationships between the Union and the Republics. No other issue is more important, in my view, in terms of economic reform effort and it is here that Gorbachev should focus his own political leadership. This is also a subject on which Barber would have comparative advantage in which he could make a personal contribution to advancing the pace of reform.

I would suggest that Barber's final brief give him some talking points on the need to reduce the legal uncertainties and to move rapidly to the creation of governance arrangements at the

enterprise level that create incentive to manage for long term economic value. It should be stressed that such a legal framework is also needed for effective use of foreign direct investment.

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WBG ARCHIVES

The World Bank/IFC/MIGA
OFFICE MEMORANDUM

DATE: 12-Nov-1990 07:05pm

TO: Please pass this to Wilfried Thalwitz(OLIVIER LAFOURCADE @A1@PARIS)

FROM: Paul Isenman, PRDDR (PAUL ISENMAN)

EXT.: 33957

SUBJECT: For Mr. Thalwitz re BBC Briefing and WHittome. CONFIDENTIAL

Whittome liked the briefing a good deal. He thought we put too much emphasis on a Union market, thinking some centrifugal forces are inevitable and not fatal. Willi made the same point at the Conable briefing and elaborated it to me afterwards. The issue is not the desirability of a unified market but its feasibility. What should be our back-up position? As John put it at the briefing, what is needed at a minimum is what the EC will have in 1992 (I would add if all goes well and if fiscal and monetary policy is in fact well coordinated). This means a common currency, coordinated monetary and fiscal policy, and a common internal and external trade policy. The latter would be hard to maintain; it is already weakening.

Also, they put the budget deficit at 8-9 percent rather than 6 percent.

The briefing went fine, as far as it went. It was a big crowd and we passed from subject to subject. Tomorrow Conable (and Sven) will have lunch with John, Alan, Fred, Stan and me. Stan was also trying to arrange a meeting between the Bank and Fund people on the outstanding contentious issues. Conable did say he felt "tentative" about the trip, being unsure of what would happen or what could be accomplished. Geoff and I try to cheer him up on the positive side. I didn't mention your own concerns. I still think you guys made the right decision on having the visit sooner rather than later. We'll see soon.

Geoff is revising the brief to take account of the points raised (and those that may be raised at lunch tomorrow.) We'll fax you the revised version.

CC: Geoffrey B. Lamb
CC: John A. Holsen

(GEOFFREY B. LAMB)
(JOHN A. HOLSEN)

OFFICE MEMORANDUM

DATE: November 8, 1990

TO: Mr. Sven Sandstrom, EXC

FROM: Louis Forget, LEGAD

EXTENSION: 81514

SUBJECT: USSR Membership Briefing

Further to your request, please find attached two copies of a briefing on membership and institutional matters for Mr. Conable's trip to the USSR.

The briefing is a joint effort of the Legal, Resource Mobilization and Secretary's Departments, and has been cleared by Mr. Shihata.

Also attached is a set of detailed background annexes intended mainly for you and Mr. Kavalsky.

cc: Mr. Thalwitz ✓
Mr. Shihata
Mr. Thahane
Mr. Scott
Mr. Kavalsky
Mr. Choi
Mr. Crevier
Mr. Yurukoglu

LEGAL AND INSTITUTIONAL ISSUES

Briefing for Mr. Conable

ASSISTANCE TO A NON-MEMBER

Under the Articles, the resources and facilities of the Bank "shall be used exclusively for the benefit of members." As was stated in Mr. Wappenhans' letter to Deputy Minister Obminsky of October 29, 1990, the Bank's technical assistance to the USSR would have to be approved by the Bank's Executive Directors and would need to be funded from third parties or from reimbursements by the Soviet Union or from both sources.

The only non-member country with which the Bank has had a formal relationship is Switzerland. The purpose of the agreement the Bank entered into with Switzerland in 1951 was to regulate the status, privileges and immunities of the Bank in Switzerland at a time when the Bank was about to enter the Swiss capital market. Such an agreement would not provide an appropriate basis for the provision of technical assistance to the USSR.

MEMBERSHIP IN THE BANK

The two most important issues to be resolved in connection with an eventual membership application from the USSR are: the determination of the initial subscription, and Board representation.

A. INITIAL SHARE SUBSCRIPTION

1. A "Best Guess" of the Initial Share Subscription

The initial share subscription of a new member is determined by reference to the country's initial quota in the Fund. For this reason, it is not possible to calculate the initial subscription of a country until the Fund has determined an initial quota and the prospective member has accepted it.

On the basis of the limited data available, the "best guess" is that the USSR's initial subscription in the Bank (including the 1988 GCI component) would be in the range of 70,000-80,000 shares. The higher estimate is derived from two sources: (i) the USSR's initial capital subscription agreed at the Bretton Woods Conference and the assumption that its subscription would have grown apace with general capital increases (excluding any special capital increase), and (ii) a comparison of Net Material Product (NMP) and population for the USSR and Eastern European members. The lower estimate is based on the assumption that the USSR's allocation would be equal to that of France and the United Kingdom (69,397 shares).

This range of allocations would put the USSR at the level of France and the United Kingdom and possibly above Germany (72,399 shares). Needless to

say, these estimates are highly speculative.

Normally, the allocation of shares to a new member is derived mathematically from its initial quota in the Fund, using a formula called the "institutional ratio". In the very unusual case of a member of the size of the USSR, however, it is possible that the effect of its quota in the Fund on its ranking in the Bank will become an important issue. This is because the "institutional ratio" could have the effect of giving the USSR a ranking in the Bank higher than in the Fund. For example, if the USSR were given a quota in the Fund equal to that of France and the United Kingdom, it would receive in the Bank an allocation of shares that would put it ahead of these two countries. Also relevant is the fact that under the Ninth Review of Quotas in the Fund, Germany and Japan will share second rank, while in the Bank, Japan is well ahead of Germany. Resolution of this issue will require consultations among Bank members.

Also to be noted, is the fact that assuming Switzerland joined with a total subscription of 31,233 (based on a Fund quota of two billion SDR) and that the USSR joined with 70,000 shares, the potential voting power of the United States would be reduced from 18.18% to about 16.99%.

2. Availability of Shares

The number of shares currently available for allocation is in the order of 1,500, most of which are likely to be required for Mongolia. It will be necessary for the Board of Governors to approve an increase in the authorized capital to accommodate Switzerland, and, assuming an application is made, the USSR.

Increases in the authorized capital are a reserved power of the Board of Governors and are decided by a 75% majority of the total voting power. Increases in the authorized capital give rise to preemptive rights, which the members would have to waive so that the shares authorized may be allocated to the new members. Depending on the timing of the increase needed for Switzerland, and of an eventual Soviet application, it may be possible to combine the two in one single increase.

3. Payment of Shares

In the Bank, the amounts to be paid by a new member at the time it joins the Bank on account of its obligatory subscription are to be paid before the membership becomes effective. This system is different from that of the IMF, where a new member may pay for its quota within six months after accepting membership.

On the basis of the range of shares mentioned above, and assuming that the USSR subscribed all the shares allocated to it at the time of joining (which would be necessary if it wanted to appoint an Executive Director), the total cost would be \$58-62 million in US dollars and the equivalent of \$521-557 million in local currency.

B. BOARD REPRESENTATION IN THE IBRD

The question of the representation of the USSR on the Board of Executive Directors is a complex matter the resolution of which will require extensive consultations with the members of the Bank. As the probable size of the USSR capital subscription would be likely to allow it to obtain a seat of its own on the Board (whether by appointment or by election), the members' reaction to the prospect of such a large Soviet presence on the Board is not easily predictable.

If the USSR were to receive an allocation in the range of 70-80,000 shares, as is mentioned above, its subscription would be equal to or greater than that of France and the United Kingdom. In this event, it would follow from a 1946 formal interpretation of the Articles that the USSR could appoint an Executive Director immediately upon joining, while France and the United Kingdom would continue to appoint their Executive Director. The number of appointed Executive Directors would remain at six as long as six members met the requirement of being one of the members with the five largest number of shares.

The number of elected Executive Directors would not change at the time of the addition of an appointed seat, and the total Board would automatically be increased to 23. It would be for the Executive Directors to decide at the time of the next regular election whether they wished to propose to the Board of Governors to reduce the number of elected Executive Directors to bring the total number back to 22. This is unlikely to occur, however.

In the event that the initial subscription of the USSR is smaller than that of France and the United Kingdom, the USSR would have to participate in the regular election of Executive Directors. The question would then arise what place the other members of the Board would be willing to make for the USSR.

Given the probable size of the USSR's initial subscription (even if it is not one of the five largest), it is unlikely that any constituency would accept it as an additional member of an existing group. It is also unlikely that any Eastern European member would want to join with it to form a new multi-country group. These factors would point towards a constituency of one member, as in the case of China and Saudi Arabia.

China is the sixth largest shareholder with 44,799 shares, and Saudi Arabia shares seventh rank with three member which lead multi-country groups, each with 44,795. If the USSR's initial subscription is equal to or higher than the 44,795 shares allocated to Canada, India, Italy and Saudi Arabia, a case could be made for it to have an elected Executive Director of its own. If it is lower, the Canadians, Indians and Italians may object to a smaller shareholder being given a seat of its own while they are required to share their seat with other members.

The arrangements made with respect to the USSR's representation on the Bank board would apply automatically in IFC and IDA. In MIGA, Directors are elected separately and the matter of the USSR's place on the MIGA Board would have to be taken up with the MIGA membership.

MEMBERSHIP IN IFC

The number of shares to be subscribed by new members in IFC will be determined by means of a new system currently being developed, which will be based on the ranking of the member in the Bank. Assuming the USSR was ranked third in the Bank (between Japan and Germany), its initial subscription in IFC could be in the range of \$73-79 million. If the USSR was ranked fourth on a par with France and the United Kingdom, it would have a subscription of \$68.4 million. This amount would be payable in full at the time of subscription.

It is probable that there will not be enough unallocated shares of IFC capital to accommodate the USSR. This will certainly be the case if Switzerland is allocated its initial subscription before the USSR.

As is the case in the Bank, increases in the authorized capital of IFC are a reserved power of the Board of Governors, are decided by a 75% majority of the total voting power, and give rise to preemptive rights.

MEMBERSHIP IN IDA

It is assumed that if the USSR wanted to join IDA, it would want to do so as a Part II member (the Government might think of joining as a Part I member, as a way of asserting a leadership position on international development matters, but the financial cost of purchasing the number of votes corresponding to its ranking in the Bank would be very high). One solution that would be in line with what other Eastern European countries have done would be for it to join as a "contributing" Part II member. The USSR's contribution to IDA9 could be in the order of SDR 50 million. By way of comparison, Poland joined IDA in 1988 as a Part II "contributing member" with a contribution of SDR 15 million and Czechoslovakia joined in the same manner in 1990 with a contribution of SDR 10 million.

On the basis of the assumed range of Bank shares, the cost for the USSR of joining IDA as a Part II "non-contributing member" is estimated at \$5-6 million payable in US dollars, and the equivalent of \$53-61 million payable in local currency. If it were to join as a "contributing member", the USSR would incur an additional cost corresponding to its IDA9 contribution, which would be paid over about ten years.

MEMBERSHIP IN MIGA

It would be appropriate for the USSR to join MIGA as a Category Two (developing country) member, as Hungary and Poland have done. This would allow MIGA to guarantee foreign investments in the USSR and to provide reinsurance

for such investments, backed by MIGA's ordinary capital. If the USSR were a Category One member, MIGA guarantees of investments in the USSR would have to be issued under the sponsorship system, which requires that the guarantees be backed by funds put up by sponsoring countries.

On the basis of a Bank subscription of 70,000-80,000 shares, the USSR's subscription in MIGA would be in the range of about 4,900 - 5,600 shares. The amount payable at the time of subscription would be between about \$4 million and \$4.5 million in cash in convertible currency, and the equivalent of between \$1.3 million and \$1.5 million in rouble, as well as \$5.3 - \$6 million equivalent in notes in freely convertible currency.

LEG/FRM/SEC
November 8, 1990

THE WORLD BANK AND THE USSR

LEGAL AND INSTITUTIONAL ISSUES

Briefing for Mr. Conable

ANNEXES

- I. HISTORY
- II. ASSISTANCE TO A NON-MEMBER
- III. FORMAL STEPS IN PROCESSING MEMBERSHIP APPLICATIONS
- IV. POSSIBLE IBRD SHARE ALLOCATIONS TO THE USSR
- V. MEMBERSHIP IN IDA
- VI. CAPITAL SUBSCRIPTIONS AND PAYMENTS (BANK, IFC, MIGA)
- VII. ICSID

Legal Department
Resource Mobilization Department
Secretary's Department

November 8, 1990

ANNEX I

HISTORY

The USSR was a participant at the Bretton Woods Conference. Its representative (Mr. Stepanov) argued that the primary purpose of the Bank should be post-war economic reconstruction.

After negotiations which lasted until the very end of the Conference, the USSR agreed to an allocation of 12,000 shares, ranking third, after the United States (31,750 shares) and the United Kingdom (13,000 shares).

The USSR delegation signed the final act of the Conference in July 1944. However, it never became a member of the Fund or the Bank.

ANNEX II

TECHNICAL ASSISTANCE TO NON-MEMBERS

A Legal Analysis

Memorandum of the Legal Department

1. This paper addresses the question of the extent to which the Bank can work in a non-member country, for instance by providing technical assistance to it, either on a reimbursable or non-reimbursable basis.
2. The first purpose of the Bank, as stated in paragraph (i) of Article I is:

To assist in the reconstruction and development of *territories of members* by facilitating the investment of capital for productive purposes, including the restoration of economies destroyed or disrupted by war, the reconversion of productive facilities to peacetime needs and the encouragement of the development of productive facilities and resources in less developed countries. (Emphasis added.)

Article III, Section 1 (a) of the Articles of Agreement of the Bank provides as follows:

The resources and the facilities of the Bank shall be used exclusively for the benefit of members with equitable consideration to projects for development and projects for reconstruction alike. (Emphasis added.)

The Articles of Agreement of IDA contain broadly similar provisions.¹ It is clear that under these provisions of the Articles, the ability of the Bank to provide assistance to non-members is limited. It is also clear that the limitation applies in two respects: (1) it concerns the use of the Bank's own resources and facilities; and (2) it requires such use to

¹ Article I of the Articles of Agreement of IDA provides that: "The purposes of the Association are to promote economic development, increase productivity and thus raise standards of living in the *less-developed areas of the world included within the Association's membership...*" Article V, Section 1 (a) states that: "The Association shall provide financing to further development in the *less-developed areas of the world included in the Association's membership.*" (Emphasis added.)

be exclusively "for the benefit of members."² This leaves a number of possibilities for limited Bank action relating to non-members, as shown below.

3. The Bank has, on a number of occasions, despatched missions to countries which had applied for membership but had not yet become members. Such missions were undertaken both to assist the prospective member in the process of accession to membership, and to enable the Bank to respond quickly to the needs of the country once it had become a member. These particular uses of the Bank's resources are not, in my view, inconsistent with the provisions of the Articles to the extent that they are required to enable the Bank to evaluate the application for membership by providing its Executive Directors and its Board of Governors with the required analysis or to enable the Bank to use its resources more effectively after the new member is admitted.

4. In the recent case of Angola, the Bank has also undertaken work as Executing Agency for the UNDP before the country had become a member. This raised the question whether the fact that the work is paid by the recipient country or a third party makes a difference as to the ability of the Bank to undertake it under the Articles. As the "facilities" of the Bank, and not only its "resources", are to be devoted exclusively to the benefit of its members, it may be argued that the use of such facilities should not be extended to non-members regardless of whether they are funded from the Bank's budget or are purchased with funds coming from outside the Bank. However, if, as in the case mentioned, the work was undertaken at a time when it was fully expected that the country in question would become a member, the benefits to present members and to the prospective member may be considered a reasonable justification for the use of the Bank facilities.

5. Providing Bank's technical assistance to a country which is not a member of the Bank and has not applied for such membership cannot be consistent with the above quoted provisions of the Articles in the absence of clear indications as to the benefits which will accrue to members from the use of the Bank's resources and facilities in such a situation. If such benefits are identified, they should be explained to the Executive Directors before such assistance is provided. The Executive Directors are empowered by the Articles of Agreement (Article IX) to interpret the Articles and their concurrence with the provision of assistance to non-

² It is interesting to note that the drafting history of Article III, Section 1(a) quoted above shows that the U.S. State Department proposed in April 1944, before the Bretton Woods Conference, that "it would be desirable to permit loans to non-members with the approval of perhaps 3/4 of the votes." Internal staff discussions within the U.S. Administration resulted in rejecting this suggestion and keeping the language which appeared in the final text.

members in certain cases would confirm that such assistance is considered by them as beneficial to the Bank and its members. This requirement should apply even in the case where the Bank's service is funded by the beneficiary country in so far as the use of the Bank facilities is involved.

6. The Bank's relations with Switzerland and Taiwan, China should also be noted in this context. Although not a member of the Bank, Switzerland enjoys some of the advantages of members, particularly in that contractors and suppliers from Switzerland are eligible for procurement under Bank loans and IDA credits.³ The case of Taiwan is different in that China, as well as most other members of the Bank, do not consider Taiwan a country in the usual sense of the term. However, quite apart from this consideration, eligibility for procurement is not in itself a use of Bank resources. In a lending operation, the Bank's financial resources are made available to the borrower, not to the countries eligible for procurement. Therefore, the eligibility of Switzerland or Taiwan for procurement under Bank loans is not to be considered as an exception to the basic rule that the use of Bank resources and facilities is exclusively for the benefit of members of the Bank.

7. None of what has been stated above should be read as denying that the Bank's work can and does help non-members. For example, it is evident that the Bank's financial assistance to its developing members as a group increases trade opportunities of members and non-members alike. Indeed, the promotion of international trade (and not just trade among members) is stated as a purpose of the Bank in Article I of the Articles of Agreement. Similarly, the benefits of the Bank's support of international agricultural research, its economics research program, and other similar work are not limited to Bank members. The Bank may also take into account the economies of non-members in its own economic work (for example by including data from non-member economies in research projects aimed at improving our knowledge of economic development). The Bank normally provides technical assistance to an international organization even if some of its members are not members of the Bank (this is, technically, the

³ In 1951, as a prelude to the Bank's first borrowing in the Swiss private market, the Bank entered into an agreement with Switzerland under which Switzerland accords the Bank the right to "engage in all operations provided for in its Articles of Agreement" and gives it most of the privileges and immunities that Bank members grant it under the Articles (there are some exceptions to the tax immunity). At that time, procurement eligibility was not limited to Bank members and the agreement does not deal with procurement eligibility. However, representations were made at that time that as long as the Swiss markets remained open, the procurement eligibility would be maintained. When, in 1956, procurement was restricted to members, an exception was made for Switzerland, which has continued to enjoy procurement eligibility since then.

case of most specialized agencies of the U.N.). However, what the Articles require is that decisions on the use of the Bank's own resources and facilities be based exclusively on the benefits to be derived from such use by its members, as explained in paragraphs 2, 3 and 5 above.

8. It should also be noted that the relevant provisions of the Articles of Agreement of the International Monetary Fund are different from those of the Bank's Articles. Article V, Section 2(a) of the Fund's articles, limits transactions *on account of the Fund* to transactions for the purposes of supplying a member, on the member's initiative, with special drawing rights or the currencies of other members from the general resources of the Fund. In addition, Section 2(b) of the same Article, added as part of the Second Amendment, which became effective on April 1, 1978, reads:

(b) If requested, the Fund may decide to perform financial and technical services, including the administration of resources contributed by members, that are consistent with the purposes of the Fund. Operations involved in the performance of such financial services shall not be on the account of the Fund. Services under this subsection shall not impose any obligation on a member without its consent.

9. As a non-member will be bound by the Bank's Articles only when it ratifies them, the Bank is advised to make sure before its staff enter the territory of a non-member, that the Government of that country explicitly shares the Bank's understanding that the Bank staff on mission (who carry UN Laissez Passers) will have the same treatment in that country as that accorded to UN officials.

*Legal Department
February 5, 1990*

ANNEX III

FORMAL STEPS IN THE PROCESSING OF A MEMBERSHIP APPLICATION

Under the Articles of Agreement of the Bank, only members of the IMF may become members of the Bank. In practice, a country which wishes to become a member of both organizations may apply to both simultaneously, and the Bank processes the application in parallel with the Fund to the extent possible. In the end, the applicant signs the Articles of Agreement of the Bank (the last formal step before membership) after it has signed the Articles of Agreement of the IMF.

The steps in the processing of the application are described below.

1. The prospective member sends an application for membership in the Bank. If the country has not yet applied to the Fund, an application to the Fund would be expected to be sent at the same time as the one to the Bank.

2. The Fund sends a mission to the country to gather information on the economy which will serve as the basis for the preparation of a membership paper. A committee of the Fund Executive Board meets to discuss the membership paper, and in particular the proposed initial quota. When the committee has recommended the proposed initial quota, the Fund Executive Board decides on it and the prospective member informs the Fund that it accepts it.

3. On the basis of the Fund's initial quota, the prospective member's initial subscription in the Bank's capital is calculated and communicated to the prospective member for approval, together with the initial subscriptions to the other Bank Group organizations to which the country has applied.

4. Upon receipt of the member's approval of the initial subscriptions, a paper is put to the Executive Directors in which Management recommends that the Executive Directors send to the Board of Governors a report and draft resolution on the conditions under which the applicant will be admitted to membership.

5. The Management's recommendations are considered by the Executive Directors (the Executive Directors normally do not resort to a membership committee, as is done in the Fund).

6. Once the Executive Directors have approved the report and resolution, they are sent to the Board of Governors for a vote by mail (except if the decision of the Executive Directors is made close to the time of the Annual Meetings, in which case the Board of Governors considers the matter during the Annual Meetings). The voting usually takes about 6-8 weeks.

7. During the period that follows the acceptance of the proposed initial capital subscription, and before signing the original of the Articles of Agreement, the prospective member

- (i) enacts the necessary legislation authorizing membership after having discussed a draft of the legislation and of the other required documents with the Legal Departments of the Fund and the Bank, and
- (ii) makes the required payments to the Bank.

8. When all other conditions have been fulfilled, the representative of the prospective member signs the original of the Articles of Agreement of the Bank, upon which the membership becomes effective.

ANNEX IV

Possible IBRD Share Allocations to the USSR

Scenario 1

The first estimation of IBRD share allocation to the USSR is 80,000 shares, with the IMF quota of SDR 5,170 million. The USSR's rank in the Bank under this estimation would be the third, between Japan (93,770) and Germany (72,399). This estimation is based on the following two approaches:

- (a) the USSR had agreed to an allocation of 12,000 shares at the end of the Bretton Woods Conference. Since then, the Bank had three GCIs: 100% in 1959; 93.6% in 1979; and 78.1823% in 1988. The resulting capital as multiple of original capital is 6.89922. Based on this multiple (and excluding any SCIs), the original 12,000 shares would have been slightly over 80,000 shares.
- (b) based on the comparison of available Net Material Product (NMP)¹ and population of the USSR with certain members' NMP and population (see Annex 1), the estimated share allocation for the USSR is slightly less than 80,000 shares.

Scenario 2

The second estimation is 70,000 shares, with the IMF quota of SDR 4,520 million. This estimation is based on the assumption that the USSR will be allocated a similar number of shares as that allocated to France and the UK.

The Financial Cost of Membership

The financial cost of IBRD membership for the USSR is summarized below (see Annex 2):

	<u>Scenario 1</u>	<u>Scenario 2</u>
Total IBRD Shares	80,000	70,000
of which Obligatory paid-in portions (US\$m)	44,648 471.3 (US\$ 47.1, LC 424.2)	39,036 412.0 (US\$ 41.2, LC 370.8)
of which Optional paid-in portions (US\$m)	35,352 127.0 (US\$ 12.7, LC 114.3)	30,964 111.2 (US\$ 11.1, LC 100.0)

¹Defined as the total net value of goods and productive services produced by the economy.

POSSIBLE IBRD SHARE ALLOCATIONS TO THE USSR

		IBRD	IMF				
		Number of Shares Allocated	IMF		GDP 1985 (SDRb)	Population 1985 (Mil)	NMP 1985 (\$b)
			IMF Present Quotas (SDRm)	IMF 9th GQR Proposed Quotas (SDRm)			
		(1)	(2)	(3)	(4)	(5)	(6)
USSR	Scenario 1	80000	5170.0			278.8	678.6
	Scenario 2	70000	4520.0				
BULGARIA		5215	310.0	464.9	17.3	8.9	24.3
CZECHOSLOVAKIA		9524	590.0	863.2	38.8	15.5	80.0
HUNGARY		8050	530.7	754.8	20.3	10.6	16.8
POLAND		10908	680.0	988.5	69.1	37.4	58.9
ROMANIA		4011	523.4	754.1	49.9	22.7	43.8
YUGOSLAVIA		7806	613.0	918.3	43.9	23.1	41.7
UNITED STATES		264969	17918.3	28526.8	3897.2	239.3	
JAPAN		93770	4223.3	8241.5	1306.2	120.8	
GERMANY		72399	5403.7	8241.5	615.5	61.0	
FRANCE		69397	4482.8	7414.6	503.9	55.2	
UNITED KINGDOM		69397	6194.0	7414.6	444.3	56.5	

SCENARIO 1

IBRD

POSSIBLE INITIAL SUBSCRIPTION FOR THE USSR: ASSUMING IMF QUOTA OF SDR 5170 MILLION

		1974 SDR (million)	No. of IBRD Shares	Paid-in %	Paid-in-Portion			Callable- Portion (US\$m eq)
					US\$ (million)	Loc. Cur. (US\$m eq)		
Obligatory	0.86362835 x Fund Quota	4464.8	44648	8.75%	47.13	424.16	4914.83	
Optional Membership 1988 GCI	0.781823 x (Obligatory + M'ship)	25.0 3510.2	250 35102	0.00% 3.00%	0 12.70	0 114.33	30.16 4107.49	
Total		8000.0	80000		59.83	538.49	9052.48	

SCENARIO 2

IBRD

POSSIBLE INITIAL SUBSCRIPTION FOR THE USSR: ASSUMING IMF QUOTA OF SDR 4520 MILLION

		1974 SDR (million)	No. of IBRD Shares	Paid-in %	Paid-in-Portion			Callable- Portion (US\$m eq)
					US\$ (million)	Loc. Cur. (US\$m eq)		
Obligatory	0.86362835 x Fund Quota	3903.6	39036	8.75%	41.20	370.84	4297.06	
Optional Membership 1988 GCI	0.781823 x (Obligatory + M'ship)	25.0 3071.4	250 30714	0.00% 3.00%	0 11.12	0 100.04	30.16 3594.03	
Total		7000.0	70000		52.32	470.88	7921.25	

ANNEX V

MEMBERSHIP IN IDA

Only members of the Bank may become members of IDA. However, as in the case of IFC and MIGA, the application may be processed at the same time as the Bank application.

1. Categories of Membership

There are two categories of membership in IDA, Part I, and Part II. Part I members include mainly developed countries which are donors IDA replenishment. Part II includes mainly developing countries, but also some developed countries, such as Spain. There are oil-exporting members in each category. Kuwait and the United Arab Emirates are in Part I, but Saudi Arabia is in Part II.

The legal significance of the distinction between "Part I" and "Part II" members is small: Part I members pay the entire amount of their initial subscription to IDA in a convertible currency. Part II members pay only 10% of their initial subscription in a convertible currency, and the balance in their national currency.

All of the Eastern-European members of IDA are in Part II (i.e. Czechoslovakia, Hungary, Poland, and Yugoslavia). These members, as well as other relatively advanced Part II members have made contributions to recent replenishment of IDA and are known as "contributing Part II members".

Since the Part in which a member joins IDA is part of the terms and conditions of membership which are subject to the approval of the Board of Governors, there has to be agreement on this point between the applicant and the IDA.

2. Initial Subscription and Contribution

Please see the next pages of this Annex.

November 8, 1990

TO: Mr. Louis Forget

Re: USSR - Briefing Material

Attached please find two tables on possible IDA subscriptions and voting rights for the USSR.

Scenario 1 is based on an IBRD allocation of 80,000 shares; Scenario 2 assumes 70,000 share allocation. Under each scenario, the subscription and corresponding votes for IDA9 are provided on the basis that (a) the USSR takes up only IDA9 subscription and (b) it makes a contribution to IDA9.



Pina De Santis

cc: Mr. Yurukoglu

USSR: ILLUSTRATIVE SUBSCRIPTIONS AND VOTES IN IDA

Scenario 1 : Assumes allocation of 80,000 IBRD shares

	US\$ OF 1980	CURRENT US\$	NUMBER OF VOTES			PAYMENT OBLIGATIONS	
			SUBSCRIPTION	MEMBERSHIP	TOTAL	USD (MILLION)	LOC. CUR. (USDm eq)
INITIAL SUB.	47,970,000	57,868,810	9,594	500	10,094	5.79	52.08
THIRD REP.	1,864,240	2,248,928	23,303	1,250	24,553		2.25
FOURTH REP.		1,773,800	70,952	3,850	74,802		1.77
FIFTH REP.		721,725	28,869	1,700	30,569		0.72
SIXTH REP.		1,040,100	41,804	2,600	44,204		1.04
SEVENTH REP.		433,950	17,358	1,200	18,558		0.43
EIGHTH REP.		1,207,175	48,287	3,000	51,287		1.21
NINTH REP. (WITHOUT CONTRIB.)		1,344,250	53,770	4,200	57,970		1.34
TOTAL	49,834,240	66,838,536	293,737	18,300	312,037	5.79	60.85

IDA9 CONTRIBUTION: SDR 50,000,000
 USD 63,000,000

IDA9: SUBSCRIPTION & CONTRIBUTION

Subscription carrying votes						
- on behalf of pre-emptive rights	1,344,250	53,770	4,200	57,970		
- on behalf of IDA9 contribution	123,772	4,951	0	4,951		
Contribution carrying no votes	61,531,978	0	0	0		
TOTAL IDA9 SUBSCR. AND CONTRIB.	63,000,000	58,721	4,200	62,921		
INITIAL SUBSCRIPTION						
IDA3 THROUGH IDA8	7,425,676	230,373	13,800	243,973		
IDA9 (including contribution)	63,000,000	58,721	4,200	62,921		
TOTAL	128,294,286	298,888	18,300	316,988		
OF WHICH,						
PAYABLE IN USD	5,786,861					
PAYABLE IN CONVERTIBLE CURRENCY	63,000,000					
PAYABLE IN LC	59,507,425					

USSR: ILLUSTRATIVE SUBSCRIPTIONS AND VOTES IN IDA

Scenario 2 : Assumes allocation of 70,000 IBRD shares

	US\$ OF 1980	CURRENT US\$	NUMBER OF VOTES			PAYMENT OBLIGATIONS	
			SUBSCRIPTION	MEMBERSHIP	TOTAL	USD (MILLION)	LOC. CUR. (USDm eq)
INITIAL SUB.	41,940,000	50,594,319	8,388	500	8,888	5.06	45.53
THIRD REP.	1,629,920	1,966,254	20,374	1,250	21,624		1.97
FOURTH REP.		1,550,850	62,034	3,850	65,884		1.55
FIFTH REP.		631,025	25,241	1,700	26,941		0.63
SIXTH REP.		909,350	36,374	2,600	38,974		0.91
SEVENTH REP.		379,400	15,176	1,200	16,376		0.38
EIGHTH REP.		1,055,425	42,217	3,000	45,217		1.06
NINTH REP. (WITHOUT CONTRIBUTION)		1,175,275	47,011	4,200	51,211		1.18
TOTAL	43,569,920	58,261,898	256,815	18,300	275,115	5.06	53.20

IDA9 CONTRIBUTION: SDR 50,000,000
 USD 63,000,000

IDA9: SUBSCRIPTION & CONTRIBUTION

Subscription carrying votes						
- on behalf of pre-emptive rights	1,175,275	47,011	4,200	51,211		
- on behalf of IDA9 contribution	123,772	4,951	0	4,951		
Contribution carrying no votes	61,700,953	0	0	0		
TOTAL IDA9 SUBSCR. AND CONTRIB.	63,000,000	51,962	4,200	56,162		
INITIAL SUBSCRIPTION	50,594,319	8,388	500	8,888		
IDA3 THROUGH IDA8	6,492,304	201,416	13,800	215,016		
IDA9 (including contribution)	63,000,000	51,962	4,200	56,162		
TOTAL	120,086,623	261,766	18,300	280,066		
OF WHICH,						
PAYABLE IN USD	5,059,432					
PAYABLE IN CONVERTIBLE CURRENCY	63,000,000					
PAYABLE IN LC	52,027,191					

ANNEX VI

CAPITAL SUBSCRIPTIONS AND PAYMENTS

I.B.R.D.

Under current practice, a new member is required to subscribe a minimum number of shares (the obligatory subscription) corresponding to the position of other members before the 1988 General Capital Increase (the 1988 GCI), and is given the option to make two other subscriptions: one equivalent to the subscription of other members to the 1979 Additional Capital Increase (the "Membership Shares"), and the other equivalent to the subscription of other members to the 1988 GCI. Each subscription is made on different terms, which are described below.

1. The Obligatory Portion

The obligatory Bank subscription of a new member bears a fixed arithmetical ratio to its quota in the Fund. The current ratio is 86.36% of the Fund quota.

Eight and three-quarters percent of this subscription is payable at the time of subscription, as follows: 0.875% would be payable in U.S. dollars and 7.875% would be payable in the member's currency. The balance of the subscription price (91.25%) is part of the Bank's callable capital.

The 0.875% amount payable in U.S. dollars is paid by deposit of the required amount to the Bank's account in the Federal Reserve Bank of New York. The 7.875% amount may be paid in a number of ways:

- a) by a cash deposit in the Bank's account in its depository in the member country;
- b) by deposit of non-negotiable, non-interest bearing demand notes denominated and payable in the member's currency; and
- c) by deposit of a note denominated and payable in U.S. dollars subject to an encashment schedule of 3-5 years

2. The Optional Subscription to "Membership Shares"

The new member is entitled, but not obliged, to subscribe to an additional 250 shares in the capital stock of the Bank; however, no part of the price of these shares is to be paid at the time of subscription, as the entire price consists of callable capital. The purpose of allocating these 250 "membership" shares to the USSR and to other Bank members is to avoid the dilution of the voting power of certain members which would have occurred as the Bank's 1979 General Capital Increase was subscribed.

3. The Optional 1988 GCI Subscription

The new member is entitled, but not obliged, to subscribe to additional shares in an amount equal to about 78.18% of its obligatory subscription. This additional subscription is equivalent to the subscription the member would have been authorized to subscribe had it been a member in 1988.

Three percent of this additional subscription is payable at the time of subscription as follows: 0.3% is payable in U.S. dollars and 2.7% is payable in the member's currency. Payment arrangements are similar to those of the obligatory subscription.

I.F.C.

In IFC, the subscription of a new member now bears an arithmetical ratio (0.55%) to that member's obligatory subscription in the Bank. The method for determining the initial subscription is currently under review, and a different ratio may result from this review.

Preliminary indications are that the new system will be based on the ranking of the member in the Bank. If the USSR were ranked between Japan (79,794 shares in IFC) and Germany (72,861 shares), its subscription would be in the \$73-79 million range. If the USSR were ranked 4th with France and the United Kingdom, its subscription would be \$68.4 million.

The subscription is payable in full in U.S. dollars at the time of subscription.

M.I.G.A.

In MIGA, the subscription of a new member is calculated on the basis of members' relative allocated capital subscriptions in the Bank as of March 31, 1985, assuming that the member's subscription in the Bank in 1985 would have been equivalent to its obligatory Bank subscription.

On the basis of a Bank subscription of 70,000-80,000 shares, the USSR's subscription in MIGA would be in the range of 4,903 - 5,603 shares, or \$53,050,460 - 60,624,460.

Twenty percent of the subscription is payable at the time of subscription. Ten percent of the subscription is payable in cash and another ten percent is payable in the form of a non-negotiable, non-interest bearing promissory note to be executed in accordance with the procedures described in MIGA's information booklet on payments.

The ten percent amount payable in cash is payable as follows in the case of a Category Two (developing member country): the member may pay up to 25% (\$1,326,261.50 - \$1,515,611.50 equivalent) in its own currency; the remaining 75% of the cash portion (\$3,978,784.50 - \$4,546,834.50) in a currency designated as freely usable under the MIGA Convention. These currencies are the Deutsche

Mark, the French Franc, the Japanese Yen, the Pound Sterling and the U.S. Dollar.

The ten percent amount payable by promissory note (\$5,305,046 - \$6,062,446) is payable in full in a note denominated in one of the above noted freely usable currencies. The note must be presentable for immediate payment at the instruction of the Board of Directors of MIGA in order to meet MIGA's obligations.

ANNEX VII

ICSID

The International Centre for Settlement of Investment Disputes (ICSID) is established by the 1965 Convention on the Settlement of Investment Disputes between States and Nationals of Other States (the ICSID Convention). Any State which is a member of the World Bank may join ICSID by signing and ratifying the Convention. Non-members of the World Bank may also join ICSID, but in their case only by invitation extended by a special majority of the ICSID Administrative Council. It was by this means that Switzerland became a member of ICSID. The remaining 91 ICSID member States are World Bank members representing each of the major regions of the world. Among Eastern European countries, Hungary, Romania and Yugoslavia are already ICSID members.

ICSID has an Administrative Council and a Secretariat. The Council is the Centre's governing body, responsible for such matters as approving ICSID's budget, regulations and annual report. It consists of one representative of each member country, each casting one vote. The Secretariat is responsible for the day-to-day operation of the Centre and is staffed by World Bank personnel. Indeed, the World Bank has since the Centre's inception borne in full the entire administrative budget of ICSID. Consequently, the member States have never been required to contribute to the budget.

ICSID provides facilities for the conciliation and arbitration of investment disputes between member States and nationals of other member States. The Centre's objective in making such facilities available is to promote an atmosphere of mutual confidence between States and foreign investors conducive to increasing the flow of private international investment.

ICSID does not itself engage in such conciliation or arbitration. This is the task of conciliators and arbitrators appointed by the parties or as otherwise provided for in the Convention. The Centre assists in the initiation and conduct of conciliation and arbitration proceedings, performing a range of administrative functions in this respect.

Recourse to conciliation and arbitration under the ICSID Convention is entirely voluntary. No member State or national of such a State is obliged to resort to such conciliation or arbitration without having consented to do so. However, once the parties have consented, they are bound to carry out their undertaking and, in the case of arbitration, to abide by the award. Moreover, all member States, whether or not parties to the dispute, are required to recognize awards rendered pursuant to the Convention as binding and to enforce the pecuniary obligations imposed by them. Such awards are not subject to any appeal or to any other remedy except certain limited ones provided for in the Convention itself.

Clauses providing for the settlement of disputes under the auspices of ICSID have become a standard feature of investment agreements between member States and investors from other member States. There are also references to ICSID in the investment legislation of fifteen countries and in some 150 bilateral investment treaties.

To date, 26 actual disputes have been submitted to the Centre. Of these,

two were conciliations and the remaining 24 arbitrations. Both conciliations were amicably settled by the parties after the initial proceedings, as have 11 of the arbitration cases to date. The high proportion of settlements testifies to the value of the ICSID system in facilitating resolution of disputes on terms agreed by the parties.

To further its objective of encouraging greater investment flows, the Centre also undertakes research and publication activities in the field of foreign investment law. The Centre's publications in this field include multi-volume collections of *Investment Laws of the World* and *Investment Treaties* and an annual *Foreign Investment Law Journal*.

FACTS ABOUT THE SOVIET UNION

[Soviet statistics are highly problematic and US\$ conversions particularly so. The figures below are broadly indicative only.]

Area: 22,275,000 sq. km.
of which Russian Republic 17,075,000 sq. km.

Population: 289 million
of which Russian Republic 147 million

Economic growth:

	1971-75	1976-80	1981-85	1989	1990
Official (NMP)	5.7	4.3	3.6	3	-2 (est)
CIA (GNP)	3.0	2.3	2.0	1.4	-

GNI estimates:

GNI (1988): US\$ 1,151.6 bn.¹
GNI per capita: US\$ 3,980 [United States GNP per capita
US\$19,840]

Main Sectors of Production (% of 1989 GNP):

Industry	35
Agriculture	19
Other productive sectors	26
Services, etc	20

External Trade:

Trade deficit:(1989) US\$ 1.8 billion [US\$1 - Rbl.8]

Trade by main area: (% of 1989 total trade)

Exports: CMEA	56
Industrial	24
Developing	20
Imports: CMEA	56
Industrial	28
Developing	16

Major commodities traded: (% of 1989 total trade)

Exports: Fuel and minerals (incl. gold)	60
Machines and equipment	25
Chemicals	6
Imports: Machines and equipment	46
Food and related products	20
Consumer goods	17

Debt: Gross hard currency debt (1989): US\$ 48 billion
Net hard currency debt (1989): US\$ 33 billion
Hard currency debt-service ratio around 25 percent.

1/ To be interpreted with extreme caution as the figures depend on the exchange rate used.

November 14, 1990

Mr. W. Thalwitz

Wilfried:

This version incorporates changes consequent on my discussions with Paul, the briefing meeting, John Holsen's and David Bock's views, and so forth. Assume this is the version that goes into BBC's file.

Geoff Lamb

Attachment

THE WORLD BANK AND THE USSR

Briefing for Mr. Conable's Visit to the USSR

PRE

Revised: November 14, 1990

THE WORLD BANK AND THE USSR

Briefing for Mr. Conable's Visit to the USSR

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THE WORLD BANK AND THE USSR

Briefing for Mr. Conable's Visit to the USSR

The Setting

1. Your visit to the USSR is coming at a time when relationships between the All Union government and the Republics are tense and the economic situation is deteriorating rapidly -- rationing of a wide range of staple foods is being introduced in Moscow and Leningrad, for example, and Fund estimates indicate that output for this year may drop 3 percent or more.
2. In recent days President Gorbachev has moved to reassert some leadership in economic matters by putting forward a compromise program for economic reform. This program, which was endorsed by the Supreme Soviet on October 19, is a compromise between two rival proposals originally submitted to the Supreme Soviet in September: the "500-day" program designed under Stanislav Shatalin's guidance, and a plan for more gradual change drafted under Prime Minister Nikolai Ryzhkov. It is probable that the "Gorbachev program" will be instituted by a series of presidential decrees, since there appears little likelihood of political agreement on concrete measures among the main contenders.
3. The compromise program, while clear in its general commitment to a market economy, is vague about how market mechanisms will be put in place. The plan faces serious hurdles. The Russian Federation has formally "adopted" the competing Shatalin plan -- although it is not clear just what this means in practice. It is also unclear whether either plan's economic strategy is in fact viable, particularly whether inflationary pressures can be brought under control at the same time as serious distortions in relative prices are being removed. This week, Mr. Gorbachev and Mr. Yeltsin have been meeting for what is being spoken of as a crucial attempt to reach a common position on economic reform, and in particular on Soviet/Russian Republic economic relations.
4. As events in the USSR are unfolding, the Joint Study of the USSR economy commissioned by the G-7 from the Bank, IMF, OECD and EBRD is progressing on schedule. Its findings are expected to be ready for discussion between the personal representatives of the institutions and the USSR authorities on December 6-7.

Objectives of Visit

5. Your visit to the USSR, and in particular your meeting with President Gorbachev, will be helpful in accomplishing the following objectives:

- (a) strengthening the relationship between the Bank and the USSR, of which the Joint Study was the first step;
- (b) indicating to Gorbachev our deep concern that the reform approach he has proposed will not get the job done, given the rapidly worsening economic and political conditions and the distortions that a slow pace brings about;
- (c) offering technical assistance to support the reform effort during this difficult transition period; and
- (d) exploring the intentions of the USSR regarding membership in the Bank.

6. This briefing discusses the issues that you might wish to raise regarding the Bank/Soviet relationship, progress of economic reform in the USSR, and the scope and modalities of our proposed technical assistance program. Material pertaining to questions of membership has been provided by FIN/LEG in a separate brief.

Bank/Soviet Relationship

7. You might at the outset stress to Mr. Gorbachev that the Bank, as a global institution, attaches great importance to its growing links with the Soviet Union. You see this developing relationship as a vital element supporting Soviet movement towards full participation in the world economy -- a movement which we welcome, and which has been made possible by Gorbachev's political path-breaking, within the USSR and internationally. You might say that your intention in visiting the Soviet Union now is to initiate a dialogue between Bank and Soviet leaderships -- to understand their problems and intentions better, to share with them some of the Bank's experience and perspectives, and to explore how we can best cooperate in their reform efforts, building on the work begun by the Joint Study. The strength of the Bank Group is that it can bring together in an integrated way a lot of global experience about all the major elements of running a modern market economy, from dealing with the budget or the financial sector right down to individual investment decisions in agriculture, industry, health care and so forth. But no one, including the World Bank, has complete answers to all of their economic problems. We look forward to working collaboratively with the Soviets, deepening our knowledge of Soviet problems and sharing with them our international experience.

8. You might emphasize that you are keenly aware, as an experienced politician yourself, of how tough the political choices are which beset the

government and Gorbachev himself. Many of the problems -- the nationalist feelings, the popular dissatisfaction -- seem also to have strong economic as well as historical roots, and will no doubt require economic as well as political solutions. The Bank of course has nothing to say on the political aspects. But you should stress that even from a purely technical economic point of view, we are convinced that solutions should be based on maintaining a single Union-wide market, free of major internal restrictions on trade and financial flows. Breaking up this huge economic space will compound, and not solve, current economic problems. You might say that a unified market is consistent with a wide range of political arrangements including sovereign states, as the development of the European Community is showing. As EC trends indicate, the key elements are close coordination of fiscal and monetary policies, a common external trade stance and the free flow of trade and capital within the single market. The vital task of Soviet leadership will be to build a new political framework around an economic core of such a unified market. An early settlement of the constitutional and legal framework for the economy is vital to settle the pervasive uncertainty facing everyone -- and particularly enterprise managers and potential foreign investors. You might ask Mr. Gorbachev whether his discussions with Mr. Yeltsin and leaders of other republics make him optimistic on this score.

Progress of Economic Reform

9. Having set the tone as above, you may wish to raise issues about the reform process in the form of personal reflections, based on Bank experience, about how best to achieve reform objectives which both the Bank and the Soviets agree are critical. This will avoid any impression that you are conveying the findings of the Joint Study (conclusions of which should be completed on time and delivered to Moscow at the end of this month -- see Annex 3).

10. First, you could say that you know that Gorbachev and his government are facing a very large budget deficit (the current Fund estimate is 8-9 percent of GDP) -- which may grow dramatically larger next year. As someone with long experience of the US budget, you might comment that these problems of large deficits are all too familiar -- but you are worried that their destabilizing effect on the Soviet economy is much more serious even than in the US.

11. Second, you could say that you well understand how current economic instability is making it much harder to carry out the systemic changes the leadership wants -- and these changes are vital before the benefits of a market economy can begin to flow. But if firms and individuals do not have the incentives of competition and material rewards to change their behavior, will supplies expand to fill shelves and curb popular unrest? Another, related, point is that administered prices will make it extremely difficult -- as the Soviets already know -- to put state enterprises on a commercial basis, and to value state assets appropriately for privatization and more efficient use.

12. You might bring these points together by saying that you fully recognize the danger of serious privation and social unrest. Clearly the authorities are going to feel strong political pressures to move more slowly on prices -- food prices in particular -- than they would wish to do on economic grounds. But you are very concerned about the danger of an inflationary spiral. Since substantial producer price increases have already been implemented, there will be a huge and widening budget deficit because of retail food price subsidies. At the same time many prices will nevertheless increase, and so will minimum wages and pensions, according to Soviet government intentions.

13. With continuing monetary emission, this could be a formula for explosive inflation -- unless the government can move at an early stage to a much faster reform track. For example, one useful thing might be to provide only limited subsidies targeted to those in need, rather than general subsidies the country could not afford. They might then quickly move to liberalize most remaining controlled prices, introduce tight financial discipline over state enterprises, and make rapid changes which facilitate private ownership, expanded production and more competitive pricing -- especially in small-scale agriculture, consumer trade and services. Perhaps this kind of bold, self-reinforcing package is very difficult to design and introduce, but it might serve the reform better than a more cautious approach which was attacked at every turn. You see a real threat that political considerations will lead to a worst-case outcome, in which the leadership is prevented both from stabilizing the economic in the short run and from embarking on vital structural reforms which alone can renew growth. Does President Gorbachev see an early opportunity to escape from this dilemma and accelerate the pace of reform?

Western Aid to the Soviet Union

14. It is likely that you will be asked by President Gorbachev about the prospective scale and timing of Western aid to the Soviet Union. Aside from any personal judgements about aid prospects you may wish to convey, it is suggested that you make two points. First, the Joint Study report -- and particularly its reception by the Soviets -- will provide a critical benchmark for Western decisions, which you would not wish to anticipate. Second, you are concerned that any aid (apart from short-term food and humanitarian assistance, which Western countries will doubtless provide) should be of maximum direct benefit to economic growth and better standards of living for Soviet citizens, and not be a mere stop-gap. This means aid should be designed to provide sustained support for a reform process which is already moving strongly in the right direction -- hence, the motivation of your questions about the pace and depth of the reform process. [You will not wish to give any impression of negotiating aid conditionality. However, if the Soviets are not yet able to move decisively on reforms (e.g. on price liberalization), you might wish to explore the possibility of an explicit timetable specifying when they would move to a faster track -- a timetable which could in future be the basis for linking external aid disbursements to specific Soviet price liberalization and other reform moves.]

Relations with Eastern Europe

15. Should you wish to make some remarks about Eastern Europe's economic relations with the Soviet Union, you might make the general observation that the forthcoming changes in the CMEA trade regime should be handled sensibly, with an eye to the long-term mutual economic advantage that both the Soviets and the Eastern Europeans can and should derive from their knowledge of each other. You could express strong support for Eastern Europe's reform efforts, and the hope that the Soviet Union will be able to maintain essential supplies to these countries. But you should avoid getting involved in the political disagreements between the Soviets and Eastern Europeans about shortfalls in their delivery commitments to each other. Overall, you will want to avoid any impression that the Bank is asking a country with a collapsing economy, sharply declining living standards and limited access to foreign resources to grant continued or even increased subsidies to other countries which are, despite their serious difficulties, mostly richer and with better aid and foreign exchange prospects.

Technical Assistance

16. You might emphasize to Mr. Gorbachev that the Bank wishes to respond in concrete, practical ways to the Soviet problems you have been discussing. To follow up on our work on the Joint Study, we have responded to a request made by the Soviet authorities during the Annual Meetings to consider extending technical assistance to the Soviet Union. We have sent to Mr. Viktor Gerashchenko, Chairman of the State Bank of the USSR, an aide memoire outlining a possible program of technical assistance to the Union and the republics (see Annex 5), which you are ready to recommend to our Board if there is a meeting of minds with the Soviet authorities.

17. In the event of other meetings with Soviet officials in which technical assistance may be discussed in greater detail, you should:

- (a) indicate the scope and areas in which assistance can be provided;
- (b) explore the technical assistance priorities of the Soviet authorities;
- (c) indicate that we cannot use Bank resources for TA on this scale for a non-member, and that we therefore would need to raise financing from other sources; and (d) agree on next steps. Throughout we should ensure that we do not give a "hard sell" of the program, but rather indicate that we are prepared to respond to Soviet needs. Below are a number of points that you could make, which essentially summarize the aide memoire:

18. Scope. Our proposals for a possible technical assistance program are at this stage deliberately general. It is important that we learn more during this visit about USSR priorities and possible channels through which such assistance could be provided. We have deliberately designed the program to be complementary to parallel support which might be provided by the IMF. This will ensure that the Soviets would be able to turn to the Bretton Woods institutions for advice and technical help on most key issues of economy-wide reform.

19. Focus. The proposed TA program would cover the following areas:

- Short-run actions. From our work in other economies with major reform programs, we can provide advice on measures most likely to be effective in addressing some immediate pressures. For example, there is the need for measures to get goods into the market, to reduce waste in the use of material resources, and to provide for targeted social protection of vulnerable individuals during the reform transition.
- System reform. Technical assistance could draw on our extensive experience across countries in the detailed content and sequencing of reforms in transition to a market economy. This could cover critical reforms in price adjustment and decontrol and in external trade, and links of these reforms to fiscal and macroeconomic policy objectives.
- Institutional reform. Areas of possible Bank assistance include restructuring of banks and enterprises, and privatization of state holdings. IFC can contribute its expertise in developing domestic capital markets and attracting private investment from domestic and external sources.
- Sectoral policies and investments. It will be important to tackle problems of specific critical sectors such as agriculture and energy. The Bank's experience is particularly relevant in helping to establish sector-wide policies and investment strategies in identifying high-priority projects which are consistent with economy-wide objectives.
- Training. Our Economic Development Institute has worked for many years doing in-country training. In collaboration with Soviet institutions, programs can be designed focused on officials and managers with responsibilities ranging from economic management, industrial and agricultural development and privatization to investment analysis and project appraisal.
- Coordination. In our experience, cost-effective use of external financial resources and technical assistance is difficult when there are many providers and multiple uncoordinated channels. The Bank has considerable experience in assisting countries to establish coordination mechanisms, to get the best use out of these scarce resources.

20. Modalities. We are thinking in terms of a multi-year program, perhaps three years initially. We would expect that technical assistance teams would spend considerable time in the Soviet Union working closely with Soviet counterparts.

21. Next steps. After the Soviet authorities make a decision in principle on the nature and scale of technical assistance that they would wish from the Bank, a technical mission would visit Moscow to develop a specific work program and financing plan.

22. The Bank's charter basically limits use of its resources to member countries. This technical assistance proposal would therefore be quite exceptional. It would need to be submitted to our Board of Directors for approval and be funded by external contributions. But you should indicate that you are prepared to make a positive recommendation to the Board, and that the Bank would assist in exploring funding options. The program could be initiated upon approval by our Board and the securing of initial funding - possible early in 1991.

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November 14, 1990

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GL

Geoff Lamb

Attachment

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2. In recent days President Gorbachev has moved to reassert some leadership in economic matters by putting forward a compromise program for economic reform. This program, which was endorsed by the Supreme Soviet on October 19, is a compromise between two rival proposals originally submitted to the Supreme Soviet in September: the "500-day" program designed under Stanislav Shatalin's guidance, and a plan for more gradual change drafted under Prime Minister Nikolai Ryzhkov. It is probable that the "Gorbachev program" will be instituted by a series of presidential decrees, since there appears little likelihood of political agreement on concrete measures among the main contenders.
3. The compromise program, while clear in its general commitment to a market economy, is vague about how market mechanisms will be put in place. The plan faces serious hurdles. The Russian Federation has formally "adopted" the competing Shatalin plan -- although it is not clear just what this means in practice. It is also unclear whether either plan's economic strategy is in fact viable, particularly whether inflationary pressures can be brought under control at the same time as serious distortions in relative prices are being removed. This week, Mr. Gorbachev and Mr. Yeltsin have been meeting for what is being spoken of as a crucial attempt to reach a common position on economic reform, and in particular on Soviet/Russian Republic economic relations.
4. As events in the USSR are unfolding, the Joint Study of the USSR economy commissioned by the G-7 from the Bank, IMF, OECD and EBRD is progressing on schedule. Its findings are expected to be ready for discussion between the personal representatives of the institutions and the USSR authorities on December 6-7.

Objectives of Visit

5. Your visit to the USSR, and in particular your meeting with President Gorbachev, will be helpful in accomplishing the following objectives:

- (a) strengthening the relationship between the Bank and the USSR, of which the Joint Study was the first step;
- (b) indicating to Gorbachev our deep concern that the reform approach he has proposed will not get the job done, given the rapidly worsening economic and political conditions and the distortions that a slow pace brings about;
- (c) offering technical assistance to support the reform effort during this difficult transition period; and
- (d) exploring the intentions of the USSR regarding membership in the Bank.

6. This briefing discusses the issues that you might wish to raise regarding the Bank/Soviet relationship, progress of economic reform in the USSR, and the scope and modalities of our proposed technical assistance program. Material pertaining to questions of membership has been provided by FIN/LEG in a separate brief.

Bank/Soviet Relationship

7. You might at the outset stress to Mr. Gorbachev that the Bank, as a global institution, attaches great importance to its growing links with the Soviet Union. You see this developing relationship as a vital element supporting Soviet movement towards full participation in the world economy -- a movement which we welcome, and which has been made possible by Gorbachev's political path-breaking, within the USSR and internationally. You might say that your intention in visiting the Soviet Union now is to initiate a dialogue between Bank and Soviet leaderships -- to understand their problems and intentions better, to share with them some of the Bank's experience and perspectives, and to explore how we can best cooperate in their reform efforts, building on the work begun by the Joint Study. The strength of the Bank Group is that it can bring together in an integrated way a lot of global experience about all the major elements of running a modern market economy, from dealing with the budget or the financial sector right down to individual investment decisions in agriculture, industry, health care and so forth. But no one, including the World Bank, has complete answers to all of their economic problems. We look forward to working collaboratively with the Soviets, deepening our knowledge of Soviet problems and sharing with them our international experience.

8. You might emphasize that you are keenly aware, as an experienced politician yourself, of how tough the political choices are which beset the

government and Gorbachev himself. Many of the problems -- the nationalist feelings, the popular dissatisfaction -- seem also to have strong economic as well as historical roots, and will no doubt require economic as well as political solutions. The Bank of course has nothing to say on the political aspects. But you should stress that even from a purely technical economic point of view, we are convinced that solutions should be based on maintaining a single Union-wide market, free of major internal restrictions on trade and financial flows. Breaking up this huge economic space will compound, and not solve, current economic problems. You might say that a unified market is consistent with a wide range of political arrangements including sovereign states, as the development of the European Community is showing. As EC trends indicate, the key elements are close coordination of fiscal and monetary policies, a common external trade stance and the free flow of trade and capital within the single market. The vital task of Soviet leadership will be to build a new political framework around an economic core of such a unified market. An early settlement of the constitutional and legal framework for the economy is vital to settle the pervasive uncertainty facing everyone -- and particularly enterprise managers and potential foreign investors. You might ask Mr. Gorbachev whether his discussions with Mr. Yeltsin and leaders of other republics make him optimistic on this score.

Progress of Economic Reform

9. Having set the tone as above, you may wish to raise issues about the reform process in the form of personal reflections, based on Bank experience, about how best to achieve reform objectives which both the Bank and the Soviets agree are critical. This will avoid any impression that you are conveying the findings of the Joint Study (conclusions of which should be completed on time and delivered to Moscow at the end of this month -- see Annex 3).

10. First, you could say that you know that Gorbachev and his government are facing a very large budget deficit (the current Fund estimate is 8-9 percent of GDP) -- which may grow dramatically larger next year. As someone with long experience of the US budget, you might comment that these problems of large deficits are all too familiar -- but you are worried that their destabilizing effect on the Soviet economy is much more serious even than in the US.

11. Second, you could say that you well understand how current economic instability is making it much harder to carry out the systemic changes the leadership wants -- and these changes are vital before the benefits of a market economy can begin to flow. But if firms and individuals do not have the incentives of competition and material rewards to change their behavior, will supplies expand to fill shelves and curb popular unrest? Another, related, point is that administered prices will make it extremely difficult -- as the Soviets already know -- to put state enterprises on a commercial basis, and to value state assets appropriately for privatization and more efficient use.

12. You might bring these points together by saying that you fully recognize the danger of serious privation and social unrest. Clearly the authorities are going to feel strong political pressures to move more slowly on prices -- food prices in particular -- than they would wish to do on economic grounds. But you are very concerned about the danger of an inflationary spiral. Since substantial producer price increases have already been implemented, there will be a huge and widening budget deficit because of retail food price subsidies. At the same time many prices will nevertheless increase, and so will minimum wages and pensions, according to Soviet government intentions.

13. With continuing monetary emission, this could be a formula for explosive inflation -- unless the government can move at an early stage to a much faster reform track. For example, one useful thing might be to provide only limited subsidies targeted to those in need, rather than general subsidies the country could not afford. They might then quickly move to liberalize most remaining controlled prices, introduce tight financial discipline over state enterprises, and make rapid changes which facilitate private ownership, expanded production and more competitive pricing -- especially in small-scale agriculture, consumer trade and services. Perhaps this kind of bold, self-reinforcing package is very difficult to design and introduce, but it might serve the reform better than a more cautious approach which was attacked at every turn. You see a real threat that political considerations will lead to a worst-case outcome, in which the leadership is prevented both from stabilizing the economic in the short run and from embarking on vital structural reforms which alone can renew growth. Does President Gorbachev see an early opportunity to escape from this dilemma and accelerate the pace of reform?

Western Aid to the Soviet Union

14. It is likely that you will be asked by President Gorbachev about the prospective scale and timing of Western aid to the Soviet Union. Aside from any personal judgements about aid prospects you may wish to convey, it is suggested that you make two points. First, the Joint Study report -- and particularly its reception by the Soviets -- will provide a critical benchmark for Western decisions, which you would not wish to anticipate. Second, you are concerned that any aid (apart from short-term food and humanitarian assistance, which Western countries will doubtless provide) should be of maximum direct benefit to economic growth and better standards of living for Soviet citizens, and not be a mere stop-gap. This means aid should be designed to provide sustained support for a reform process which is already moving strongly in the right direction -- hence, the motivation of your questions about the pace and depth of the reform process. [You will not wish to give any impression of negotiating aid conditionality. However, if the Soviets are not yet able to move decisively on reforms (e.g. on price liberalization), you might wish to explore the possibility of an explicit timetable specifying when they would move to a faster track -- a timetable which could in future be the basis for linking external aid disbursements to specific Soviet price liberalization and other reform moves.]

Relations with Eastern Europe

15. Should you wish to make some remarks about Eastern Europe's economic relations with the Soviet Union, you might make the general observation that the forthcoming changes in the CMEA trade regime should be handled sensibly, with an eye to the long-term mutual economic advantage that both the Soviets and the Eastern Europeans can and should derive from their knowledge of each other. You could express strong support for Eastern Europe's reform efforts, and the hope that the Soviet Union will be able to maintain essential supplies to these countries. But you should avoid getting involved in the political disagreements between the Soviets and Eastern Europeans about shortfalls in their delivery commitments to each other. Overall, you will want to avoid any impression that the Bank is asking a country with a collapsing economy, sharply declining living standards and limited access to foreign resources to grant continued or even increased subsidies to other countries which are, despite their serious difficulties, mostly richer and with better aid and foreign exchange prospects.

Technical Assistance

16. You might emphasize to Mr. Gorbachev that the Bank wishes to respond in concrete, practical ways to the Soviet problems you have been discussing. To follow up on our work on the Joint Study, we have responded to a request made by the Soviet authorities during the Annual Meetings to consider extending technical assistance to the Soviet Union. We have sent to Mr. Viktor Gerashchenko, Chairman of the State Bank of the USSR, an aide memoire outlining a possible program of technical assistance to the Union and the republics (see Annex 5), which you are ready to recommend to our Board if there is a meeting of minds with the Soviet authorities.

17. In the event of other meetings with Soviet officials in which technical assistance may be discussed in greater detail, you should:

- (a) indicate the scope and areas in which assistance can be provided;
- (b) explore the technical assistance priorities of the Soviet authorities;
- (c) indicate that we cannot use Bank resources for TA on this scale for a non-member, and that we therefore would need to raise financing from other sources; and
- (d) agree on next steps. Throughout we should ensure that we do not give a "hard sell" of the program, but rather indicate that we are prepared to respond to Soviet needs. Below are a number of points that you could make, which essentially summarize the aide memoire:

18. Scope. Our proposals for a possible technical assistance program are at this stage deliberately general. It is important that we learn more during this visit about USSR priorities and possible channels through which such assistance could be provided. We have deliberately designed the program to be complementary to parallel support which might be provided by the IMF. This will ensure that the Soviets would be able to turn to the Bretton Woods institutions for advice and technical help on most key issues of economy-wide reform.

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ANNEX 5	Aide Memoire on Possible World Bank Technical Assistance Program for the Soviet Union
ANNEX 6	Current Membership of Soviet Council of Ministers

THE WORLD BANK AND THE USSR

Briefing for Mr. Conable's Visit to the USSR

The Setting

1. Your visit to the USSR is coming at a time when relationships between the All Union government and the Republics are tense and the economic situation is deteriorating rapidly -- rationing of a wide range of staple foods is being introduced in Moscow and Leningrad, for example, and Fund estimates indicate that output for this year may drop 3 percent or more.
2. In recent days President Gorbachev has moved to reassert some leadership in economic matters by putting forward a compromise program for economic reform. This program, which was endorsed by the Supreme Soviet on October 19, is a compromise between two rival proposals originally submitted to the Supreme Soviet in September: the "500-day" program designed under Stanislav Shatalin's guidance, and a plan for more gradual change drafted under Prime Minister Nikolai Ryzhkov. It is probable that the "Gorbachev program" will be instituted by a series of presidential decrees, since there appears little likelihood of political agreement on concrete measures among the main contenders.
3. The compromise program, while clear in its general commitment to a market economy, is vague about how market mechanisms will be put in place. The plan faces serious hurdles. The Russian Federation has formally "adopted" the competing Shatalin plan -- although it is not clear just what this means in practice. It is also unclear whether either plan's economic strategy is in fact viable, particularly whether inflationary pressures can be brought under control at the same time as serious distortions in relative prices are being removed. This week, Mr. Gorbachev and Mr. Yeltsin have been meeting for what is being spoken of as a crucial attempt to reach a common position on economic reform, and in particular on Soviet/Russian Republic economic relations.
4. As events in the USSR are unfolding, the Joint Study of the USSR economy commissioned by the G-7 from the Bank, IMF, OECD and EBRD is progressing on schedule. Its findings are expected to be ready for discussion between the personal representatives of the institutions and the USSR authorities on December 6-7.

Objectives of Visit

5. Your visit to the USSR, and in particular your meeting with President Gorbachev, will be helpful in accomplishing the following objectives:

- (a) strengthening the relationship between the Bank and the USSR, of which the Joint Study was the first step;
- (b) indicating to Gorbachev our deep concern that the reform approach he has proposed will not get the job done, given the rapidly worsening economic and political conditions and the distortions that a slow pace brings about;
- (c) offering technical assistance to support the reform effort during this difficult transition period; and
- (d) exploring the intentions of the USSR regarding membership in the Bank.

6. This briefing discusses the issues that you might wish to raise regarding the Bank/Soviet relationship, progress of economic reform in the USSR, and the scope and modalities of our proposed technical assistance program. Material pertaining to questions of membership has been provided by FIN/LEG in a separate brief.

Bank/Soviet Relationship

7. You might at the outset stress to Mr. Gorbachev that the Bank, as a global institution, attaches great importance to its growing links with the Soviet Union. You see this developing relationship as a vital element supporting Soviet movement towards full participation in the world economy -- a movement which we welcome, and which has been made possible by Gorbachev's political path-breaking, within the USSR and internationally. You might say that your intention in visiting the Soviet Union now is to initiate a dialogue between Bank and Soviet leaderships -- to understand their problems and intentions better, to share with them some of the Bank's experience and perspectives, and to explore how we can best cooperate in their reform efforts, building on the work begun by the Joint Study. The strength of the Bank Group is that it can bring together in an integrated way a lot of global experience about all the major elements of running a modern market economy, from dealing with the budget or the financial sector right down to individual investment decisions in agriculture, industry, health care and so forth. But no one, including the World Bank, has complete answers to all of their economic problems. We look forward to working collaboratively with the Soviets, deepening our knowledge of Soviet problems and sharing with them our international experience.

8. You might emphasize that you are keenly aware, as an experienced politician yourself, of how tough the political choices are which beset the

government and Gorbachev himself. Many of the problems -- the nationalist feelings, the popular dissatisfaction -- seem also to have strong economic as well as historical roots, and will no doubt require economic as well as political solutions. The Bank of course has nothing to say on the political aspects. But you should stress that even from a purely technical economic point of view, we are convinced that solutions should be based on maintaining a single Union-wide market, free of major internal restrictions on trade and financial flows. Breaking up this huge economic space will compound, and not solve, current economic problems. You might say that a unified market is consistent with a wide range of political arrangements including sovereign states, as the development of the European Community is showing. As EC trends indicate, the key elements are close coordination of fiscal and monetary policies, a common external trade stance and the free flow of trade and capital within the single market. The vital task of Soviet leadership will be to build a new political framework around an economic core of such a unified market. An early settlement of the constitutional and legal framework for the economy is vital to settle the pervasive uncertainty facing everyone -- and particularly enterprise managers and potential foreign investors. You might ask Mr. Gorbachev whether his discussions with Mr. Yeltsin and leaders of other republics make him optimistic on this score.

Progress of Economic Reform

9. Having set the tone as above, you may wish to raise issues about the reform process in the form of personal reflections, based on Bank experience, about how best to achieve reform objectives which both the Bank and the Soviets agree are critical. This will avoid any impression that you are conveying the findings of the Joint Study (conclusions of which should be completed on time and delivered to Moscow at the end of this month -- see Annex 3).

10. First, you could say that you know that Gorbachev and his government are facing a very large budget deficit (the current Fund estimate is 8-9 percent of GDP) -- which may grow dramatically larger next year. As someone with long experience of the US budget, you might comment that these problems of large deficits are all too familiar -- but you are worried that their destabilizing effect on the Soviet economy is much more serious even than in the US.

11. Second, you could say that you well understand how current economic instability is making it much harder to carry out the systemic changes the leadership wants -- and these changes are vital before the benefits of a market economy can begin to flow. But if firms and individuals do not have the incentives of competition and material rewards to change their behavior, will supplies expand to fill shelves and curb popular unrest? Another, related, point is that administered prices will make it extremely difficult -- as the Soviets already know -- to put state enterprises on a commercial basis, and to value state assets appropriately for privatization and more efficient use.

12. You might bring these points together by saying that you fully recognize the danger of serious privation and social unrest. Clearly the authorities are going to feel strong political pressures to move more slowly on prices -- food prices in particular -- than they would wish to do on economic grounds. But you are very concerned about the danger of an inflationary spiral. Since substantial producer price increases have already been implemented, there will be a huge and widening budget deficit because of retail food price subsidies. At the same time many prices will nevertheless increase, and so will minimum wages and pensions, according to Soviet government intentions.

13. With continuing monetary emission, this could be a formula for explosive inflation -- unless the government can move at an early stage to a much faster reform track. For example, one useful thing might be to provide only limited subsidies targeted to those in need, rather than general subsidies the country could not afford. They might then quickly move to liberalize most remaining controlled prices, introduce tight financial discipline over state enterprises, and make rapid changes which facilitate private ownership, expanded production and more competitive pricing -- especially in small-scale agriculture, consumer trade and services. Perhaps this kind of bold, self-reinforcing package is very difficult to design and introduce, but it might serve the reform better than a more cautious approach which was attacked at every turn. You see a real threat that political considerations will lead to a worst-case outcome, in which the leadership is prevented both from stabilizing the economic in the short run and from embarking on vital structural reforms which alone can renew growth. Does President Gorbachev see an early opportunity to escape from this dilemma and accelerate the pace of reform?

Western Aid to the Soviet Union

14. It is likely that you will be asked by President Gorbachev about the prospective scale and timing of Western aid to the Soviet Union. Aside from any personal judgements about aid prospects you may wish to convey, it is suggested that you make two points. First, the Joint Study report -- and particularly its reception by the Soviets -- will provide a critical benchmark for Western decisions, which you would not wish to anticipate. Second, you are concerned that any aid (apart from short-term food and humanitarian assistance, which Western countries will doubtless provide) should be of maximum direct benefit to economic growth and better standards of living for Soviet citizens, and not be a mere stop-gap. This means aid should be designed to provide sustained support for a reform process which is already moving strongly in the right direction -- hence, the motivation of your questions about the pace and depth of the reform process. [You will not wish to give any impression of negotiating aid conditionality. However, if the Soviets are not yet able to move decisively on reforms (e.g. on price liberalization), you might wish to explore the possibility of an explicit timetable specifying when they would move to a faster track -- a timetable which could in future be the basis for linking external aid disbursements to specific Soviet price liberalization and other reform moves.]

Relations with Eastern Europe

15. Should you wish to make some remarks about Eastern Europe's economic relations with the Soviet Union, you might make the general observation that the forthcoming changes in the CMEA trade regime should be handled sensibly, with an eye to the long-term mutual economic advantage that both the Soviets and the Eastern Europeans can and should derive from their knowledge of each other. You could express strong support for Eastern Europe's reform efforts, and the hope that the Soviet Union will be able to maintain essential supplies to these countries. But you should avoid getting involved in the political disagreements between the Soviets and Eastern Europeans about shortfalls in their delivery commitments to each other. Overall, you will want to avoid any impression that the Bank is asking a country with a collapsing economy, sharply declining living standards and limited access to foreign resources to grant continued or even increased subsidies to other countries which are, despite their serious difficulties, mostly richer and with better aid and foreign exchange prospects.

Technical Assistance

16. You might emphasize to Mr. Gorbachev that the Bank wishes to respond in concrete, practical ways to the Soviet problems you have been discussing. To follow up on our work on the Joint Study, we have responded to a request made by the Soviet authorities during the Annual Meetings to consider extending technical assistance to the Soviet Union. We have sent to Mr. Viktor Gerashchenko, Chairman of the State Bank of the USSR, an aide memoire outlining a possible program of technical assistance to the Union and the republics (see Annex 5), which you are ready to recommend to our Board if there is a meeting of minds with the Soviet authorities.

17. In the event of other meetings with Soviet officials in which technical assistance may be discussed in greater detail, you should:

- (a) indicate the scope and areas in which assistance can be provided;
- (b) explore the technical assistance priorities of the Soviet authorities;
- (c) indicate that we cannot use Bank resources for TA on this scale for a non-member, and that we therefore would need to raise financing from other sources; and (d) agree on next steps. Throughout we should ensure that we do not give a "hard sell" of the program, but rather indicate that we are prepared to respond to Soviet needs. Below are a number of points that you could make, which essentially summarize the aide memoire:

18. Scope. Our proposals for a possible technical assistance program are at this stage deliberately general. It is important that we learn more during this visit about USSR priorities and possible channels through which such assistance could be provided. We have deliberately designed the program to be complementary to parallel support which might be provided by the IMF. This will ensure that the Soviets would be able to turn to the Bretton Woods institutions for advice and technical help on most key issues of economy-wide reform.

19. Focus. The proposed TA program would cover the following areas:

- Short-run actions. From our work in other economies with major reform programs, we can provide advice on measures most likely to be effective in addressing some immediate pressures. For example, there is the need for measures to get goods into the market, to reduce waste in the use of material resources, and to provide for targeted social protection of vulnerable individuals during the reform transition.
- System reform. Technical assistance could draw on our extensive experience across countries in the detailed content and sequencing of reforms in transition to a market economy. This could cover critical reforms in price adjustment and decontrol and in external trade, and links of these reforms to fiscal and macroeconomic policy objectives.
- Institutional reform. Areas of possible Bank assistance include restructuring of banks and enterprises, and privatization of state holdings. IFC can contribute its expertise in developing domestic capital markets and attracting private investment from domestic and external sources.
- Sectoral policies and investments. It will be important to tackle problems of specific critical sectors such as agriculture and energy. The Bank's experience is particularly relevant in helping to establish sector-wide policies and investment strategies in identifying high-priority projects which are consistent with economy-wide objectives.
- Training. Our Economic Development Institute has worked for many years doing in-country training. In collaboration with Soviet institutions, programs can be designed focused on officials and managers with responsibilities ranging from economic management, industrial and agricultural development and privatization to investment analysis and project appraisal.
- Coordination. In our experience, cost-effective use of external financial resources and technical assistance is difficult when there are many providers and multiple uncoordinated channels. The Bank has considerable experience in assisting countries to establish coordination mechanisms, to get the best use out of these scarce resources.

20. Modalities. We are thinking in terms of a multi-year program, perhaps three years initially. We would expect that technical assistance teams would spend considerable time in the Soviet Union working closely with Soviet counterparts.

21. Next steps. After the Soviet authorities make a decision in principle on the nature and scale of technical assistance that they would wish from the Bank, a technical mission would visit Moscow to develop a specific work program and financing plan.

22. The Bank's charter basically limits use of its resources to member countries. This technical assistance proposal would therefore be quite exceptional. It would need to be submitted to our Board of Directors for approval and be funded by external contributions. But you should indicate that you are prepared to make a positive recommendation to the Board, and that the Bank would assist in exploring funding options. The program could be initiated upon approval by our Board and the securing of initial funding - possible early in 1991.

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PRE/GL/November 14, 1990

THE WORLD BANK AND THE USSR

Briefing for Mr. Conable's Visit to the USSR

PRE

November 9, 1990

THE WORLD BANK AND THE USSR

Briefing for Mr. Conable's Visit to the USSR

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THE WORLD BANK AND THE USSR

Briefing for Mr. Conable's Visit to the USSR

The Setting

1. Your visit to the USSR is coming at a time when relationships between the All Union government and the Republics are tense and the economic situation is deteriorating rapidly. In recent days President Gorbachev has moved to reassert some leadership in economic matters by putting forward a compromise program for economic reform. This program, which was endorsed by the Supreme Soviet on October 19, is a compromise between two rival proposals originally submitted to the Supreme Soviet in September: the "500-day" program designed under Stanislav Shatalin's guidance, and a plan for more gradual change drafted under Prime Minister Nikolai Ryzhkov. It is probable that the "Gorbachev program" will be instituted by a series of presidential decrees, since there appears little likelihood of political agreement on concrete measures among the main contenders.
2. The compromise program, while clear in its general commitment to a market economy, is vague about how and when market mechanisms will be put in place. The plan faces serious hurdles. The Russian Federation has formally "adopted" the competing Shatalin plan -- although it is not clear just what this means in practice. It is also unclear whether the plan's economic strategy is in fact viable, particularly whether inflationary pressures can be brought under control at the same time as serious distortions in relative prices are being removed. A few days before your arrival, Mr. Gorbachev and Mr. Yeltsin are due to meet for what is being spoken of as a crucial attempt to reach a common position on economic reform, and in particular on Soviet/Russian Republic economic relations.
3. As events in the USSR are unfolding, the Joint Study of the USSR economy commissioned by the G-7 from the Bank, IMF, OECD and EBRD is progressing on schedule. Its findings are expected to be ready for discussion between the personal representatives of the institutions and the USSR authorities on December 6-7.

Objectives of Visit

4. Your visit to the USSR, and in particular your meeting with President Gorbachev, will be helpful in accomplishing the following objectives:
 - (a) strengthening the relationship between the Bank and the USSR, of which the Joint Study was the first step;
 - (b) indicating to Gorbachev our deep concern that the gradual reform effort he has proposed will not get the job done, given the rapidly worsening economic and political conditions and the distortions that a slow pace brings about;

- (c) offering technical assistance to support the reform effort during this difficult transition period; and
 - (d) exploring the intentions of the USSR regarding membership in the Bank.
5. Your visit will have been preceded by a preparatory visit of David Bock, who will be arriving in the Soviet Union on November 12.
6. This briefing discusses the issues that you might wish to raise regarding the Bank/Soviet relationship, progress of economic reform in the USSR, and the scope and modalities of our proposed technical assistance program. Material pertaining to questions of membership has been provided by FIN/LEG in a separate brief.

Bank/Soviet Relationship

7. You might at the outset stress to Mr. Gorbachev that the Bank, as a global institution, attaches great importance to its growing links with the Soviet Union. You see this developing relationship as a vital element supporting Soviet movement towards full participation in the world economy -- a movement which we welcome, and which has been made possible by Gorbachev's political path-breaking, within the USSR and internationally. You might say that your intention in visiting the Soviet Union now is to initiate a dialogue between Bank and Soviet leaderships -- to understand their problems and intentions better, to share with them some of the Bank's experience and perspectives, and to explore how we can best cooperate in their reform efforts, building on the work begun by the Joint Study.

8. You might emphasize that you are keenly aware, as an experienced hand yourself, of how tough the political choices are which beset the government and Gorbachev himself. Many of the problems -- the nationalist feelings, the popular dissatisfaction -- seem also to have strong economic roots, and will no doubt require economic as well as political solutions. The Bank of course has nothing to say on the political aspects. But you should stress that even from a purely technical economic point of view, we are convinced that solutions should be based on maintaining a single Union-wide market, free of internal restrictions on trade and financial flows. Breaking up this huge economic space will compound, and not solve, current economic problems.

Progress of Economic Reform

9. Having set the tone as above, you may wish to raise issues about the reform process in the form of personal reflections, based on Bank experience, about how best to achieve reform objectives which both the Bank and the Soviets agree are critical. This will avoid any impression that you are conveying the findings of the Joint Study (conclusions of which should be completed on time and delivered to Moscow at the end of this month -- see Annex 3).

Economic Reform in the USSR

10. First, you could say that you know that Gorbachev and his government are facing a very large budget deficit (the current Fund estimate is 6 percent of GDP) -- which may grow dramatically larger next year. The need to reduce this deficit is obvious -- but politically very difficult given the pressures to insulate people from inflation through even bigger subsidizing of retail prices. At the same time, the Soviet Union has been experiencing new difficulty in meeting its foreign obligations, which further reduces the government's freedom of action. As someone with long experience of the US budget, you might comment that these problems of large deficits are all too familiar -- but their de-stabilizing effect on the Soviet economy is much more serious even than in the US.

11. You might suggest that the Soviets may have to take some quick, radical measures to halt further deterioration -- for example by broadening and strengthening the indirect tax base, curtailing tax exemptions, and selling easily disposable government assets such as land and small businesses.

12. Second, you could say that you well understand how current economic instability is making it much harder to carry out the systemic changes the leadership wants -- and these changes are vital before the benefits of a market economy can begin to flow. In particular, unless freely determined prices are quickly given a much more important role in the economy, would not much of Gorbachev's program of transition to market economy be in grave peril? If firms and individuals do not have an incentive to change their behavior much, will supplies expand to fill shelves and curb popular unrest? Another, related, point is that administered prices will make it extremely difficult -- as the Soviets already know -- to put state enterprises on a commercial basis, and to value state assets appropriately for privatization and more efficient use.

13. You might bring these points together by saying that you fully recognize concern about the dangers of inflation and popular unrest. But experience in too many of our member countries suggests that buying time (and easing pain) in the short run all too often means even bigger costs for more people just a few months or years later. Both the instability of the budget situation and the urgency of system reform in the USSR case suggest that prudence actually requires that they move fast. For example, they might provide only limited and targeted subsidies, liberalize most prices, introduce tight financial discipline over state enterprises, and make rapid changes which facilitate private ownership, expanded production and more competitive prices -- especially in small-scale enterprises in agriculture, consumer trade and services. Perhaps this kind of bold, self-reinforcing package -- admittedly very difficult to design and introduce -- would serve the reform better than a more gradual approach which was attacked at every turn. Does President Gorbachev see an early opportunity to accelerate the pace of reform in this way?

14. Note in this context that it is likely that you will be asked by President Gorbachev about the prospective scale and timing of Western aid to the Soviet Union. Aside from any personal judgements about aid prospects you

may wish to convey, it is suggested that you make two points. First, the Joint Study report -- and particularly its reception by the Soviets -- will provide a critical benchmark for Western decisions, which you would not wish to anticipate. Second, you are concerned that any aid should be of maximum direct benefit to economic growth and better standards of living. This means aid should be in support of a reform process which is already moving strongly in the right direction -- hence, the spirit of your questions about the pace and depth of the reform process.

Technical Assistance

15. You might emphasize to Mr. Gorbachev that the Bank wishes to respond in concrete, practical ways to the Soviet problems you have been discussing. To follow up on our work on the Joint Study, we have responded to a request made by the Soviet authorities during the Annual Meetings to consider extending technical assistance to the Soviet Union. We have sent to Mr. Viktor Gerashchenko, Chairman of the State Bank of the USSR, an aide memoire outlining a possible program of technical assistance to the Union and the Republics (see Annex 5), which you are ready to recommend to our Board if there is a meeting of minds with the Soviet authorities.

16. In the event of other meetings with Soviet officials in which technical assistance may be discussed in greater detail, you should:

- (a) indicate the scope and areas in which assistance can be provided;
- (b) explore the technical assistance priorities of the Soviet authorities;
- (c) indicate that we cannot use Bank resources for TA on this scale for a non-member, and that we therefore would need to raise financing from other sources; and
- (d) agree on next steps. Throughout we should ensure that we do not give a "hard sell" of the program, but rather indicate that we are prepared to respond to Soviet needs. Below are a number of points that you could make, which essentially summarize the aide memoire:

17. Scope. Our proposals for a possible technical assistance program are at this stage deliberately general. It is important that we learn more during this visit about USSR priorities and possible channels through which such assistance could be provided. We have deliberately designed the program to be complementary to parallel support which might be provided by the IMF. This will ensure that the Soviets would be able to turn to the Bretton Woods institutions for advice and technical help on most key issues of economy-wide reform.

18. Focus. The proposed TA program would cover the following areas:

- Short-run actions. From our work in other economies with major reform programs, we can provide advice on measures most likely to be effective in addressing some immediate pressures. For example, there is the need for measures to get goods into the market, to reduce waste in the use of material resources, and to provide for targeted social protection of vulnerable individuals during the reform transition.

- System reform. Technical assistance could draw on our extensive experience across countries in the detailed content and sequencing of reforms in transition to a market economy. This could cover critical reforms in price adjustment and decontrol and in external trade, and links of these reforms to fiscal and macroeconomic policy objectives.
- Institutional reform. Areas of possible Bank assistance include restructuring of banks and enterprises, and privatization of state holdings. IFC can contribute its expertise in developing domestic capital markets and attracting private investment from domestic and external sources.
- Sectoral policies and investments. It will be important to tackle problems of specific critical sectors such as agriculture and energy. The Bank's experience is particularly relevant in helping to establish sector-wide policies and investment strategies in identifying high-priority projects which are consistent with economy-wide objectives.
- Training. Our Economic Development Institute has worked for many years doing in-country training. In collaboration with Soviet institutions, programs can be designed focused on officials and managers with responsibilities ranging from economic management, industrial and agricultural development and privatization to investment analysis and project appraisal.
- Coordination. In our experience, cost-effective use of external financial resources and technical assistance is difficult when there are many providers and multiple uncoordinated channels. The Bank has considerable experience in assisting countries to establish coordination mechanisms, to get the best use out of these scarce resources.

19. Modalities. We are thinking in terms of a multi-year program, perhaps three years initially. We would expect that technical assistance teams would spend considerable time in the Soviet Union working closely with Soviet counterparts.

20. Next steps. After the Soviet authorities make a decision in principle on the nature and scale of technical assistance that they would wish from the Bank, a technical mission would visit Moscow to develop a specific work program and financing plan.

21. The Bank's charter basically limits use of its resources to member countries. This technical assistance proposal would therefore be quite exceptional. It would need to be submitted to our Board of Directors for approval and be funded by external contributions. But you should indicate that you are prepared to make a positive recommendation to the Board, and that the Bank would assist in exploring funding options. The program could be initiated upon approval by our Board and the securing of initial funding - possible early in 1991.

SUMMARY OF THE GORBACHEV PLAN

1. On October 19 the Supreme Soviet endorsed President Gorbachev's compromise program for economic reform. This program is a compromise between two rival proposals originally submitted to the Supreme Soviet in September. One was the "500-day" program designed under Stanislav Shatalin's guidance. (Mr. Shatalin's group was set up following an understanding between Messrs. Gorbachev and Yeltsin.) The other was a plan for more gradual change drafted under Prime Minister Nikolai Ryzhkov.
2. The compromise program, while clear in its general commitment to a market economy, is vague about how market mechanisms will be put in place. The plan document is a text of some 30 pages, and is intended to provide only general guidelines in most policy areas.
3. Moving from the general statements of the plan to the details of implementation faces serious hurdles. Chief among these is whether the restive Republics will accept the plan. (The Russian Federation has formally "adopted" the competing Shatalin plan -- although it is not clear just what this means in practice.) Any hope for success rests on the Republics' willingness to comply with the extraordinary powers of decree granted last summer to President Gorbachev. Another is whether the plan's economic strategy is in fact viable, particularly whether inflationary pressures can be brought under control at the same time as serious distortions in relative prices are being removed.

Union-Republic Relations

4. The plan retains central authority over a number of key economic functions. A reserve banking system consisting of the Gosbank of the USSR and the central banks of the Republics is to establish a unitary system to manage credit, money supply, foreign exchange, and bank supervision. An all-Union market is to be assured through uniform customs legislation. The center would maintain its taxation powers (in contrast to the Shatalin Plan), but a new tax structure would be negotiated that was in conformity with the transfer of many expenditure responsibilities from the center to the republics. However, the tax system will remain on its present basis through 1991. Central control is retained over exports of natural resources such as oil and gas, gold, precious stones, and special technology, although some kind of profit-sharing is to be negotiated with republics.
5. The program makes explicit "recognition of the republics' state sovereignty and equality," but states that the republics have, in pursuit of common interests, voluntarily delegated certain powers and responsibilities to "Union management organs." These include (i) implementation of a concerted financial, credit and currency policy, (ii) common customs legislation, and (iii) elaboration of the all-Union foreign economic policy (including a

Union-wide foreign currency fund). The Union is also given responsibility for questions of environmental policy and functions such as the establishment of Union-wide standards and statistical services. In addition to defense and security concerns, the Union has the responsibility to manage a common fuel and energy system, mainline transportation facilities (rail, sea, air and pipeline), communications, the nuclear power industry, space systems, fundamental scientific and technical development work, and action in emergency situations.

6. After this "delegation" of powers to the Union, the republican and local governments are left with greatly increased responsibilities. In particular, the republics are given major responsibilities regarding the control of state-owned enterprises, price policies, privatization, wages, and social security. But this is still short of what some republics are demanding.

The Four Stages of Program Implementation

7. A four-stage period of implementation is outlined that is expected to last 18 to 24 months. By the end of this period, the principle measures bringing economic stabilization are to have been put in place, and the first steps taken to establish a market economy.

8. The first stage consists of introduction of emergency measures to stabilize the economy. The budget deficit is to be controlled, the banking system reorganized and money supply controlled, and existing economic ties among state enterprises enforced. Some state property will begin to be privatized; land will be made available to individual farmers.

9. The second stage is dominated by the concern to contain inflation while beginning to introduce market reforms that will bring consumer goods to the market. Tight financial and credit policies will allow prices to be loosened on nonessential goods. But fixed prices will be maintained on at least a third of all goods, including fuels and raw materials. Privatization of small enterprises is to be expanded. Incomes will be indexed to changes in consumer prices; pensions and similar benefits will be corrected by 100% of the increase in prices, while wages and salaries will be partial (up to 70% depending upon pay levels).

10. The emphasis during the third stage will be on reform of labor compensation, shifting of responsibility for social services and facilities from enterprises to local governments, and further liberalization of prices. Housing reform is also to be undertaken; however, the principles of housing reform are not specified and this subject is to be taken up in another paper. By this stage, the plan anticipates that the conditions for a stable market economy will be in place--budgetary and price equilibrium, a reformed banking system, a foreign exchange market, and well supplied markets for consumer goods and services.

11. Objectives during the fourth stage are to consolidate economic stabilization and to promote deepening of competitive markets. Further

privatization will provide the basis for a self-regulating market in light industry, food processing, agriculture and services.

Stabilization Measures

12. The plan outlines measures intended to stabilize the economy within an 18-24 month period. Tight monetary policy, reduction of the fiscal deficit, absorption of the monetary overhang, and improvement in external balances are identified as the critical elements of the stabilization package. But apart from general statements, the plan is very weak on how macroeconomic balances are to be achieved.

13. Various expenditure cuts and revenue reforms are identified as part of a package to reduce the fiscal deficit to 2.5 - 3.0 percent of GDP in 1991 (compared to an expected 8.5 percent of GDP in 1990). Reduced state investment in industry, cuts in spending on the military-industrial complex and KGB, tightening of grants and subsidies to enterprises, and scaling down of the state apparatus are identified on the expenditure side. Regarding revenues, the existing, all-Union tax legislation is to be retained for 1991. Additional revenues will be generated through the turnover tax by broadening its coverage. The plan also anticipates revenues from domestic sales of military property, a part of state organizations' transport fleets, and other state property and goods.

14. There is considerable doubt about whether the fiscal targets are achievable unless substantial progress is made in reducing food subsidies and transfers to state enterprises. Under the plan, next year would bring little change in the relation of increased agricultural producer prices to low and fixed consumer prices. Wide latitude would remain for fiscal bail-outs of state enterprises in financial difficulty. Particularly in those areas where price controls are maintained, some transfers to loss-making enterprises may be needed to avoid the effects on output and employment of widespread closures. And new budget obligations are being shouldered through special funds for social and other adjustment costs during the transition period.

15. Among the measures to hold inflation in check will be a tight monetary policy. A reserve system will be established to carry out unified central banking functions. The existing specialized state banks will be transformed into joint-stock commercial banks and compete with other commercial banks that are emerging. Interest rates are to be raised initially as a first step towards market determination. The state may retain one bank for directed credit on preferential terms, and the Savings Bank would remain under government ownership. Otherwise, the reserve system would implement monetary policy through its control of reserve and discount rate policies.

16. Absorbing the monetary overhang through sale of state property is another key measure intended to contain inflationary pressures. State residential property is to be sold, and several million plots of rural land to be readied for sale. Privatization of smaller enterprises, especially in trade and other services, should also help reduce the overhang.

17. Improving the external economic position of the USSR is identified as a pressing issue, particularly in light of present payment arrears and short-term debt obligations. Promoting exports and attracting foreign capital are the immediate objectives. Recourse to public loans, both multilateral and bilateral, is anticipated in addition to foreign investment in joint ventures.
18. Improving supplies of consumer goods and services is an overriding concern of the plan. Supply of nonessential goods is to be encouraged by freeing retail prices. Regional distribution and trading of consumer goods by commercial enterprises and cooperatives will be encouraged. However, it will be difficult if not impossible to reconcile the objectives of price controls on essential consumer goods, producer prices that are adequate incentives for improved supplies, and holding budgetary subsidies to a level consistent with the fiscal targets.
19. Concern over present production disruptions leads to strong language in the plan about enforcement through Presidential decree of existing economic ties (established by state contracts) in industry and agriculture. Through 1991, a state contract system will be used to manage input and output delivery obligations in the state enterprises.

Establishing a Market Economy

20. The principal measures identified by the plan to introduce markets will involve freeing up entrepreneurial activity, privatization, land reform, price liberalization, banking reform, and reorganization of foreign trade and investment. However, the plan is almost silent on the array of legal and regulatory reforms that will be critical to moving beyond economic stabilization to the establishment of a market economy.
21. The plan announces that freedom of economic activity and choice of forms of management and ownership will be adopted by decree of the President in the near future. The right to private property will be guaranteed, including for foreigners.
22. The plan introduces a note of caution by indicating that the state role in industrial production will be only slowly reduced. Privatization will focus initially in such sectors as commerce, services, construction and repair activities, and small-scale enterprises in other sectors; privatization of large-scale enterprises will be more protracted. Special measures to prevent monopoly practices and unfair competition are foreseen both at the Union and Republic levels. Union and republic stabilization funds are to be established to provide assistance to firms facing adjustment difficulties.
23. Agricultural land reform is to be carried out by the Republics. Lands of inefficient collectives and state farms are to be granted or leased to individuals, cooperatives, or industrial farms. Individuals are to be free to choose between operating their own farms or working on a collective or state farm.

24. Price de-control is to proceed in stages. The first step will be to free the retail prices of a group of non-essential consumer goods. Prices of additional groups of consumer goods will be de-controlled successively so that by 1992, prices will remain fixed by the state only for an essential basket of consumer goods (bread, meat and dairy products, cooking oil, sugar, basic medicines, textbooks, some children's goods, some transport fees).

25. Republics and local governments will have authority to determine the pace and selection of goods for price decontrol on the basis of local conditions. They will also be responsible for providing social safety nets to protect consumers from major income erosion due to inflation.

26. Wholesale prices after 1991 will be determined on a contractual basis by the enterprises concerned, but price increases are expected to be indirectly held in check by a tax on "excessive profits." Wholesale prices will be adjusted but still remain administratively controlled for a wide variety of raw materials, building materials, and other products for industrial and technical use.

27. New procurement prices will be set for those agricultural products bought chiefly by the state. Increases are likely for basic food products, including those for which retail prices will remain fixed during the transition period.

28. Foreign trade and investment are to be fostered by unity of the customs territory, development of a foreign exchange market, and introduction of basic investment regulations. An all-Union agency will oversee foreign economic relations, with Republics represented on its Board.

Social Policies

29. During the transition to functioning labor markets and the free movement of manpower, labor compensation will be guided by state wage scales that will function as minimum wages for given skill levels. These minimum wages are to assure the social protection of workers, and will be based on the cost of a minimum budget of selected consumers' goods and services. Indexation of income to retail prices of the minimum consumer basket will be used to buffer individuals from price increases during the transition to a market economy. Indexation of income will be at a rate of 100 percent for pensioners, and up to 70 percent for salary and wage workers depending on pay levels. In anticipation that unemployment will rise during the transition period, the plan foresees the establishment of direct unemployment benefits, special employment programs, and retraining and employment information services.

30. In addition, special social programs are to be established to assure that basic needs are met for the disabled, pensioners and children. These programs are to be operated by regional and local soviets.

31. The state's activities in social sectors such as public health and education will be protected from the financial constraints that will affect

other sectors. Universal availability of basic public health services will be assured at no charge to users through a network of state medical establishments. For other health services, development of commercial medical establishments and medical insurance schemes will be encouraged. In education, the existing free state institutions will continue, but new emphasis will be placed on specialized secondary, vocational and technical training institutions, including commercial establishments that will operate on a fee basis.

BACKGROUND ON ECONOMIC REFORMS IN THE USSR

Decentralization, Nationalism and Economic Reform

The issues of decentralization, nationalism (or regionalism) and economic reform have become confused in Soviet policy thinking. Decentralization, or devolution of power from the Union to the Republics and lesser political entities, is announced policy and also seems widely accepted at all levels of government. Although some "conservative" forces have doubts about this transfer of power, they are keeping these doubts to themselves. And the devolution policy is, in any event, warmly welcomed by the many national and regional groupings in the country. Even if the authorities at the center wanted to do so, there probably is no way to get this genie back in the bottle.

The lobby for genuine economic reform has much less support. The main supporters for significant systemic reform are to be found in Moscow among officials and intellectuals associated with the Union government and, to some extent, with the Russian Federation. In addition, there is a strong lobby for economic reform in the three Baltic republics, where it is accompanied by an at least equally strong desire for political independence.

In the other republics, the demand for decentralization seems more a demand for the transfer of political and economic power from the center to the republics (and, to some extent, lesser levels of government within the republics). One finds relatively little interest in transferring economic power to enterprise managers who, guided by market signals, would be responsible for the basic decisions in a marketized economy. Many officials view the problem as one of getting the power out of Moscow, but are thinking of keeping it themselves rather than transferring it to the enterprise level.

One cannot ignore the danger that, if President Gorbachev is unable to hold together an All-Union market, the result will be a great many little command economies, all following relatively autarkic economic policies. It is hard to say where this would lead -- but the prospect is not promising from any point of view.

Some officials and technocrats in the Soviet Union believe that the euphoria over "sovereignty" by almost any conceivable ethnic group or political subdivision is a temporary phenomena which has about run its course. They argue that the dangers are increasingly clear now that it is not just the republics, but many smaller groups within republics, that are insisting on their independence and sovereignty. However, with equal authority, others believe that the pendulum is still swinging toward greater political fragmentation and economic autarky. In their view these forces probably cannot be stopped in the short run; they believe that sometime in the future, perhaps a decade from now, it will be possible to put together a Soviet Union that is about as united as the European Community will be in 1992.

The future is without doubt murky and prediction is unusually hazardous. The economic reform program endorsed by President Gorbachev and approved by the Supreme Soviet is an attempt at a compromise which will maintain an All-Union market while still recognizing the "economic sovereignty" of the republics (and in fact transferring a great deal of responsibility to the republics and their subdivisions).

The Idea of a "Market Economy" Is Not Really Understood

While a great many officials at all levels of government talk about the need for the Soviet Union to become a market economy, relatively few of them seem to understand what this involves. The fact that the prices of goods and services can be determined by "the market" rather than by government officials is not widely understood; there seems to be a strong desire to be able to point to the official who is responsible for the price of bread (and to give him praise or blame depending on what one thinks of the price of bread).

For a good many "the market" seems to be a new ideology; it is to come into being by decree or incantation (perhaps with the help of a few foreign experts to give advice on how to create a stock exchange and other market institutions). Also, there is a widely held view that "what we produce is ours" and sales to "outsiders" should only take place after local needs are fully met (even at artificially low prices). This view applies to all political divisions and subdivisions, from republics to municipalities and even to districts within municipalities.

A current example is the "meat war" between the Ukraine and the Russian Federation. The latter has a substantially higher official price for meat, and Ukrainian producers naturally want to send their livestock to market across the border. The reaction of Ukrainian officials, however, has been to send the militia to the border to stop the illegal export of livestock and meat. None of the economic reform programs that have been proposed -- Ryzhkov, Shatalin or compromise approved by the Supreme Soviet -- have faced up to this kind of issue. All of them make local governments responsible for price policies with respect to basic consumer goods. The resulting price differentials are likely to give rise to political tensions, widespread black markets, and demands for trade barriers between political subdivisions.

One of the most basic features of the market process remains an economic crime in the Soviet Union. "Speculation" is a violation of the criminal code -- and "speculation" is defined as buying something in one market with the intent to sell it at a profit in another market. On top of the exceedingly weak institutional base for markets, and the lack of understanding of how markets work, in the Soviet Union there is a very widespread antipathy to the very factors -- the profit motive and price signals -- that make markets work.

Conclusion

Although the objective is clearly set forth in the "Gorbachev Plan," neither the political nor the socio-psychological basis for the transition to a more open and market oriented economy can be considered encouraging. These will prove to be even more difficult problems than creating the institutional and legal frameworks that are required. And these political and socio-psychological factors will seriously constrain the approaches to economic reform that the authorities will be prepared to adopt.

Perhaps the strongest argument for going ahead with the move to a more open and market oriented economy is a simple one: it would be even more difficult, and probably impossible, to go back to the old system of a centralized command economy. The old system has broken down. The new one, for the most part, still remains to be created.

TIMETABLE FOR COMPLETION OF THE JOINT STUDY

The Joint Study is on schedule and we expect to have the Main Report ready for submission to the G-7 and the Soviet authorities before the end of December. However, the work that remains to be done includes: (i) almost all of the reconciliation of differences between the four agencies and (ii) converting the separate contributions of eight task forces from four agencies into a coherent whole.

It now looks like we will have a Main Report of perhaps 75-100 pages. It will be accompanied by an Executive Summary and also by a set of background papers on particular aspects which will total well over 500 pages. Because the background papers will look into many questions in greater detail than is possible in the Main Report, many of them are expected to be useful "technical assistance" for the Soviet authorities as well as being of interest to specialists concerned with the Soviet Union or with the reform problems of socialist economies.

The next steps in the completion of the study are:

- (a) November 9: Agencies submit draft contributions to Main Report.
- (b) November 19-21: Personal representatives, team leaders, and task force chairman meet in Washington (i) to review the drafts submitted, (ii) to redraft the Main Report as necessary, and (iii) to draft a summary of findings that can be used as a basis for discussion with the Soviet authorities.
- (c) November 26-30: During this week we should clear the draft summary of findings with the Heads of Organizations and transmit the summary to Moscow.
- (d) December 6-7: The personal representatives and team leaders will visit Moscow to discuss the summary of findings. (This date is still subject to confirmation by Soviet authorities.)

Any necessary redrafting and the final clearance of the report will be done after the return from the Moscow discussions. The many background papers should also be completed during this period, but there is no firm commitment on when they will be ready. (The decision to make the background papers, as well as the Main Report, the joint responsibility of all four agencies may slow the process because of the mass of papers and the number of issues involved.)

THE BANK'S DRAFT CONTRIBUTION TO THE JOINT STUDY

JSSE MAIN REPORT
REFORM OF ECONOMIC ORGANIZATION

Introduction

1. In an effort to raise the efficiency and promote the modernization of its national economy, thereby improving the living standards and material prospects of its people, the Soviet Union has determined to transform its heretofore centrally planned and administered economy into one whose direction and resource allocation decisions are decentralized and determined predominantly by market forces. Toward this end, several reform proposals were developed, and Basic Economic Guidelines were adopted by the USSR Supreme Soviet on October 19, 1990.

2. The Guidelines recognize that a properly functioning market system depends on the freedom of producers to make their own decisions regarding the composition of their output, the composition and sources of their inputs, the techniques and organization of production, and the terms on which their products are offered for sale; and to derive the benefits or suffer the losses resulting from those decisions, in a context in which buyers are also free to choose the goods and sources from which they buy. In such a system, producers must compete with one another for both inputs and customers, and only those that are able to satisfy their customers' demands for high quality products at reasonable cost will be able to earn sufficient profits to continue to produce. In other words, the discipline of the marketplace is to replace the administrative commands that have guided Soviet production in the past.

3. The institutions required by a market economy are quite different from those of a centrally planned economy. The Guidelines describe, in varying levels of detail, many of the institutional and organizational reforms that are needed to establish the foundations for the new system and the new roles that government, at its various levels, will have to play to support smooth and efficient market operations. The need to eliminate the gross distortions that currently characterize product and input prices in the Soviet Union is properly highlighted, and a program for phasing the needed adjustments and freeing prices to market determination is outlined.

4. Emphasis is also given in the Guidelines to the creation and maintenance of competition as the major force impelling producers to reduce costs, improve quality, and pursue technological and organizational innovation; and to the importance, in this regard, of modifying forms of ownership and clarifying ownership rights over land and the means of production, of bringing competition into the marketing and distribution system, minimizing barriers to trade across the national territory, and integrating the Soviet Union into the international economy. Also clearly recognized is the need to create a competitive, market-based financial system to allocate credit to the real economy and to create the indirect tools of monetary policy that will enable the government to control the overall volume of money and credit without distorting its allocation.

5. The Guidelines refer to the fundamental changes needed in labor remuneration policies to give greater economic incentive to labor and to provide the mobility required by a dynamic market economy. Greater labor mobility, the need to eliminate price distortions in the system, and macroeconomic stabilization all point to the need of putting the housing sector also on a market basis in the Soviet Union. This, too, is described in the Guidelines, along with the general question of the need to reallocate responsibilities for social expenditures between enterprises and the various levels of government and to introduce new programs to deal with unemployment and such other social concerns as environment and the conservation of natural resources.

6. In short, the Basic Economic Guidelines proposed by President Gorbachev and approved by the Supreme Soviet of the USSR provide a comprehensive picture of the complex, interrelated reforms of policies and institutions that are required to achieve that transformation. The directions are clearly set out. Such far-reaching and difficult reforms will necessarily take time, however, and their success will depend heavily on the speed and sequencing with which the various reform elements are carried out. The following sections examine more closely the issues of price reform, enterprise reform, financial system reform, and the overall reform of the legal and regulatory framework need for all of these. Other aspects of the total reform program are discussed elsewhere in the report.

Price Reform 1/

Background

7. In a system of central allocation of real resources, such as has existed until recently in the Soviet Union, prices were regarded as playing essentially an accounting role with little influence on consumption, investment, or production decisions. The efficiency of resource allocation depended instead on price-insensitive administrative decisions. Even with the focus on physical balances, however, it is likely that the low prices maintained, for example, on industrial raw materials, both reflected and helped to perpetuate the low priority given by planners to economizing those resources. Inadequate investment in housing and poor maintenance may also be attributable, in part, to the low financial flows to the responsible government agencies that has resulted from low rents. Household consumption patterns have been influenced by the heavy subsidization of particular foodstuffs.

8. The signals provided by market prices become crucial as allocation decisions are decentralized to enterprises, and those enterprises are placed increasingly on a self-financing basis.^{2/} As noted in the Basic Economic Guidelines, "Market mechanisms can function efficiently only if most prices are freely established in the market, by balancing supply and demand. State price controls are permissible only in a limited sphere." In our view, early and rapid price reform is crucial to the essential restructuring of the Soviet economy and to resolving the severe resource diversions, supply shortages, and macroeconomic imbalances that now characterize the system. For this reason, we strongly recommend substantial correction of existing price distortions, including increasing the prices of basic consumer goods, as part of the first phase of economic reform.

9. The economic reform proposals recently under consideration in the Soviet Union, while recognizing the central role of price reform in the transformation of the economy, have all tended to take a cautious approach in this regard, and this caution is also reflected in the Basic Economic Guidelines. Emphasis is given to the need to stabilize aggregate demand in the economy, to remove monopolistic elements, and to stabilize the supplies of basic commodities prior to the liberalization of prices. The underlying concerns that freeing prices in the face of macroeconomic imbalance, extreme concentrations of market power, supply shortages and inelasticities, and the absence of an effective mechanism to protect the real incomes of pensioners and other fixed and low income people could lead to a serious wage-price spiral, large monopoly profits, major disruptions of production, and heavy social costs are all understandable and justified. What is involved, however, is a set of "vicious circles", in which the price distortions themselves lie at the heart of the very problems that, in turn, inhibit price reform.

10. It must be acknowledged at the outset that economic reforms will involve inevitably a substantial increase in the average level of prices in the Soviet Union. Many prices would have to be raised several-fold to approach international price levels. Given the "stickiness" of prices in the downward direction, the upward adjustments are unlikely to be offset by price declines in those goods currently overpriced in relative terms. The needed price increases will, in turn, have a serious impact on the real incomes of Soviet families. The challenge facing the Soviet authorities is how to achieve the higher market-based price plateau and to cushion the impact on household incomes without setting off an uncontrolled process of continuous inflation.

The Pros and Cons of Early and Rapid Price Decontrol

11. The Basic Economic Guidelines correctly put heavy emphasis on the need for a tightly restrictive fiscal and monetary policy to reduce the inflationary pressures that are already present in the Soviet economy and to control the additional pressures that will emerge during the reform process. The subsidies currently required to hold down prices, particularly of basic foods, comprise a major proportion of the deficit in the state budget. The need for adequate prices for producers is clearly recognized in the Guidelines. Without significant adjustments of prices to consumers as well, subsidies will grow rapidly in the coming year, making extremely difficult, if not impossible, the achievement of the stated fiscal targets and the control of inflation.^{3/}

12. As noted above, economic reform will result unavoidably in a significant increase of prices in the Soviet Union, even if monetary and fiscal discipline are maintained. The increase in the prices of basic consumption goods would, unless compensated, have a serious impact on the living standards of people on low and fixed incomes. For many Soviet citizens, the results could be devastating. Some way must be found, therefore, to provide at least partial amelioration of this impact. The Soviet authorities are also properly concerned about the possible disruption to the economy that the elimination of subsidies could cause. The inefficient use of key inputs, particularly energy, that currently characterizes much of Soviet industry makes many enterprises' financial viability dependent on heavily subsidized prices of such inputs. A rapid

increase in those prices could, therefore, jeopardize the solvency of enterprises unable to adjust their production processes and input mixes quickly to the changed terms, and unable to raise output prices accordingly in the face of domestic or external competition. Finally, the danger must be acknowledged that the initial large price adjustment and its attendant disruption of the real economy and of real incomes could awaken inflationary expectations and demands for budgetary and credit assistance that will be difficult for the authorities to resist, thus opening the possibility of accelerating price increases far beyond what is necessary to correct relative price distortions.

13. On the other hand, failure to allow full price correction early in the reform process implies that resources would continue to be used inefficiently throughout the system, as producers and consumers both responded to distorted signals. Energy would continue to be wasted, along with other underpriced inputs. The housing stock would continue to depreciate more rapidly than technically necessary or economically justified. The distorted profit patterns among industries would attract investment and credit to relatively low-priority uses, while higher-priority activities were unable to attract the resources they needed. Similarly, controlled prices are an underlying cause of the supply shortages and disruptions currently evident in the Soviet economy. The decentralization of decision-making that has already occurred as a result of the enterprise reforms that began in 1987, in the face of continuing price distortions, has resulted in significant breakdowns in the state supply system, as even deliveries subject to state orders are diverted to barter and "shadow" markets, where they capture significantly higher prices or price equivalents. Scarce inputs, under these circumstances, are increasingly rationed by personal connections and corruption, as well as by hidden inflation, while supply uncertainties and the logistical complexities of barter trade sharply raise the costs of production and the pressures for additional credit and budgetary support.

14. As regards the impact of price increases on consumers, governments around the world have instituted price controls with the intention of protecting the purchasing power of the poorest members of the society. These efforts have been exceedingly costly, however, and have seldom succeeded. In addition to the costs to the economy of price distortion itself, price controls benefit all purchasers of the subsidized goods, whether or not they need such assistance. A targeted program providing supplementary income can meet the same social objective without imposing price distortions and placing a far smaller burden on the state budget. Moreover, price-controlled goods in short supply are commonly diverted to the black markets, where they are bought by those who can afford to pay the higher prices. The benefits of the subsidies thus accrue in large measure to the black marketeers and the corrupt officials who help them to acquire the scarce supplies of goods at the subsidized prices. It is clear that this is currently happening in the Soviet Union.4/

15. Finally, price reform is prerequisite to efficiently carrying out some other important reform measures. One of these is the hard budget constraint (see paras. 41-43) needed both to strengthen macroeconomic management and to provide the financial autonomy required as part of enterprise reform. The market can also be a powerful tool for demonopolization (paras. 44-45), especially where regional monopolies are

concerned, but the process will not work if price signals are not allowed to operate. The fixing of prices to reduce profits removes the very market forces that would attract new enterprises into a market to provide the desired competition. Moreover, with distorted prices, it is difficult to carry out the needed restructuring of enterprises, including the conversion of military enterprises to other lines of production, and, since value depends on profitability and prospects in the marketplace, to accurately value assets for the purposes of privatization.

16. In short, while there are risks involved in rapid price decontrol, a strategy to delay providing the price incentives necessary to spur the restructuring of the economy is also fraught with the danger of supply breakdowns and accelerating inflation; to the extent that delay succeeds in reducing the immediate pain of adjustment, this gain may come at the cost of facing a more painful adjustment in the future.

Recommendations

17. For the reasons given above, we believe that the desired transition to a market economy in the Soviet Union would be best served by an earlier, more rapid, and more comprehensive liberalization of prices than is currently being contemplated. We are persuaded to this view in part because of the degree to which the administered supply system has already broken down, resulting in shortages of both industrial inputs and consumer goods, hidden inflation, and an apparently massive shift to barter activity to keep production going. Despite Government's admonitions to enterprises to respect traditional supply relations and to honor state orders, it is doubtful whether the administered system can be put back together to function at anything near its previous effectiveness. In addition to encouraging greater efficiency, rapid price decontrol may now be the fastest, if not the only, road to reestablishing a stable flow of goods in the Soviet economy. At the same time, however, measures need to be taken to ameliorate the impact of price increases on household incomes.

18. We recommend, first of all, that the prices of virtually all goods in the economy be freed. Exceptional treatment be accorded to only a handful of key industrial inputs--e.g., energy and certain basic metals--for which (i) the supply response to increased prices is likely to be slow; (ii) the potential disruption of industrial production, without a reasonable period allowed for adjustment, is large; and (iii) the state supply system is still capable of assuring reliable supplies at or near the present levels. For those goods, we recommend a time-bound, preannounced schedule of adjustment to world prices over, say 2-3 years, giving the affected industries forewarning of the need to adjust their technologies, product and input mixes accordingly.^{5/} The Guidelines call for the prices of energy and other basic materials to be set by agreement among the republics. If this procedure is used, it should be agreed from the start that the purpose is to ease the transition to international prices within an established time frame. The adjustment of industry could also be eased somewhat by an initially high uniform external tariff (replacing the present myriad of quantitative restrictions), reduced over time in accordance with a preannounced schedule.

19. We further recommend that, through the first stage of reform, the government use imports to stabilize the retail prices of the most sensitive

basic consumer goods--wheat, milk, butter, meat--at levels that fully cover freed producer prices and the costs of transportation and distribution. As the wholesale and retail marketing networks are privatized (paras. 27 and 32), retail prices, too, would be entirely freed. The stabilization of inflationary expectations in the wake of this adjustment would depend heavily on the success of the monetary and fiscal program and on guaranteed supplies of imports of the indicated goods. It is recommended that bilateral assistance be provided during the first stage to assure import supplies. The composition, volume, and resale prices of specific commodity aid, however, would have to be carefully managed to avoid harming domestic producer incentives.

20. For workers, the removal of consumer goods subsidies (and increased rents) would represent a sharp reduction of what has, in effect, constituted wages in kind. It is appropriate for both economic and equity reasons that the reduced subsidies be at least partially compensated by an administered increase in money wages.^{6/} This cost would be borne by the enterprises, offsetting the transfer of certain social expenditures from the enterprises to the government (see para. 5), and would constitute a first step toward the market-oriented reform of labor remuneration policies also alluded to in the Guidelines. Increased wage costs, along with other input costs and higher interest rates (paras. 73-76), would get reflected in the prices of goods in the market.

21. Pensions and other transfers to individuals not active in the labor force would also have to be adjusted. One approach that has been used elsewhere is a flat per capita transfer for all individuals. Although administratively more difficult, a targeted approach, based on maintaining acceptable real minimum family income levels, should be able to accomplish the same social objectives at lower cost to the budget. Overall, the extent of compensation to consumers for the loss of subsidies would depend on their fiscal impact and on the requirements of macroeconomic stabilization. Short-term reductions in the real incomes of some members of the population are probably an unavoidable cost of the reforms. The challenge to the government is to assure, through the design of the reform program, that this short-term cost is (and is perceived to be) a sound investment in the future.

22. The above recommendation to adjust the prices of consumer goods to expected market levels, and subsequently liberalizing prices in a climate of macroeconomic stability, is the preferred approach. However, it is a widely held view in the Soviet Union that prices of some essential consumer goods should continue to be subsidized. Although we believe that the social needs involved could be more effectively met by compensation arrangements, such as those described above, insistence on this preferred policy might jeopardize popular support for the broader economic reform program. Consequently, some continuation of retail price subsidies may be deemed unavoidable for a small number of essential consumer goods.^{7/} The level of subsidy would have to be limited in the light of the budgetary situation. There are essentially two ways the retail price subsidy could be provided, so as to limit the cost to the budget and the diversion of subsidized goods to unintended uses and beneficiaries. The preferred method would be to allow prices and wages to rise to their market levels, and to provide households with coupons (food stamps) that serve as money to cover part of the price of the selected goods. Alternatively, the price could be set below market, but purchasers

would have to present ration coupons along with money in order to acquire the goods. Individuals wanting more of a subsidized good should be able to purchase it at the unsubsidized market price.

Enterprise Reform

23. As noted above, the Basic Economic Guidelines clearly affirm the Government's intention to devolve microeconomic decision-making to individual enterprises, operating under different forms of ownership, including private ownership, in an environment of market-determined prices, competition, and equal status under the laws. Today, however, the vast industrial sector of the Soviet Union is characterized by huge, monopolistic state enterprises; which still receive a large proportion of their production orders and inputs from the state, face administered prices, have little control over company finances, and are run at the plant level by people who are production engineers rather than enterprise managers in the Western sense. Along side these giant enterprises is a rapidly growing number of much smaller firms, operating largely outside the state planning system, under various forms of organization whose legal status and ownership rights remain unclear. The increasing decision-making responsibility accorded to the managers of state enterprises over the past three years and the rapid proliferation of these new enterprise forms, taking place in a context of rigid state prices and unclear ownership, is resulting in enterprise decapitalization and a progressive breakdown of the state supply system, and makes particularly urgent the rapid transition to market-determined resource allocation. This section examines several interrelated aspects of the enterprise reforms that must form part of this transition: the denationalization of ownership, enforcement of a hard budget constraint on enterprises, the demonopolization of industry, organizational and managerial changes in those enterprises destined to remain, at least for the foreseeable future, under state ownership, and the training of enterprise managers.^{8/}

Denationalization of Ownership

Background

24. Ownership of the means of production in the Soviet Union is formally vested in the people as a whole. Production and pricing decisions were, for many years, made by central planners rather than by enterprise managers guided by market signals. Managerial performance was judged primarily by whether or not physical output targets were fulfilled. Capital tended to be inefficiently used and poorly maintained, partly because neither managers nor the state officials to whom they reported had either a direct stake in the enterprise's efficiency or in protecting the value of the capital stock.

25. Interrelated problems of ownership, management, and incentives lie at the heart of the unsatisfactory performance of Soviet enterprises, in respect to productive efficiency, product quality, and technological backwardness. To achieve a fundamental change in this situation, the Basic Economic Guidelines call for the "denationalization and demonopolization of the economy and the development of enterprise and competition". As commonly used, "denationalization" (sometimes translated as "destatization") means establishing an enterprise as a financially and managerially autonomous

entity. As stated in the Guidelines, "Not only are they autonomous in their activity, but they are also economically responsible for the results of this activity--in terms of both current income and their own property."9/

26. For a large enterprise, denationalization would typically be carried out first through "commercialization"--i.e., by converting the enterprise to a joint stock company while still under public ownership. As proposed, ownership would initially pass to State Property Funds, which would act as holding companies. Privatization through the sale of shares is seen as a subsequent step for most medium and large denationalized enterprises, but the need for denationalization and commercialization applies equally to those enterprises that are expected to remain in the public sector. Smaller enterprises, on the other hand, could be quickly privatized without going through the intermediate stage.

27. While details of denationalization programs are to be worked out by the Union and Republic governments in their respective areas of ownership--a discussion complicated by intergovernmental disputes over enterprise ownership--the Guidelines propose that outright privatization begin immediately in such activities as trade, restaurants, consumer services, repair shops, construction, and small enterprises generally. The denationalization and commercialization of large and medium-sized enterprises is also to begin right away. Eventually, it is expected that most of the production and service sectors of the economy will have been transferred to private ownership.

The Pros and Cons of Rapid Privatization

28. We strongly support the importance being given by the Soviet authorities to the divestiture of the state's ownership rights over the nation's enterprises. The decentralization and clear definition of ownership rights and responsibilities is, along with price reform, the most urgent step in the transition to a market system in the Soviet Union. Beyond the principles outlined above, however, the Guidelines do not set out a clear program or time frame for transforming enterprise ownership, and questions of speed and sequencing continue to be a matter of debate. Early privatization, in particular, gives rise to several concerns. As the Guidelines point out, for example, the value of the state's productive assets far exceeds the savings available in the private sector to pay for them. Even in the case of small enterprises, provision will be needed for buyers to pay in installments. Denationalization and privatization in the industrial sector 10/ is complicated by the large and frequently indivisible nature of the assets involved, the high degrees of market concentration, oversizing of plants, and uneconomic vertical integration of production. Two possible consequences of rapid privatization, therefore, are that the assets might be acquired at far below their actual values, providing a windfall to the buyers, and/or that asset ownership might become concentrated in the hands of a few individuals who have the money or political connections to acquire it. It is further argued that persons or entities receiving ownership rights over productive assets at low cost to themselves might feel less a stake in assuring the efficient use of those assets. Another issue is whether monopolies (other than the limited number of natural monopolies) should be broken up, and enterprises restructured, prior to the transformation of ownership through denationalization.

29. While rapid privatization of shares in the larger enterprises may reduce the cash proceeds to the state, it would also permit a wider distribution of assets seen as belonging to all the people. Moreover, we believe that the stake most new asset owners will see in the future income streams and sales value of the assets will be more important than their purchase price in providing appropriate incentives. At the same time, the more of their savings that the new owners transfer to the government in exchange for the assets, the less they will have to make the needed investments in enterprise restructuring and modernization, something they are likely to do more efficiently than the government would. Moreover, the counter case for gradual denationalization assumes that the performance of the state enterprises can be improved, or even maintained at their present levels, during the course of a slower transition. Given that poor enterprise performance has, to a considerable extent, been the result of undefined ownership, we doubt that such an assumption will hold. Until and unless interest in the efficient use and value of capital becomes imbedded in enterprise decision-making, the nation's capital stock will continue to be wasted and dissipated. By the same token, clear ownership and property rights must accompany rational prices to achieve the desired demonopolization and efficient restructuring of industry. As elaborated below (paras. 44-45), we believe that enterprise managers, acting in response to market signals, can do a major part of the job of demonopolization more efficiently than would be done by officials in ministries. However, enterprise ownership must already have passed to persons or organizations that have a stake in the use of its assets. The rapid "spontaneous privatization" process that is already under way also points up the need for a quick regularization and completion of ownership reform.

30. The proposed middle stage of commercialization of under the aegis of state holding companies offers a distinct improvement over the present ministerial control of enterprises. Efforts in other countries to place state enterprises under a hard budget constraint and to subject them to market discipline have not always worked out well, however. It is very difficult to insulate state enterprise management from political pressures and the noneconomic objectives of governments. For the above reasons, we would urge the authorities to consider an even more rapid denationalization process than is proposed in the Guidelines.

Recommendations

31. We recommend that denationalization be accelerated by taking a mixed approach that may vary by type of activity and size of enterprise, as well as according to the preferences of the different Republics. Specifically, we recommend the rapid privatization of small enterprises through outright sale to individuals, cooperatives, etc., willing and able to acquire them and to accept the risks of entrepreneurial activity. The privatization of larger enterprises will necessarily take longer and could proceed along essentially two paths: (i) the direct sale or leasing of divisible products lines, stages of production, or service activities to individuals, cooperatives, etc.; and (ii) conversion into joint stock companies under the initial ownership of state holding companies created for the purpose, with privatization proceeding through the market sale of shares to individuals, financial institutions, and other enterprises and organizations, either directly or through mutual funds.

32. In the service sectors, the Government's proposal to sell the assets through open and well publicized auctions is an excellent one and should proceed as quickly as possible. We agree also that buyers should be allowed to make payment in installments to permit both rapid sale and a wide and equitable distribution of the assets. Particularly important is the denationalization of transport, storage, and distribution services, where assets--e.g., trucks, warehouses, retail shops--are easily sold off one by one, and where the existing commercial monopolies can therefore be rapidly broken up.

33. With respect to larger enterprises with multiple product lines, or whose production processes are divisible, we would encourage the process of sale or leasing of discrete parts of enterprises that is already taking place. The sellers or lessors could be either the newly formed joint stock companies or, in advance of the completion of conversion, existing state enterprises. Sale would be by open and well publicized auction and would require a significant equity contribution by the new owners, equivalent, say to 15% or more of the purchase price, allowing them to finance the remainder at normal terms through the financial system.

34. Monthly lease payments could also be established by auction or, alternatively, made equal to an estimated straight-line depreciation of the value of the assets, plus a negotiated return to the lessor, and the life of a lease would be based on the expected life of the covered assets. While a lease were in effect, the original assets would be held as collateral by the lessor. No new state or lessor investment would be made in the leased enterprise; any replacement or new investment would be the responsibility of, and would be owned by, the lessees, who would also be responsible for arranging its financing without state subsidy or guarantee. Lessees would be free to organize their enterprise as they see fit--joint stock company, cooperative, individual proprietorship, etc.--and to alter their product lines and methods of production. It should also be possible for lease contracts to be sold to other individuals or organizations, subject to antimonopoly laws and regulations. Otherwise, lease holders would lose their interest in protecting the value of the leased assets.

35. To ensure against arbitrary and opportunistic behavior in the valuation of assets, it might be desirable to establish a review procedure for sales and leasing contracts, vested in an independent government agency answerable to the Union or Republican Parliaments. To avoid undue delays in the privatization process, as has occurred in other countries undergoing similar reforms, the review should be limited to questionable cases. These could be brought to light by a requirement that all such arrangements be publicized in the newspapers, identifying the sellers and buyers, or lessors and lessees, the assets covered by the contracts, and the terms of the sale or lease.

36. At the end of a lease contract, the value of the original assets would have been entirely depreciated, and any new assets would be fully owned by the lessee. In some cases, it might be stipulated that, at the end of the lease, the enterprise be converted into a joint stock company and the shares distributed free to its workers on an individual basis. Enterprises that become unprofitable, either during or after the life of the lease, whether because of mismanagement or changing market conditions, would be allowed to fail.

37. Large enterprises with indivisible production processes, or otherwise not amenable to leasing, would operate as joint stock companies. Shares would be owned initially by state holding companies, independent of the line agencies or regulatory authorities of government, and charged with operating the entities under their responsibilities as commercial, market-oriented enterprises and with husbanding the long-term value of their assets. Such enterprises should be accorded no preferential treatment from the state, however, by virtue of their public ownership. Moreover, to encourage competition, enterprises producing the same goods or close substitutes should not be owned by the same holding company. (The control and management of such enterprises is discussed further in Section --.)

38. Over time, as financial savings and markets grow, it is expected that the state holding companies would sell their shares to individual and institutional investors, including mutual funds, pension funds and insurance companies. Such intention should be written into their charters with at least a tentative time frame indicated for the transfer. Instead of selling off their holdings enterprise by enterprise, holding companies could, in effect, convert themselves into mutual funds, selling shares in their total respective portfolios.

39. The Guidelines propose that priority in the buying of property and shares be given to labor collectives and that their members be accorded various forms of financial assistance to assist them to become owners. Given the relatively low wages and limited mobility of workers in the state sector of the Soviet Union, a case can be made that workers are entitled to a recognized equity stake in their respective enterprises. At the same time, however, we would note that the experience of labor-managed enterprises in other countries has been disappointing. Workers in control of their own enterprises have tended to concentrate on the maximization of their own incomes with a relatively short-term time horizon, with the result of limiting the employment of new workers and decapitalizing the assets of the enterprise over time. We recommend, therefore, that substantially less than a controlling ownership be distributed on a preferential basis to an enterprise's own workers, and that the shares be distributed to workers on an individual, rather than collective, basis. Workers would thus enjoy the same ownership rights of other shareholders, including the right to sell their shares (as well as to acquire new shares) in the market.

40. Another issue concerns the treatment of the debts of existing enterprises. Should these be assumed by the new owners? As a general principle, debts not attributable to existing assets--i.e., the monies have been expended on consumption or wasted on investments of little or no value--should be written down and not passed on as a burden to the new owners.^{11/} Where the debts correspond to valuable assets, however, these should be assumed by the new owners of those assets, as if they had borrowed the funds themselves. In the case of leased assets, the debt liability would remain (along with asset ownership) with the lessor, but the related debt service would be included in the lease payment.

Imposing a Hard Budget Constraint

41. Enterprises, whatever their ownership, will only respond to market signals and to the pressures of competition if the owners and managers are truly held responsible for the financial results of their decisions. Market

discipline is obviously undercut when there is a "soft budget constraint"; i.e., when losses are covered by transfers from other enterprises, the state budget, or soft loans from the financial system. The imposition of a "hard budget constraint" means making enterprises financially independent of these sources, including stopping loans from the financial system on anything other than normal commercial terms. This financial autonomy needs, of course, to be accompanied by a managerial autonomy which permits enterprises to adjust to changing constraints and opportunities; i.e., to adjust prices, outputs, employment and other inputs in response to the signals given by the market. We strongly support the Government's intention, as outlined in the Basic Economic Guidelines and agreed in all the major reform proposals, to put a halt to budget subsidies to enterprises, to force the restructuring of enterprises that can, by that process be made financially viable, and to liquidate chronic loss-makers. Also consistent with this objective and worthy of support is the intended reform of the financial system, which is also to be put on a self-sustaining, commercial basis (see Section --).12/

42. The Guidelines correctly state, however, that time will be required by many enterprises to adjust to the new economic conditions, and it is proposed to create Union and Republican stabilization funds, with independent administrations, to provide financial support of different kinds to properly evaluated and justified restructuring efforts. This should help avoid unnecessary declines in employment and output, but there is also a risk that such special financing arrangements could become a substitute for, rather than a complement to, the needed restructuring. Consequently, the funds that are provided will have to be allocated under rigorous criteria. As the stabilization funds are to be financed from budgetary resources, macroeconomic stabilization objectives will limit the resources available for restructuring programs. As indicated in the Guidelines, foreign investors can play an important role in the restructuring of Soviet enterprises. They would only be willing to do so, however, under a regime of clear ownership rights, and would do so efficiently only in a context of rational prices. This is yet an additional reason why we believe that substantial price correction and denationalization must be among the first steps of the reform process.

43. Finally, it is important that the imposition of hard budget constraints on enterprises be accompanied by the elimination of existing differentials in the tax treatment of enterprises in accordance with their size, branch, mode of organization, or other factors. Competition in a market system should take place on as level a "playing field" as possible.

Demonopolization

44. Production in most branches of Soviet industry is highly concentrated, with a large number of important products being produced at a single factory. Even where there is more than one enterprise, moreover, the industrial branch ministries tend to view the enterprises under their control as cogs of the same wheel, assuring that their activities are coordinated, rather than competitive, and transferring resources among them in complex processes of cross subsidization. This tendency to huge scale and extreme concentration reflects, in large part, the preferences of central planners, whose abilities to process information and enforce directives depends on keeping the number of entities they deal with as few

as possible. Such monopoly power, however, cannot be tolerated in a market economy.

45. Thus, the emphasis given by the Guidelines and other reform plans to the demonopolization of Soviet industry, as a prerequisite to efficient market operations, is fully warranted. We would see this occurring, in large measure, however, as an outcome of the market process itself, rather than as an administered prerequisite to the introduction of market forces or the reform of ownership. As prices were freed, enterprises enjoying monopoly power could be expected to exploit that power by raising their prices further, and there would be a period in which they succeeded in garnering abnormally high profits. It is precisely those higher profits which, in a market economy, would attract new entrants and provide the desired competition. Thus, in those activities where new entry were relatively easy, demonopolization could be expected to take place over time as a result of market forces. In contrast, price controls and "excess profits" taxation would discourage market entry. Consequently, by seeking to limit the benefits to the monopolist, such an approach might serve to perpetuate the monopoly.^{13/}

46. On the other hand, it must be acknowledged that, with the predominance of monopoly or oligopoly on both sides of most Soviet markets, and the absence of a commercial tradition, the lag in market response to opening opportunities might be considerably slower than in established market economies. Foreign investment can help. In addition, governments in market economies have a major responsibility for promoting and protecting competitive market conditions, and the Soviet Government should act quickly to introduce an effective framework of antimonopoly laws and regulations along with the institutions to enforce them. This should ensure the freedom of new enterprises to enter an industry, help prevent collusion among enterprises, and discourage predatory behaviors that would lead to the monopolization of an industry (see Section --). This is an area where the experiences of Western countries can be a valuable resource to draw upon through bilateral or multilateral technical assistance.

The Management of State-Owned Enterprises

47. A central factor in the poor performance of Soviet state enterprises has been the absence of any stake, on the part of those making the fundamental decisions regarding the enterprises' activities and policies, in the efficient use and future value of its capital assets. Once enterprises are converted into joint stock companies (paras. 26 and 37), the authorities will still need to face the question of how this need to represent the interests of owners in the assets of the enterprise is to be instilled into the public holders of enterprise shares and the enterprise managers that they employ.

48. The commission or commissions set up to hold and manage state shares in the enterprises not yet fully privatized must be charged with representing owner interests. They would, in effect, be holding companies. They should not be able to cross-subsidize some enterprises with the profits of others or otherwise relax the hard budget constraints on any enterprises. Nor should they have the ability to tilt public policies and the enforcement of regulations to give their enterprises a competitive advantage over

others.^{14/} While these holding companies would make clear that the primary objectives of their enterprises were to maximize productive efficiency and profitability, consistent with protecting the value of enterprise assets, and would monitor and assess enterprises' performance in this regard, they would not interfere in the daily management of the enterprises.^{15/} In the interest of limiting owner losses, the holding company would also see to the restructuring of enterprises, where this was desirable, and to the liquidation of chronic loss-makers in its portfolio and to the auctioning of remaining assets.

49. Given the complexity of supervising the activities of large numbers of enterprises in different sectors, we would expect that the holding companies would exert their ownership rights through boards of directors. Board members would be appointed and held responsible for their performance by the holding companies. The boards would be directly responsible for setting enterprise policies monitoring performance, and hiring, evaluating, rewarding, and, as necessary, dismissing enterprise managers. Enterprise managers would have full responsibility for the management of the enterprise, including the power to determine the organization of production; to set the offer price, quantity, and composition of output; to hire, reward, and dismiss workers; and to manage the enterprise's finances.

The Training of Enterprise Managers

50. The shortage of trained and experienced managers is likely to be the most serious bottleneck to rapid improvement in enterprise performance in the Soviet Union. A large number of training programs of varying quality have sprung up in recent years in the Soviet Union, ranging from short courses in how to attract joint venture partners to full management curricula. Some of these programs are being carried out in collaboration with foreign educational institutions. Such contacts should be encouraged and expanded. Given the enormous needs of the USSR's rapidly reforming economy, this is an area of high priority and could be a useful focus of external assistance.

Financial Sector Reform

The Banking System

51. The Soviet banking system under central planning was viewed as an integral part of the central allocation system. The primary function of the State Bank was to hold enterprise deposits and to allocate credit to enterprises in accordance with the requirements defined by plan production targets, and to monitor subsequent resource use by the enterprises to make sure it corresponded with central directives. Meanwhile, the State Savings Bank (SSB) monopolized the collection of household savings, which it redeposited in the State Bank for relending to the government and to the enterprises. All foreign exchange operations were conducted on behalf of the state by the Bank for Foreign Trade (later the Bank for Foreign Economic Affairs--BFEA). Reforms introduced in 1987 added three specialized state-owned banks to the system--the Industry and Construction Bank (ICB), the Agriculture Bank, and the Social Investment Bank (SIB) --to channel credit to enterprises in their assigned sectors. Although these banks also hold deposits from the enterprises in their sectors, the bulk of their loanable funds is still supplied by the State Bank.

52. The Soviet banking system is currently evolving on two tracks: the division and commercialization of the state specialized banks and the rapid proliferation of new, small commercial and cooperative banks. Both tendencies, which could eventually merge into one unsegmented banking system, are consistent with the development of an efficient, competitive financial sector and are supported by the Basic Economic Guidelines. As in the enterprise sector, however, both suffer from gaps in the legal and regulatory framework and from uncertainties about their ownership and ownership rights.16/

The Specialized Banks

53. The specialized state banks currently account for some 95% of total credit in the Soviet Union. Their evolution and financial soundness are, consequently, fundamental to the efficiency of the financial sector and to the stability of the monetary system. The Government has announced its intention to transform these institutions into independent joint stock, commercial, universal banking institutions, operating strictly within the limits of their own resources and the funds they succeed in mobilizing, and completely responsible for their own profits and losses. The Guidelines enter a caveat, however, that it might be necessary to retain one state bank with budgetary support to channel concessional resources to activities "in the state interest", and that the Savings Bank would remain a state bank.

54. As a step toward their commercialization, the process of transforming the specialized banks into joint stock companies has already begun. Shareholders are initially expected to consist largely of state organizations, including the Finance Ministry, other ministries at both the Union and Republican levels, Republic and municipal governments, and state enterprises. The situation of the banks is complicated by conflicting ownership claims by Union, Republican, and, in some cases, municipal governments. It now appears that the specialized banks are likely to be broken up along geographical lines. The Russian Republic has declared its intention to liquidate the branches in its territory of the SIB and to pass the premises and equipment therein to a new commercial bank, whose owners will include the Moscow City Council.

55. A major concern with regard to the commercialization of the specialized banks is the unknown quality of their loan portfolios. While the banks now have greater freedom to allocate credit than when they were under the strict control of the credit plan, their loans have, by and large, continued to go to traditional borrowers, responding both to personal relationships and to the still important role of state orders in the resource allocation system. Supervision by the State Bank, once intensive in ensuring adherence to the credit plan, is now largely limited to the quarterly receipt of balance sheet information and annual reports. Any portfolio problems that may exist are hidden by the virtually automatic rollover of credits practiced by the banks and the accrual of interest, so long as principal payments remain, in this way, up to date. That problems exist is evidenced by the recent writeoff of R 70 billion of Agriculture Bank assets and reports that further writeoffs are forthcoming. The quality of bank assets will also inevitably be affected by economic reforms in the real sectors and the significant impact they are likely to have on the relative profitabilities of different enterprises.

56. The uncertainties of the present situation make it a particularly difficult time to launch into commercial banking. This difficulty is magnified by the almost total lack of experience in the specialized banks in the types of decisions faced by commercial bankers in managing the multiple risks involved in financial intermediation. With the exception of the SSB, the specialized banks have substantial familiarity with their sectors and their borrowers. Soft budget constraints have reduced the importance of analysis of credit risk, however, while interest rate risk has simply not existed (see Section --), and foreign currency risk has been of concern only to the BFEA. With the bulk of funds coming to them from the State Bank and from mandatory enterprise deposits, the banks have also not had to concern themselves with deposit mobilization and liability management. SSB, on the other hand, has operated as a pure deposit bank, offering savings accounts to households having few alternatives for safeguarding and earning interest on their savings. Although it has recently begun to do a small amount of consumer lending, SSB passes virtually all of its deposits to the State Bank. In this way, household savings have been the major source of financing for the budgetary deficit and for the credit lines of the State Bank to the other specialized banks. SSB's commercialization is thus inhibited by the current lack of alternative noninflationary mechanisms for financing of the fiscal deficit.

The Commercial and Cooperative Banks

57. The formation of new commercial banks under cooperative and joint stock forms of ownership began with promulgation of the Law of Cooperatives in 1988. By September 1990, these institutions numbered more than 400 and accounted for about 5% of total bank credit. These banks enjoy considerably greater freedom than do the specialized state banks in their lending decisions, the interest rates they are allowed to pay for enterprise deposits and to charge on loans, the salaries they can pay to employees, etc. On the other hand, unlike the SSB, their deposits are not insured, acceptance of household deposits cannot exceed their capital, interest rates on such deposits cannot exceed those offered by the SSB,^{17/} and the lack of a real estate market has made it difficult for most of them to acquire well located premises of adequate size and expansion potential.

58. The CCBs report themselves to be conservatively managed, well staffed with experienced personnel bid away from the specialized banks, and highly profitable. Although still very small in comparison to the specialized banks, their appearance constitutes a welcome source of competition in the system. Nevertheless, a number of aspects of their development is worrisome for the future soundness of the financial system.

59. A large proportion of the CCBs have been established by a particular industry or group of enterprises with the explicit purpose, set down in their charters and by-laws, of serving the credit needs of those enterprises. As a result, loan portfolios tend to be highly concentrated. Shareholders also commonly include the specialized banks, other cooperative banks, branch ministries and other agencies of the Union, Republic, and local municipal governments. There is some concern that the newly organized commercial banks could, if they provided loans to their owners on anything other than regular commercial conditions, prove to be ways for enterprises to get around the "hard budget constraint". The concept of conflict of

interest does not appear to be well developed in the Soviet Union, and there are no regulations to avoid it.

60. Auditing, prudential regulation and supervision of the CCBs is the responsibility of the State Bank, and a special department of the Bank was established two years ago for that purpose. Detailed prudential standards have since been issued by the State Bank, which has also assumed the authority to seek corrective measures in cases of noncompliance.^{18/} This authority is now being challenged by Republican authorities, however. Dispute over this and other issues has held up passage of new banking and central banking laws for two years. The quality of supervision is, in any event, suspect, given important shortcomings in current accounting standards (for both supervisory and internal bank management purposes), the shortage of qualified examiners and other staff, particularly at the Republican and regional branches of the State Bank. There is also evidence to suggest that exceptions to the prudential regulations have been granted by the local branches.

Recommendations

61. Macroeconomic stability, especially in a market economy, is highly vulnerable to public loss of confidence in domestic monetary assets and in the banking system. For this reason, bank failures are potentially far more disruptive and are treated more seriously by governments than the failure of a real sector enterprise. For this reason also, the Soviet Government should proceed as a matter of urgent priority to clarify and strengthen the legal and regulatory framework for the banking system. Particular attention is needed to strengthening and enforcing (i) capital adequacy standards for the formation of new banks and for permitting existing banks to continue at their present levels of activity; (ii) limits on asset concentration in loans to single or related individuals, enterprises, and industries; and (iii) rules regarding loans to the banks own officers and employees. This reinforcement of licensing and regulatory standards might result in a slowing of new bank formation and in the merger or disappearance of some existing CCBs, but the result should be the emergence of a stronger and more stable banking sector. In the meantime, ownership rights and the legal status of different forms of organization would also have been clarified, for banks as well as other enterprises, putting the CCBs on a level competitive playing field with the specialized banks.

62. Bank supervision, including on-site inspection, also needs to be intensified. Before this can be done, however, accounting standards have to be upgraded, with particular regard to the treatment of late and doubtful loans and requirements for loan provisioning; and an intensive training program needs to be mounted for accountants and supervisory personnel, including auditors and examiners. A nucleus of people with the essential basic skills already exists in the State Bank and its various branches, but their analysis needs to be refocused.

63. Likely reclassification of the assets of the specialized state banks could force a reassessment of their overall financial solvency, or that of many of their branches, and cause a slowing of the process of denationalization. Instead of being passed on to new owners (whether state, private, or mixed), bad and doubtful assets should be written down and/or shifted to a special state agency for their subsequent collection or

liquidation. The government should, in effect, take responsibility for the inherited bad debts, and the new owners should be responsible for subsequent operations. The magnitude of this problem cannot be known until these banks have been subjected to comprehensive portfolio audits, and the dust has settled on the real sector reforms.

64. In the meantime, the credit needs of the economy would still have to be met, including credit for newly emerging enterprises. We recommend that, during this period of clarifying and rectifying the financial status of the banks, the government proceed with the transformation of the ICB, SIB, and Agriculture Bank into joint stock companies, and that share ownership be vested in special state holding companies established for the purpose. Those companies, as in the case of industrial enterprises, would exercise the state's ownership rights, ensuring that managers are held to the new performance criteria of commercial lending and that the requisite training is being provide to bank managers and staff. Only as the banks are placed on a sound financial footing, in conformity with the same regulatory standards applied to commercial and cooperative banks, and adequately staffed for their new functions, should ownership be fully denationalized. In a number of cases, it might be decided to liquidate particular bank branches where the market were deemed adequately served by other institutions, and viable restructuring appeared doubtful or excessively costly.

65. During this transition period, the SSB would, as suggested by the Guidelines, remain under state control as the principal mobilizer of household savings to the other banks and to the government. As the government's financing needs were both reduced and increasingly satisfied through a growing securities market, and as the specialized banks were progressively commercialized, the SSB could expand its own lending activities through the interbank market and increasingly directly to private sector customers. It, too, would be put on a commercial, self-sustaining basis, the foundation of managerial and staff skills having been laid during the transition period. A corollary of this evolution would be the withdrawal of the State Bank from its credit intermediation role; in the meantime, it will have developed its indirect tools of monetary control.

66. Finally, we would urge the Government to reconsider its plans to retain one of the specialized banks under state ownership as a vehicle for channeling preferential credit to state-designated activities. Although such institutions are commonly found in other countries, the experience with them has not been good. While originally conceived as development-promoting institutions, their ability to dispense credit on subsidized terms has frequently turned them into vehicles for political favoritism and bad loans. Instead of mobilizing additional resources for development, their lending practices have resulted in a heavy drain on state resources.

67. As a general principle, we recommend that a clear distinction be maintained between activities to be determined by the state, and financed through the budget, and activities best left to market determination and to the financial system. Overlapping the two tends to undercut both decision-making processes. This suggests that, where there is a public interest in promoting activities that are unable to service credit on full market terms, any subsidies be provided from the state budget, where they can be reviewed

in the normal budgetary process, rather than financed from the earnings of banks.

The Development of Securities Markets and Contractual Savings Institutions

68. The Guidelines indicate the Government's intention in the near future to support the creation of stock and commodities markets and related brokerage companies, as well as insurance companies and other institutions characteristic of developed financial systems. Although of lesser urgency than the strengthening of the banking system, the healthy establishment of such institutions is important, among other things, for the development of long-term instruments of investment finance, risk-sharing and the transfer of ownership rights, and improving the tools of monetary policy. The development of secondary securities markets greatly contributes to the mobilization of resources for investment by providing the long-term instruments required by investors while helping to meet the liquidity needs of savers.

69. Plans are already in preparation for the establishment of securities exchanges in Moscow and Leningrad.^{19/} The only securitized claims in the system are a relatively small volume of government debt instruments, some bank certificates of deposit, and a limited number of shares issued by joint stock companies. The nature of ownership rights conferred by the latter and the negotiability of shares remain unclear. Insurance in the USSR is currently dominated by the State Insurance Company. Since 1988, however, a number of new companies have been organized as cooperatives or other forms. Pensions, meanwhile, continue to be funded from the state budget; a payroll tax on enterprises has generally been insufficient to cover payouts to retirees. As of January 1, 1991, a new pension system is to come into effect, administered by an independent institution and financed by a substantially increased payroll tax. Surpluses, if any, are to be managed at the level of Republican branches.

70. Important gaps in the legal and regulatory framework affecting securities markets need to be filled before substantial and stable development of these markets is possible. First and foremost, legislation is required to establish the legitimacy of financial claims and the rules and mechanisms of their enforcement. The saleability of financial claims must also be clearly established, if secondary markets are to play their role in assuring the liquidity demanded by most potential buyers of long-term debt or equities. Laws, regulations, and enforcement mechanisms are also needed to protect savers and investors against the potential monopolistic, collusive, or manipulative behaviors of brokers and large market players and to assure that issuers of securities provide full and accurate information, upon which prospective buyers can make intelligent judgments regarding the likely returns and risks involved.^{20/} Market intermediaries should also be required to disclose any financial interest they may have in the securities they are intermediating. It is important that the regulatory authority have the power to impose sanctions and that it be an independent agency, insulated from political pressures in its activities. This is particularly important in the Soviet Union, where the owners of many securities issuers may continue to include government agencies.

71. It will probably take two years or more before formal, well regulated securities markets for the trading of enterprise debt and shares are in place in the USSR. The issuance and trading of government debt instruments could begin much earlier, however, given the relatively low risk to buyers.^{21/} We would recommend in this regard that the government shift its focus from the long-term end of the market and work to develop the market for shorter-term instruments. These will be of greater immediate appeal to savers, given past experience with government bonds and the inevitable uncertainties of the Soviet economy in the next few years.

72. In the meantime, the informal issuance and trading of securities is likely to grow. We do not recommend that government try to stifle this activity, which can play a valuable role in mobilizing risk capital and giving liquidity to the ownership claims arising from enterprise denationalization. Without a satisfactory regulatory framework in place, however, government should not officially endorse or sponsor this activity, and should clearly publicize the risks involved to its participants.

Interest Rates

73. Just as price flexibility is a crucial element of competition in the real sectors in a market economy, interest rate flexibility is essential to competition in the financial sector. Financial institutions that are most successful in channeling resources to high-return investments will be able to mobilize the greatest volume of funds by offering the highest interest rates to savers. In their competition for deposits and borrowers, moreover, financial intermediaries are forced to keep their spreads and costs of intermediation as low as possible. The market determination of interest rates also permits the buyers and sellers of financial instruments to exercise their preferences among the various maturities, risks, and returns available to them according to the individual needs of their families and enterprises. On the other hand, the absence of interest rate flexibility in the face of changing economic conditions has led in many countries to flight from holdings of domestic financial assets, threats to the solvency of banks, and serious losses of international reserves.

74. The Basic Economic Guidelines point to the importance of interest rates in encouraging both household and enterprise savings, reducing the monetary overhang, controlling the demand for consumer goods and reducing wasteful investments. The Guidelines thus call for a sharp increase in administered interest rates on both deposits and loans. Deposit rates will be positively related to length of maturity, and the interest on loans for investment will be raised to 15%. The Guidelines suggest that the new administered rates would remain in effect for about six months, the time necessary to stabilize aggregate demand. After that, it is implied that interest rates would be freed to market determination, with the expectation that they are likely to fall somewhat from the administered levels, permitting a gradual recovery of investment spending.

75. We concur with the approach suggested by the Guidelines. Interest rates are currently well below market-clearing levels in the Soviet Union and contribute both to excess aggregate demand and to resource misallocation. Given the uncertainties attached to economic reform, the absence of effective banking supervision and regulation, and the high degree of market concentration in the financial sector, the simple freeing of

interest rates could lead to substantial overshooting of equilibrium levels, contributing to uncertainties and to the further disruption of enterprise and bank finances. We recommend an administered increase in interest rates to market-approximating levels, controls later being relaxed once expectations are stabilized.

76. We also agree that rates should be restructured to provide a positive yield curve to both savers and intermediaries. To achieve the stated objective of protecting the value of savings deposits, and thus motivating households and enterprises to hold them, interest rates on those accounts should, at minimum, equal the rate of inflation, and lending rates should compensate the banks for their intermediation costs, including a reasonable profit on the capital employed.^{22/} At the present time, this may require a nominal lending interest rate higher than the 15% proposed in the Guidelines.

Legal Reform

77. In general terms, the effective functioning of a market-based system depends on the existence of clearly defined property rights, the freedom of market participants to exchange property rights through a system of legally enforceable agreements, and the existence of a system that provides reliable and predictable enforcement of such agreements. A large number of laws intended to set the foundation for a market economy in the Soviet Union have been passed in recent years, establishing, for example, new principles of enterprise ownership and organization, taxation, the financing of pensions, etc. How many of the established principles are to be interpreted remains to be clarified, however, in the elaboration of subordinate laws and regulations. Moreover, inadequate attention has so far been given to such crucial areas as property law, contract law, and the system for civil dispute resolution.

78. Consequently, the legal basis for the proposed reforms remains confused and leaves economic actors uncertain about the meanings of the laws passed, the resolution of apparent conflicts among different laws and regulations, the applicability of particular laws to their own circumstances, and the consistency of what appears legal under the new economic laws with what is considered illegal under the criminal code. The most fundamental problem is the lack of a clear structure of legal authority--i.e., which levels or agencies of government have the authority to legislate or to issue binding orders, superceding the laws and orders of other levels and agencies, over which matters. Soviet legal theory has traditionally failed to delineate the respective authorities of state bodies. The issue is vastly complicated now by the ongoing effort to reach a new definition of relations between both the Union and the Republics and among the various regions and governmental units within the 15 Republics. The discussion that follows focuses on several crucial facets of the legal framework for market activity: property law, enterprise law, contract law, the resolution of commercial disputes, and the criminal code.^{23/}

Property Rights

79. Until quite recently, ownership law in the USSR was strictly divided between socialist ownership and personal ownership, the latter largely limited to family belongings, including the tools needed to farm

small private plots or to engage in permitted handicraft or other individual labor activities. Personal ownership was not to serve as the basis for illegal or "unearned" incomes.^{24/} Socialist property, ownership of which was vested in the State, could not, in general, be alienated to individuals and only rarely could be used as security. The penalties for stealing, converting, or negligently wasting state property were notably higher than those for similar crimes against private property.

80. Over the past couple of years, the Constitution has been amended, and several pieces of legislation have been passed (e.g., Law on Cooperatives, Fundamentals of Legislation on Leasing), which substantially alter property rights. Under a lease-purchase option, for example, enterprises and other economic organizations may now purchase and own productive assets that once belonged to the state. It is not clear, however, what rights the owners under these arrangements have to freely dispose of the acquired facilities. Similarly, land users can now be given a life tenure in land and can pass those use rights to their descendants; whether the rights can be bequeathed outside the family is unclear, however, and there is no provision for unrestricted purchase and sale of land or land-use rights. The use of liens on property is now generally authorized in principle, but no subordinate legislation has been passed which defines the conditions of an enforceable lien or pledge, the procedures for foreclosure, or registration requirements for encumbered property. Finally, the law states that all forms of property in the Soviet Union will be equally protected, but provides no discussion of the means of protection. Effective protection depends on a clear definition of the rights to be protected and on the provision of effective remedies in the event of infringement. Neither of these yet exist.

81. The Basic Economic Guidelines point out that "privatization" does not necessarily mean a switch to private (individual) ownership alone, but rather refers to a more general process of transferring ownership of state property to collectives, cooperatives, shareholders, foreign firms, and private individuals, all of which are to be autonomous and responsible for the results of their activities. These various modes of ownership and organization are to compete with each other on equal terms. While there appears to be wide support in the Soviet Union for the expansion of individual property rights, there is still considerable resistance to the concentration of large amounts of property in private hands. Effective market relations do not, of course, require that individual property rights be unlimited or unregulated. It does require that the desired rights and restrictions be set out clearly and in detail. Without such clear legal statements, potential market participants will be deterred by uncertainties about the legality of their actions and the enforcement of their rights.

Enterprise Law

82 A principal focus of legal reform in the past few years has been passage of laws defining new forms of business activity--cooperatives, leasing arrangements, joint stock companies, small businesses.^{25/} While this approach has permitted the rapid creation of new business opportunities, it has also created some inconsistencies, left some gaps and anomalies, and invited subsequent contradictory amendments which have contributed to confusion over the Government's intentions.

83. One example concerns the 1988 Law on Cooperatives, which permits cooperative enterprises to be formed by groups of three or more persons. It may hire labor, lease or purchase business premises and equipment, and operate without limits on its scale of production. Cooperatives are allowed under the Law to charge freely negotiated prices on their output, except when producing under state contracts or using state-provided inputs. In these cases, prices are subject to centrally set prices and/or markups. In response to negative public reaction to the higher prices charged by cooperatives, and evidence of diversion of state supplies to sale by cooperatives at higher prices, the Law was amended in 1989 to permit Republics to impose price ceilings on basic goods regardless of their source and placing restrictions on imported goods sold by cooperatives. Local authorities also have often refused to register cooperatives and have attempted to close them or interfere in their activities. Cooperatives remain subject to a variety of restrictions on the range of activities they may engage in and the prices they may charge, restrictions not shared by other forms of organization.

84. The 1986 Law on Individual Labor Activity was intended to expand individual involvement in the production of handicrafts and consumer goods and services. It contains a list of activities which are specifically authorized or prohibited, alongside a general statement that whatever is not explicitly prohibited is to be considered legal. The scale of such activities was clearly meant to be limited, however, and could not involve the use of hired labor. The law also requires that such activities receive the permission of local authorities and gives the latter substantial leeway to set conditions and fees for licensing and registration. Restrictions also continued on individual property ownership and on access to credit facilities.

85. These restrictions on individual activity may have been made moot by the August 1990 Decree of the USSR Council of Ministers on Small Enterprises by "citizens, family members, and other persons jointly engaged in labor activity". While the reference to joint activity leaves the question in doubt, other passages in the decree refer to "individual" small enterprises, to the "founder or founders" of small enterprises, and to "individual...and other types of small business". This decree is still too recent to have been clarified by subsequent regulations or events. Such clarification will plainly be required for individual entrepreneurs to begin playing an active role in the development of the economy.

Contract Law and Dispute Resolution

86. In contrast to a centrally planned economy, where the obligations and rewards of producers, their suppliers, workers, and financial institutions are defined and enforced by central directives and clear, vertical lines of authority, a market system depends on voluntary transactions and relationships, governed by contracts which clearly set out the rights and responsibilities of the contracting parties. The confidence that buyers and sellers, owners and workers, borrowers and lenders can have in such contracts depends on the existence of a supporting legal framework and system of contract enforcement that provides clear, predictable adjudication of disputes that may arise under the contracts, with penalties to those who breach their contract responsibilities and compensation from them to the injured parties.

87. The basic principles of contract law in the Soviet Union, as elaborated in the civil codes of the Republics, are essentially consistent with market activity. However, these principles are broadly expressed and have never been elaborated in a detailed commercial code to govern business and financial transactions. Nor have the principles been directly applied to the inter-enterprise relationships under the planning system, where standard, mandatory contracts were handed down from above. Consequently, Soviet managers, lawyers, jurists, etc. are generally inexperienced in contract formulation and litigation.

88. Since 1957, the responsibility for court organization in the Soviet Union has rested with the Republics, and all lower-level courts are Republican courts. At the same time, Soviet courts have traditionally been subordinate to the Supreme Soviet and the Council of Ministers, and have not had authority to review or reverse legislation or regulatory acts of government bodies. Court rulings, in turn, have been relatively weak and subject to reversal. Civil cases involving disputes between business enterprises or juridical persons have been under the compulsory jurisdiction of state arbitrazh rather than the courts.^{26/} Civil processes were thus not designed to meet the needs of commercial litigation, and there are no rules and procedures in place to address complex discovery questions, protection of commercial information, multiparty disputes, etc.

89. Recent laws have begun to strengthen the independence and power of the courts, and they are increasingly being used to appeal infringements of individual and enterprise rights by government officials. They are also being given increasing jurisdiction over civil disputes (e.g., disputes involving a joint venture). Few steps have yet been taken, however, to provide the courts with the clear and final authority they need to resolve serious cases or to prepare court personnel to deal knowledgeably and efficiently with the new types of cases they will be encountering in the market economy. Until the courts have that ability, parties at dispute will have to continue to rely on discretionary administrative resolution.

90. It is obviously of paramount importance that the overriding issues of Union, Republican and local authority be resolved to eliminate the current uncertainty over which law is to be applied to a given case, and which court has final jurisdiction. It is also important that the relationships among the various courts be defined in terms of rights of appeal, jurisdiction for multi-Republic issues, etc. Given that the resolution of these questions is likely to take some time, consideration might be given to an interim accommodation regarding these jurisdictional and relational issues to permit the overall reforms to proceed in an environment in which economic agents can be confident that judgments made today will not all be reopened at some future date.

91. The recruitment and training of court personnel is also a matter of some urgency in anticipation of the greatly expanded case loads that will accompany the expansion of the market. Western technical assistance in this training, as well as in fundamental questions of court organization and funding, the protection of judicial independence, civil processes, and the organization of nonjudicial mechanisms for dispute resolution, could make an important contribution to the entire reform process.

92. Meanwhile, the state arbitrazh are the only bodies that have experience with large commercial disputes and knowledge about the conditions and the traditional contractual and economic relationships that have existed among Soviet enterprises. Although long applied in an intrusive and coercive manner, such experience is invaluable to practical resolution of the disputes that will arise. Ultimately, it would seem desirable that arbitrazh and the courts become integrated into a single system. Whether or not this eventually happens, the relationship between the courts and the arbitrazh needs quick definition. It is vital that economic actors know where to turn for contract enforcement and what the standards to be applied are.

Antimonopoly Law

93. As argued elsewhere in this report, the principal forces breaking down monopoly in the Soviet Union are likely to emanate from the denationalization and privatization of enterprises, the liberalization of prices, opening the economy to greater foreign trade, and the improvement of transportation and communications. The preparation of antimonopoly law is under way but is still at an early stage. Existing drafts draw many of their ideas from Western antimonopoly laws and contain appropriate provisions against cartel agreements, false or deceptive claims about one's own product and false statements about a competitor's product, mergers that threaten to lead to monopoly, and abuse of a dominant position in an industry (e.g., limiting production to create a shortage, refusing to deal with a prospective customer who has placed a proper order, imposing "tie-in" conditions on a sale).

94. The drafts also call for the creation of an Antimonopoly Commission to enforce the law. Some of the powers being proposed for the Commission--e.g., the imposition of price controls and excess profits taxes--would run contrary to the market discipline of market power, through the entry of new enterprises, and should be reconsidered (see paras. 44-45). One area of considerable concern is the current tendency of many enterprises, engaged in the same or different activities, and financial institutions to join together in "associations", to promote mutual business interests and, frequently, interlocking ownership. While it is normal in all countries for various trade associations to form for discussion of topics of mutual interest (e.g., future market prospects, recent technological developments, government tax and foreign trade policies, etc.), they should not be allowed to become devices for limiting competition and controlling entry to the market. This is an area where antimonopoly laws and policies need to be clarified.

95. The antimonopoly law that eventually emerges will presumably be applied through the court and/or arbitrazh systems, which, at present, are unprepared to make the kinds of sophisticated economic analyses and legal judgments that will be required. It might be advisable to create a specialized tribunal for hearing antitrust cases. In any event, external assistance in drafting the final law, in organizing the enforcement authority, and in training the administrators and judges involved in this complex area would make a valuable contribution to the creation and maintenance of competitive markets.

The Criminal Code

96 The Soviet Union has traditionally sought to discourage undesirable economic behavior not only by directly controlling economic activities but also by criminal or administrative sanctions for prohibited behaviors. While the severity of these sanctions has diminished in recent years, there are still a number of articles in the criminal and administrative codes that criminalize activities that are both necessary and desirable in a market environment. Other articles properly identify undesirable and criminal behavior, but the manner in which they are written leaves them open to excessively broad interpretation.

97. A new draft Fundamentals of Criminal Law was issued for public discussion in January 1989. The draft would eliminate the current differentiation between crimes against state property and those against other forms of property and would decriminalize a number of activities. No follow-up action has been taken since the appearance of the draft, however, and the objectionable sections of the Republican criminal codes continue to stand. In the RFSFR code, widely used as a model by the other Republics, it is criminal to produce or sell poor quality or otherwise substandard products, to feed bread or other grain products meant for human consumption to animals, to operate as a commercial middleman, or to engage in speculation, defined as the buying and reselling of goods for profit.^{27/}

98. The problem with the first "crime" is that it leaves the definition of quality to the arbitrary judgment of a government administrator. In a market economy, however, the judgment would be made by the potential buyers of the product, who will "punish" its producer by buying from his competitors instead. The use of bread as feed for animals results from distorted administered pricing and would not occur in a free market. The activities of wholesalers and traders, who are essential to the efficient functioning of markets, are made criminal by the provisions against middlemen and speculators; these provisions of the Republican codes must clearly and quickly be removed if market activity is to flourish. This is explicitly recognized in the Basic Economic Guidelines, which calls for the immediate introduction of wholesale markets to replace central allocation, and for the decriminalization of such activity.

Recommendations

99. It is likely to take two years or more to put in place the full legal foundations for a market economy in the Soviet Union. Suggestions and recommendations toward that end are made throughout the report, inasmuch as virtually all the policy and institutional elements discussed here depend on a base of clear legal principles, established rules, and dependable enforcement. It would be utopian to expect that a full blueprint for legal reform could have been designed and installed in advance of launching the reform in other areas, and it would be both unrealistic and undesirable to try to delay the process now. Inevitably, much of the legal framework will be constructed through the passage of laws and legal interpretations in response to problems as they arise. However, certain elements of the framework are crucial for market activity and deserve the Government's urgent priority.

100. Simply stated, the conduct of market relations requires clearly defined property rights, including the ability to sell such rights. Development of the financial system further requires the ability to borrow

against the security of property. As briefly described above, recently passed fundamental principles and the Basic Economic Guidelines support expanded property rights, but both these statements and recent legislative acts--e.g., the Fundamentals of Legislation on Leasing, and on Land, and the Draft Law on Pledge--do not appear fully consistent with one another, and they leave the scope of property rights and the saleability of property and property rights ambiguous. The right to dispose of property and property rights needs to be clarified, if a substantial expansion of nonstate enterprise is to be supported. At the same time, the rights of individuals with respect to property use should be made equivalent to those of other entities. These principles could be achieved through appropriate modification of the Union-level fundamental principles legislation.

101. More complicated, however, is the necessary accompanying clarification of the means for protecting property and property rights vis a vis both other private parties and the state itself. The normal means for such clarification would be through the respective Republican civil codes, a process that will take considerable time. In the interim, it may be possible to improve the definition of key property rights and their protection through specific Union-level legislation. The draft Law on Pledge, for example, could be a vehicle for clarifying the registration and enforcement of liens and for resolving the inconsistencies between these provisions and those of the current land and resource legislation.

102. Soviet jurists recognize the need to elaborate a consistent body of contract law, and a committee has been established to draft new principles for adoption at the Union level. All-Union legislation on specific topics--e.g., an all-Union statute on fraud--would help to encourage uniformity and to guide civil code formulation at the Republic level. The necessary process at the Republican level, however, of amending civil codes and developing provisions appropriate for modern business practices will be a slow one. In the interim, it is advisable to develop and authorize specific types of contract through specific legislation--e.g., the Law on Pledge. Such laws could elaborate the standards, the requirements for written form or registration, and other matters necessary to allow business to be conducted under that contract.

103. The reliability of contract enforcement depends on a clear assignment of judicial responsibility and a supposition that the court's decisions are final and not subject to arbitrary reopening. The courts are now beginning to play a larger role in the economic affairs of the Soviet Union, and new legislation often provides a right to recourse to the courts to protest inappropriate actions by state officials. For the courts to function effectively, the relative jurisdictions of the court and arbitrazh systems must be defined. To the extent that the arbitrazh maintains some jurisdiction over economic disputes, its role in this regard must be clearly separated from its current law enforcement functions. In any event, the third-party reopening of judgments must be explicitly limited.

104. Whatever the precise outcome of the current negotiation of a new Union compact among the several Republics, a substantial shift of legal authority and regulatory power from Union and from Republican-level bodies to local bodies is contemplated in the Basic Economic Principles as well as in the other major economic reform proposals. Because of their limited responsibilities in the past, local bodies have not developed the

institutions, skills, and experience necessary to many of these tasks. Systems for the registration of property and encumbrances thereon, for the registration of local businesses, etc. must be developed. Substantial programs of training and technical assistance are required.

105. Also needed is a major educational effort regarding the meaning, advantages, and requirements of market economy. Many local officials in the Soviet Union appear to conceive the move to market processes as meaning merely the decentralization of administrative controls in order to protect narrow local interests. The consequent segmentation of the national market could be as damaging to economic efficiency as central planning and ministerial administration.

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- 1/ A more detailed discussion of the current price system in the Soviet Union and of our recommendations for reform may be found in Chapter -- of the Background Paper.
 - 2/ The analysis of prices in the Soviet Union is complicated by the imposition of turnover taxes at widely different rates on different products (see Section --). As a consequence, a wedge of varying dimensions is placed between the prices charged to buyers and the price received by sellers. This problem is ignored in the discussion here, and the recommendations that follow necessarily assume that the distortions of the turnover tax are removed, preferably to be replaced by a value-added tax.
 - 3/ Indeed, to the extent that price controls at the retail level stimulate additional demand for the product, freed prices at the wholesale level will rise more than they would were prices freed at both levels, increasing the gap that has to be filled by subsidies.
 - 4/ To that extent, the raising of official prices would simply recognize and validate the inflation and reduction in real incomes that has already occurred and would permit the direction of compensating income subsidies to the intended beneficiaries instead of to the pockets, as at present, of the rent-seekers.
 - 5/ The move to market pricing for housing rents might also be phased over time (see Section --) because of the time required to develop the necessary institutional base (including programs for low-income families that might be needed to complement the private housing market). In cases of natural monopoly, prices would continue to be controlled but at levels that fully cover long-run marginal costs.
 - 6/ In considering the appropriate magnitude of wage adjustment, it should be noted that substantial real wage increases in excess of productivity growth have occurred over the past few years (Section --), and that a comparison of new consumer prices with official prices will overstate the actual incremental impact on households (para. 14).
 - 7/ It is assumed, as indicated in the Guidelines, that producers would receive a market price for their output, so that shortages and their attendant problems are avoided. Subsidies would have to be financed, therefore, from the fiscal budgets of the Union, Republican, or local governments. A high degree of decentralization of authority over consumer prices already exists in the Soviet Union and would be continued under the Guidelines. If price differentials between localities exceed the costs of transportation, goods would, of course, tend to be diverted toward the higher price market. Administrative controls imposed to prevent the diversion, already evident in many parts of the USSR, threaten the desired promotion of the national market.
 - 8/ Greater detail and description are found in Chapter -- of the Background Paper.

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- 9/ The sale of public assets is also seen by the authorities as an important means of macroeconomic stabilization through absorption of the existing "monetary overhang". (See Chapter ...)
- 10/ Questions related to the privatization of housing and of agricultural land are discussed in Chapters -- and --, respectively.
- 11/ Implications of this debt write down for the financial sector is discussed in Section --.
- 12/ The importance of this reform further highlights the urgency of rapidly eliminating existing price distortions. Otherwise, the needed imposition of a hard budget constraint would have the undesirable result of making many relatively efficient enterprises financially unviable, while encouraging the expansion of enterprises made profitably only by virtue of the distorted prices.
- 13/ High profitability may also be the initial result and reward for introducing a new product or method of production. The proposed tax on monopoly profits, if it wrongly identifies the sources of unusual profits, could thus weaken the incentive for innovation.
- 14/ This change in the manner and mechanism by which government relates to the enterprises under its ownership would replace the present control exercised through the branch ministries and various functional agencies. These would either be eliminated (their numbers have already been greatly reduced, and others are slated for elimination), or their responsibilities changed to broad sectoral planning and policy analysis.
- 15/ As indicated in the Guidelines, the social responsibilities of enterprises would be progressively shifted to government at its various levels. To the extent that state enterprises continue to be charged with the execution of social programs, these should be paid for from the government budget rather than the after-tax profits of the enterprises.
- 16/ This Section focuses only on the resource mobilization and allocation functions of the banking system. The control of the aggregate volume of money and credit is treated in Section --.
- 17/ Until --, the CCB's were free to negotiate interest rates on household deposits. The above limits were evidently imposed to protect the deposits of the SSB.
- 18/ Thus far, three CCBs have been forced to restructure or to close. These have resulted from currency and other violations, however, rather than failure to comply with prudential standards.
- 19/ A commodities exchange of sorts is already functioning in Moscow. At present, it is essentially a trading room where participants can meet to make barter deals.
- 20/ Disclosure standards may initially fall short of those applied in more advanced Western financial systems, given the present state of development
- Continued on next page

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of accounting practices. The quality of both will need to be raised over time, however, to international levels, if Soviet financial markets are to be made attractive to foreign savers.

21/ Government debt in the Soviet Union has not, in fact, carried low risk historically. Payments have frequently been suspended, and interest rates lowered unilaterally. As a consequence, government debt issues are viewed with distrust, and the terms of a recent issue had to be substantially revised (halving the amortization period and doubling the interest rates) to attract even modest sales. It goes without saying that the government must establish itself as a dependable borrower if it is to attract voluntary financing in the financial markets.

22/ For reasons described elsewhere (para. 14), official inflation indices in the Soviet Union significantly understate actual inflation. If savers' deposits are to be protected, it will be necessary to take account of not only the price increases based on fictitious producer claims of improved quality but also the increased proportion of consumer goods now being bought in the free markets and cooperative stores at substantially higher than official prices.

23/ A fuller discussion of these issues and other relevant topics are discussed in the Chapter -- of the Background Paper.

24/ The precise definition of "unearned" income has always been somewhat elusive. Illegal income for individuals has included entrepreneurial activities involving hired labor, sale or lease of property, sale of goods above permitted price levels, and any variety of middleman or trading activity.

25/ These laws have included the Law on Individual Labor Activity in 1986, the Decree on Joint Enterprises and the Law on the State Enterprise in 1987, the Law on Cooperation in 1988, and a new Law on Enterprises, a Decree on Joint Stock Companies and Companies with Limited Liability, and a Decree on Small Enterprises in 1990.

26/ The state "arbitrazh" is not a system of arbitration in the Western sense, but rather an instrument of the state administration to review and decide disputes between state enterprises and to ensure that their decisions and state regulations generally are enforced. The arbitrazh system is described in greater detail in the Background Paper (paras.).

27/ Speculation is functionally the same as operating as a middleman but usually involves state-subsidized goods.

THE USSR HOUSING SYSTEM AND ITS REFORM

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Widespread housing shortages and rigid allocation mechanisms in the USSR constitute an obstacle to labor motivation, mobility and productivity. While the state owns the physical assets, households save and accumulate liquid assets which they cannot use for housing; meanwhile, the state cannot muster the resources to produce suitable units and maintain them. Reorganization of the housing sector and the restructuring of the economy should be pursued in parallel since they will be mutually supportive.

1. Current Housing Conditions

With the neglect of housing during the Stalin era and war destruction, the USSR emerged with an extremely low per capita housing availability of 4 m² of usable space in the 1950s. Thanks to massive housing production efforts, especially in the 1960s the current level is now 15.8 m² of usable space per capita. This is still less than half of the space availability in Western Europe and with major quality shortfalls. The housing stock is estimated at only 18% of reproducible assets, about half of OECD levels. Housing availability differs between republics and, within republic, between cities. The Western and Baltic republics enjoy better housing. Large (especially capital) cities are better off than small ones and rural areas. Even so, the shortage of housing in major cities is such that prices per square meter as derived from exchanges exceed construction costs by a factor of four (in a balanced market this ratio would be close to one). Although this ratio would decline as the market broadened, it suggests that the economic return to additional investment is high.

The quality of new housing is low, and with the present nominal rents the existing housing stock is deteriorating steadily. Maintenance is heavily subsidized yet less than 40% of minimal levels. The rent control system is basically unchanged since 1928, and rent bears no relation to location or quality. Today households spend less than 3% of their income on rent and utilities which is less than their monthly expenditures on alcohol and tobacco. Rents would need to be raised over ten times to achieve economic cost recovery. Production and rent subsidies are linked to size, quality and location of apartment units and not to the socio-economic characteristics of households. Housing rather than wages is a major source of inequality. Some estimates suggest that about 45% of the population still shared facilities in 1984, and the ratio of new units to household formation (including divorces) has actually deteriorated, from 70% in 1975 to 60%, so that the backlog is expanding.

The financing and production of new housing is highly centralized and dominated by industrial housing monopolies using techniques abandoned in the West by the 1960s. They produce a very limited number of apartment types ill-matched to household diversity, and their high break-even output renders them especially unsuitable for rural areas. Individual housing has been marginalized to small cities and rural areas and its share of city floor space has fallen from 33% in

1970 to 22% in 1988, although almost 70% of rural housing is individual. The quality of individual housing is very low; for example, only 12% of such houses have a telephone. Recently, the share of private housing investment in rubles has risen to 13.1% in 1989, but it is still small.

Housing allocation mechanisms are unfair and increasingly corrupt. In 1988, the percentage of all families on waiting lists ranged from 12% to 36% according to city, even though registration is restricted by norms and residence permits or "propiska". Housing queues have been increasing lately and 18% of all Soviet families have been on the lists for 10 years. The liabilities accumulated by the government through the waiting lists and the principle of a "socially guaranteed housing minimum" are very important issues in considering housing reforms and privatization plans. The housing situation is a major obstacle to labor force mobility, stability (especially in new industrial cities and Siberia), and economic development.

2. Housing Reforms as Part of Structural Reform

Housing reforms are needed for macroeconomic stabilization, efficiency, equity and social stability. Macroeconomic stabilization requires the reduction of state deficits, including housing subsidies. The evidence available from other socialist economies in Eastern Europe and China suggests that housing subsidies in the USSR could easily range between 3% and 6% of GNP, and could be higher given the predominance of state housing. In 1989, financial assets per household averaged 5,170 rubles of which 4,070 rubles were held in savings account (equivalent to about 5 month of total income for worker households or 16 months of an individual cash wage). This compares with the official construction cost of a standard 55 m² urban housing unit of 16,500 rubles. Using an unspecified methodology, the Shatalin report estimated the effective demand for housing at 70-75 billion rubles, or somewhat less than half of involuntary savings, although only part of this demand appeared to be related to portfolio restructuring.

Regarding efficiency and equity, reform is needed to improve labor mobility and to restructure employment incentives toward productivity-related cash wages rather than access to housing. This requires that wage policy be reformed in parallel with rent and price reforms.

A diversified housing supply and an efficient housing industry must be promoted through competition among producers of housing and sources of construction materials. Changes in building techniques, faster completion schedules, more flexible urban planning and regulations and performance-oriented norms could cut housing costs by 30 to 40%. This would also free firms from providing housing, an activity in which they have no comparative advantage. Infrastructure use and energy efficiency in cities could also be raised.

3. Reform Strategy

Economic conditions in the existing stock and new housing production interact constantly. Market-oriented housing reforms must therefore deal with both simultaneously. There are four major areas of concern: (1) property rights, privatization and free exchange, (2) rents, sale prices, subsidies and fiscal

policy, (3) financing, and (4) production. A fairly detailed framework for reform has been developed for other socialist countries, and it is generally applicable to the Soviet Union.¹

Property Rights and Privatization From an economic perspective, major increases in rents should precede change in property rights to create incentives to buy. However, from a political perspective, this may not be the shortest path toward successful market reforms and starting with property rights may be better. The World Bank's experience over two decades is that tenure security is the core component of a housing market system and that the clarification of property rights induces better pricing and cost recovery. In the housing area, property rights reforms imply at least three contemporaneous changes: (1) a strengthening of ownership rights; (2) in the opposite direction, the conversion of "permanent and guaranteed" administrative tenancy rights to fixed-term renewable rights; (3) the free and unrestricted exchange of existing units and leases, with monetary compensation permitted. Sound rules for listing, information systems, and brokerage services should be developed.

Rents, Prices and Subsidies Subsidies to production presently include subsidized loans and operating subsidies to builders, subsidized prices on building materials, underpriced or free land and subsidized infrastructure. These subsidies and allowances should be re-channeled away from the construction industry, directly to households as far as possible, and targeted to needy social groups. Rent increases moving toward full economic rent should be coordinated with both wage reform and the privatization of various segments of the state-owned stock. The sale of newly produced units should be started very quickly. Sale prices would take into account current shortage conditions, but could not be freed abruptly to short-term scarcity levels.

Financing Whereas many aspects of reform should be implemented in a decentralized way by lower levels of governments, housing finance must be developed from the national level as an integral component of financial sector reform. Particular attention must be given to the financial viability of long-term mortgage loans. During the transition toward market level wages, special mechanisms may be needed to improve affordability while minimizing subsidies.

Production Introducing competition among producers will be easier as households gain greater control over financing decisions, subsidies are redirected, markets for building materials develop, and access to land is facilitated by local governments. Preferential treatment for large state firms should be eliminated. Reducing the unit scale of urban planning, as well as significant changes in existing building codes is needed to accommodate greater diversification of housing types and smaller more flexible housing projects.

4. Organizing for Market-Oriented Reforms

¹ The Framework for Housing Reform in Socialist Economies, Report based on the proceedings of the World Bank Seminar of June 12-13, 1990, Washington D.C.

The introduction of a market-based housing system will be a lengthy process for the Soviet Union. It has not begun to organize for the coordinated development of market mechanisms. Housing is managed as a social service subordinated to other priorities and with fragmented and uncoordinated administration. Nowhere are economic, financial, legal and technical issues related to housing considered together. The implications of housing reforms for the reorganization of central and local government institutions are major, and radical change cannot be attempted successfully without an appropriate institutional infrastructure.

In particular: Understanding of the implication of developing a housing market is uneven, including among reformers, and few appreciate the nature and magnitude of the legal, institutional, professional and financial infrastructure that must be developed to support a housing market. The assignment of responsibility and legal ownership of assets between different levels of government is unclear. Also, the analytical tools for policy analysis have to be developed and a suitable information base is not available to support decision-making and track the process of reform.

ENHANCING THE SUPPLY RESPONSE OF SOVIET MANUFACTURING INDUSTRIES

I. The Current Situation

1. Soviet manufacturing industry now contributes about 36% of NMP, which is considerably higher than typical shares of manufacturing in output found in other countries (including those in Eastern Europe). There are some 46,000 enterprises including some 600 large firms with book value of capital over R 200 million each, 1,600 middle-sized firms with assets of R 50-200 million, 6,000 smaller firms with average assets of about R 25 million, and 38,000 firms with average assets of R 2-3 million. Total employment is 35 million or 32% of the labor force, almost half in machinebuilding, and almost 75% of employees are in firms with over 1000 employees. Most enterprises and "amalgamations" of firms are under Union or Republican ministries (there are some 15 civilian national ministries plus 9 defence industry ministries) although some smaller firms are under regional and city governments. The investment share of energy plus industry has remained fairly constant at about 35% of the total, but there has been a considerable shift towards energy and the share of manufacturing has declined, to 21% in 1986-90. Machine building is the most important subsector; this with metallurgy and chemicals constituted 55% of output in 1989. Trade in manufactured goods is a small part of output, and exports to non-socialist countries are less than 1%, which is extremely small even allowing for distorted prices.

In many respects, including labor and capital productivity, product quality, energy efficiency and environmental impact, Soviet industry is performing poorly. The capital output ratio (book value to output) rose from 2.0 in 1975 to 3.5 by 1987 reflecting (despite distorted prices and valuations) diminishing returns from large-scale investments. By most measurements, labor productivity is only 40% of US levels and overmanning is estimated at 100% in many enterprises. Shortages of industrial products, particularly consumer goods, are widespread (a recent survey found that 243 out of 276 basic goods are in short supply) but at the same time some goods produced are not in demand. In 1988 industry accounted for 40% of energy consumption; the corresponding figure for OECD countries is 23%. In recent years hundreds of polluting firms have been closed, sometimes abruptly, and sometimes with disruptive effects on the production chain.

2. A number of factors adversely affect the performance of industry:

- (a) Until 1987, pervasive central planning stifled competition through creation of monopolies and denied management incentives to control and improve operation. Despite recent reforms (para 3) and substantial erosion of the allocation system, especially for inputs, which has resulted in a rapidly-growing barter economy, the economy operates much as it did in the past. In 1987, the establishment of cooperatives was allowed to foster competition, but state trading monopolies continue to act as barriers to their acquiring material inputs, and the republics prevent them from entry into a wide range of businesses.

- (b) While an exceptionally high degree of autarky has insulated industries from international competition, the industry's excessive extent of vertical integration has inhibited competitive subcontracting, compromised the potential for scale economies, and reduced flexibility in manufacturing.
- (c) Lack of enterprise authority to procure inputs, distribute outputs, and set product prices has caused poor product quality and inefficient operations. In 1988, state orders accounted for about 89% of output and, although the intention was to bring this down to 35% in 1989, state orders in manufacturing ranged from 40% to 100% in 1990. Allocated inputs often do not meet product specifications, contributing to low quality.
- (d) Prices do not reflect market signals. Relative prices are severely distorted, with prices of capital goods low relative to those of consumer products. The controlled distribution system has severed the essential trade relationship between the producer and consumer. Enterprise managers lack measures of efficiency and tools for improving it. Cost accounting is not employed to measure efficiency and profit centers are unknown.
- (e) Contributing technological factors include old machinery, inadequate quality control, incomplete technology transfer (high engineering content but deficient management and production techniques), and poor means and measures for environmental protection and labor safety.
- (f) In the command economy, manufacturing enterprises have no system of gathering and analyzing information regarding the needs of their clients, an essential system for successful performance of firms in market economies. There is also a dearth of general information about business development, financial markets, etc. When coupled with the inadequate communications network in the country, the Soviet manager has a serious disadvantage when it comes to reacting to changes in the business development and identifying new opportunities.
- (g) Physical infrastructure is rather poor, but even more important is the lack of a supporting service infrastructure. Among the most important lacks are financial and independent consulting services.

3. Under the reforms of 1987-1989, central plans became guidelines, and enterprise autonomy increased marginally (limited freedom in foreign trade, allowance to retain foreign exchange under a distorted system, authority to lease works and services, and the right to limit production). However, enterprises were not given sufficient autonomy - or placed under hard budget constraints - to enhance efficiency. Results of these part measures have been disappointing and in some respects the economic situation has deteriorated. Measures to convert military industry for civilian use have

been initiated, but so far, neither a genuine transfer of technology nor widespread commercialization of military production has taken place. Recent (1990) reform measures, such as the Enterprise Law, the Small Business Law, and the Joint-Stock Company Decree attempt to address these problems, but a far more comprehensive approach will be needed.

II. Elements of a Successful Market Economy

4. While there appears to be a genuine commitment to the objective of transforming the Soviet economy into a market economy to improve efficiency, it is less clear that there is a common understanding of what this means. Key elements for the industrial sector are: allocation of resources on the basis of prices set by supply and demand; profits to help allocate resources; enterprise autonomy; competition, with new entry and mechanisms to facilitate exit; and supporting infrastructure and services, including information, finance and a cohesive legal framework. There is considerable potential for improvement in Soviet industry. Most raw materials are in abundant supply, the workforce is skilled, technicians and engineers are highly qualified, and the managers are capable of learning the techniques of a market economy. To realize this potential requires the dismantling of the (already ineffective) central allocation system, the removal of controls which have constrained initiative and supported inefficiency, acceleration of privatization, promotion of private sector development and the provision of the basic services which are essential for a working market.

III. Policies for Sustainable Improvement

5. Macroeconomic and Regulatory Framework. The enabling framework for industrial efficiency generally coincides with the environment for overall economic efficiency which is discussed elsewhere in the report. In most respects, there is little to be gained by delaying the implementation of reforms as far as the industrial sector is concerned. In particular: all input and output prices, with the exception of certain prices (such as energy) which may need to be adjusted in stages towards market levels, should be liberalized, with imports and exports allowed subject to declining protective tariffs; pending full convertibility, access to foreign exchange should be widened through auctions; state enterprises should be corporatized to facilitate reorganization, restructuring and privatization; new entry to both production and distribution activities should be liberalized and direct budgetary supports ended to facilitate exit of uncompetitive firms from the market; appropriate banking and capital market structures should be developed, and the current practice of establishing banks owned by enterprises or branch ministries should cease; wage policies should be decentralized, at least to the Republic level, and wage control on private businesses lifted; and income taxes should be uniform for all types of industry.

6. Industrial Policies and the Role of Industry Ministries. With the dismantling of central planning and the allocation system, numerous branch ministries become redundant and should be dissolved. Instead, a ministerial structure is needed which will support and regulate industrial activity while being totally separated from production cycles. The most appropriate

structure would appear to be one Ministry of Industry at Union level and single Ministries of Industries in each republic. Important functions of the ministries, in the long-term, would be to: formulate and administer industrial policy; review and monitor long-term trends and international developments, and disseminate information; promote Soviet industry abroad; develop and update product standards; work with concerned agencies in applying safety and environmental standards; and assist regulatory agencies in developing and monitoring controls on monopolies and anti-competitive practices.

7. There will be important additional functions during the short-term transition to a market economy. Specialized temporary agencies will need to be established to assist with programs of industrial restructuring which encompass six major elements. First, to increase competition and flexibility, most of the multi-plant large enterprises should be broken down into independent enterprises, and all state enterprises should be transformed to joint-stock companies. Social activities of enterprises should be separated from productive ones and transferred to local governments. Second, to privatize existing enterprises, recourse to several methods, rather than exclusive use of any one, will increase flexibility and the pace of the effort. Ownership rights must be clarified with a clear understanding that owners try to maximize returns to capital. Small enterprises and viable medium/large enterprises should be privatized as rapidly as possible, and emphasis should be placed on private sector development by fostering entry and growth of small businesses. Third, to minimize the inevitable drop of industrial output which the proposed reforms entail, there will be need for restructuring those enterprises which will remain in the state sector. Among these, some will adjust by themselves, a second group will need assistance in restructuring to become competitive, and a third group, which will never be competitive, must be liquidated. Certain industries (such as steel, petrochemicals and machine building) may be identified as facing critical adjustment problems, especially given the drastic changes in the composition of demand towards consumer goods and away from these subsectors envisaged in current reform plans. For these industries, subsector restructuring and downsizing rather than simply enterprise-specific restructuring may be required. Fourth, for restructuring to have a positive impact, there is urgent need to institute basic and follow-up specialized training courses for managers to expose them to the essentials of operating in a market environment. Fifth, although there is no justification for major state-financed investments in industries destined for privatization, the state has a responsibility in the interim to maintain certain productive capacities and assist enterprises to become profitable in the new environment. To the maximum extent possible, funding of such investments should be found by the enterprises themselves, and hence, the bulk of available state funds should be allocated to improve communications and transport. Sixth, restructuring will unavoidably result in layoffs on a large scale, because of liquidations and the restructuring of seriously overmanned enterprises. Programs for retraining, unemployment insurance and social safety net systems are essential to reduce the negative impact on the population and facilitate redeployment.

8. An Accelerated Program for the Delivery of Priority Goods. While all of the above measures need to be taken as a part of the comprehensive

reform strategy, there is a particular need to improve the supply of consumer goods. Consumer durables, because of the ease of their segregation from other activities, offer an attractive starting point. The following measures, seen as a first phase of an overall reform program and proposed for immediate implementation, could eliminate the shortage in these products while at the same time demonstrating the responsiveness of a free market in a widening and important area of the Soviet economy. Many of the existing producers of such goods are departments of large enterprises whose primary products and main priorities are geared towards heavy and armaments industry. Such departments should be separated legally, financially, and if possible, physically from their parents, converted into autonomous joint-stock companies, and privatized or leased out as rapidly as possible. New entry, whether of domestic or foreign firms producing durables or their components, should be facilitated. Input and output prices should be freed, existing state orders eliminated in favor of market relationships, and freedom given to import final products or components, subject to tariff protection for a defined period.

IV. The Role of External Assistance

9. There is a tremendous need for material and technical assistance for the upgrading of the Soviet industrial sector, but at this stage, preference must be given to measures which support reform rather than investments in new machinery and equipment. In particular, assistance could be directed to: management training; private sector development; industrial restructuring; institutional support for the new Ministries of Industry; and environmental support to assist industries to address critical problems.

**AGRICULTURAL REFORM IN THE USSR:
CRITICAL ISSUES AND STRATEGIES**

SUMMARY OF RECOMMENDATIONS

1. Agriculture is a key economic sector in the Soviet Union accounting for about 20 percent of GNP and 19 percent of employment. Over 100 million people or about one third of the country's population depend directly or indirectly on the sector for their livelihood. The area cultivated --from the fertile "black-soils" in the center of the country to poorer quality soils to the north and the irrigated lands in the south-- cover about 230 million hectares, giving the USSR the most extensive land wealth of any country in the world. Most of the land is planted in grains and fodder crops, while overall, half the value of production comes from livestock products. Ninety-seven percent of the land is farmed in the public sector, about equally in large state or collective farms. In spite of the highly favorable resource endowment, the USSR is a net importer of food, with imports averaging just under US \$20 billion per year, of which about one half is grains and sugar.

2. Entering the decade of the nineties, soviet agriculture is at a critical juncture. Recent deterioration in agricultural marketing has compounded the chronic problems of the sector: inefficiencies in production and processing, deficiencies in distribution and waste at all stages between producers and consumers, and low returns to investment. The deterioration in marketing is due in part to fragmentation of the political and economic linkages of the administrative command system, and in part to the decline in the willingness of farms and processors to accept fixed government prices and rubles for transactions. The result has been shortages in cities and the growth of autarky and barter. Availability of food in Moscow, Leningrad, and the industrial cities of the Urals is lower than average this fall, and supply can be expected to deteriorate further in winter and spring. Moreover the rupture of internal trade has interrupted delivery of packaging materials and loss of perishable crops has increased. These problems are compounded by inflationary pressures caused in part by the growth in food subsidies, which have now reached 12 percent of GDP and, with recent and planned procurement price increases, could, by some estimates, attain 20 percent of GDP in the coming year.

3. The visible worsening in the food economy comes paradoxically at a time when the grain harvest is exceptionally good (due to extremely favorable weather), estimated at between 230-250 million tons, compared to an average for the last five years of 204 million tons. This year's growing food shortages amidst unusually abundant supply and dramatic increases in food subsidies illustrate the extent to which the chronic problems of the traditional command structure have impacted the economy.

4. The problems in the food economy, although visible before, deepened in the 1980s. When corrected for fluctuations in weather, grain production in the late 1980s did not increase much above 1976-1980 average levels despite high levels of investment while the costs of production, even crudely calculated without true account of capital costs, have nearly doubled. Imports of grains have grown over the same period from about 22 million to just under 40 million mtons. Although difficult to estimate, agricultural GDP growth has been well below general economic growth and probably averages less than 1 percent during the 1980s. Losses are officially estimated to be between 20 and 30 percent of production for grains and to even exceed 40 percent for perishable commodities. In mid-1990, the poor financial status of most farms and processing units forced the government to forgive 73 billion rubles of debt to the agro-industrial complex and more debt forgiveness is expected shortly.

5. The chronic problems of the sector are rooted in the structure and incentives governing production and processing. Over the last 25 years, growth in production has occurred under the centrally planned system, but at high budgetary costs and increasing forfeiture of opportunities to produce and consume other goods and services. Because prices and costs have had little economic meaning, the command structure of managing agriculture has resulted in misallocation, waste, and destruction of the environment through overuse of inputs. Neither managers nor workers on state and collective farms have strong incentives to improve productivity, reduce costs, or preserve capital and land. Wages are standardized and state quotas at fixed prices determine the allocation of resources. Furthermore, prices are set such to penalize low cost producers. Inputs are also assigned and farm managers have little choice over quantities, quality or timeliness of delivery. The state monopolies that supply inputs and process outputs have little incentive to serve either the farm's or the public's interest. If costs exceed earnings, the state usually offers financial relief either through the budget or the banks.

6. The Soviet government, having invested heavily in the sector for decades and experimented with various reforms --from brigades to leasing--, has come to the conclusion that the sector's problems cannot be solved under the current structure of central command. The solutions to the sector's and the food economy's problems lie not with tinkering with the existing system but in a radical restructuring of the agricultural economy and the economic incentives which govern it. In most circles of policy making, the debatable issue in the Soviet Union is not whether to reform the structure but on its sequencing and depth. Major issues being discussed are whether to continue to administer some prices or fully liberalize prices and whether to permit private land ownership.

7. The prospects for success in a radical reform of the sector are favorable. The natural resource base of Soviet agriculture is

rich, the people employed in agriculture relatively well educated and skilled, and the physical infrastructure, although inadequate, provides a foundation on which improvements can be made. The potential for growth in the sector is very substantial through improving the use and allocation of existing resources. Moreover, agricultural growth may be achievable before improvements in industry are realized and may therefore provide early tangible evidence of the fruits of reform to a market economy. But the political problems are formidable. The steps needed to realize this potential challenge rooted beliefs on the role of the state and its ownership of land and industry. It would also require a major retail price reform that, during the transition, could potentially impact severely some segments of the population. But there are few, if any alternatives.

8. The proposed strategy focuses on three critical issues -- price reform, privatization, credit and investment-- and suggests ways for dealing with these priority areas of policy. The strategy for these areas recognizes that Soviet's agricultural potential can only be realized through a decisive break with the past. Studies of the political and economic process of reform in other countries indicate that up-front action must be substantial to demonstrate to investors and the public that government's commitment to the reform process is strong. Fundamental to the proposed strategies is a dramatic severing with the inherited institutions of collectivized agriculture through the liberalization of prices, the ending of state orders and the establishment of full private ownership of land (or a form of user rights that equivalently bestows the rights of ownership). The state would however continue to play an important role --by providing and enforcing the legal framework to underpin a largely private agricultural economy, in reducing price uncertainty associated with the transition to a very different relative price structure in agriculture, in funding investments in public infrastructure, and in establishing a social safety net in rural and urban areas. In other words, the role of the state would be redefined from one of control and ownership of production, processing and distribution to one more of support for private farming and the market.

9. The proposed strategy for the agricultural transition shares many elements in common with the recent official plan. It deviates most from the current range of debate in the Soviet Union in the sequencing of price reform through emphasizing the immediate need for rapid liberalization of prices, including retail food prices. Retail price liberalization is proposed along with instruments to increase the acceptability of higher food prices to consumers, and to spare vulnerable groups of the population from hardship. The proposed strategy also differs in emphasizing the dependence of the sector's future growth on the introduction of full private ownership of land. The proposed land reform to private individual or cooperative ownership, however, is phased, and its pace, somewhat cautious.

10. The overall strategy for the agricultural transition includes the following elements:

- (i) Price liberalization and termination of state orders replacing them in part by selective purchases by the state.
- (ii) Creation of a safety net to cushion the impact of higher food prices on vulnerable groups.
- (iii) Demonopolization of agricultural trade and gradual removal of non-tariff barriers to trade.
- (iv) Phased withdrawal of the state's role in direct provision of agricultural inputs and rural construction materials.
- (v) Privatization (either through establishing individual, joint shareholding or cooperative ownership) of most processing, of wholesale and retail trade in food, and of small-scale transport (mainly trucks).
- (vi) Land reform through the disbanding of state and collective farms and the establishing of private individual or cooperative farms with the legal rights of full private ownership of land. Includes establishing either separate cooperatives or joint stockholding companies for the service assets (tractors, buildings etc) or their sale to farmers.
- (vii) Reform of agricultural credit and establishment of new criteria for agricultural investment and of procedures for evaluating alternative investments. Implementation of infrastructural investments and financial systems to recover at least partially their costs.
- (viii) Creation of an inter-republic council with participation of the international community to monitor changes in food supply throughout the Soviet Union, and channel international logistical support (in the form of targeted commodity shipments) for the transition to a market oriented agricultural economy, if such support is needed.
- (ix) Technical and financial assistance to the Union and Republics during the transition. Broad areas of technical assistance are in banking and credit, project and economic analysis, trade systems and policy, food monitoring, and management and marketing of agroindustry. Investments in rural infrastructure and agroindustry will need to be substantial. In particular, rural roads and

communications are required for efficient distribution and marketing. Irrigation and drainage systems need to be upgraded and improved in efficiency. Priorities and directions for public investments will have to be established through a comprehensive review of investment needs.

The Sequencing of International Assistance for the Transition to A Market Economy

11. The international community and the Soviet citizenry have much to gain from a successful transition to a market oriented agricultural economy in the USSR. Several kinds of international assistance could contribute substantially to the effort, reducing both the time in transition and the disruption associated with it. The sequencing of assistance will be an important determinant of its productivity.

12. In the earliest stage, the international community can provide commodity assistance (donations, concessional sales, or financial assistance for food imports) tied to the liberalization of retail prices. The assistance would go to organized public feeding and direct distribution programs and to targeted areas with unusually high free market prices (to assist in buffering unusual overshooting of newly liberalized prices). The objective of commodity aid would be to facilitate retail price liberalization, and thus relieve a constraint on further policy reform. The commodity aid should be tied to full retail price liberalization, and would not be used to introduce a partial, administered increase in food prices. The effect of the aid should be monitored carefully to ensure that it does not overly depress producer prices.

13. Technical assistance in evaluating agricultural financial institutions and investment criteria, monitoring food supply and setting the legal framework for land reform and privatization of farm assets would also be useful in the early period.

14. After the legal structure for private enterprise is in place and liberalization of prices (retail, wholesale, and producer) is well underway, investments in rural infrastructure and agricultural processing will be highly productive. Projects to rebuild rural infrastructure and modernize processing should follow, and not precede, price reform, land reform, and privatization of agricultural assets. The opportunity cost of investment funds, both domestic and foreign, during the transition is extraordinarily high. Projects should be undertaken only after rigorous analysis indicates that they will be productive in the new economic environment, and will contribute to further progress of the transition.

AIDE MEMOIRE

on

POSSIBLE WORLD BANK TECHNICAL ASSISTANCE PROGRAM

for

THE SOVIET UNION

THE WORLD BANK / IFC / M. I. G. A.
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DATE October 29, 1990 **NO. OF PAGES** 12 **MESSAGE NO.**
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Room No. S13-131 **Telephone No.** 202 473 6860

SUBJECT/
REFERENCE Areas of Cooperation between Soviet Union and the World Bank in Preparation
for visit to Soviet Union of World Bank President, Barber B. Conable.

MESSAGE

PLEASE DELIVER URGENTLY TO MR. GERASCHENKO, CHAIRMAN, STATE BANK OF THE USSR,
NEGLINNAYA 12, MOSCOW, UNION OF SOVIET SOCIALIST REPUBLICS.

Transmission authorized by Patricia M. Gallagher

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TO MR. ERNEST OBMINSKI, DEPUTY MINISTER FOREIGN AFFAIRS & CHIEF OF FOREIGN
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SUBJECT/
REFERENCE CC of Letter to Geraschenko, re Areas of Cooperation between Soviet
Union and the World Bank in preparation for visit to Soviet Union
MESSAGE of World Bank President, Barber B. Conable.

Transmission authorized by Patricia M. Gallagher

If you experience any problem in receiving this transmission, inform the sender at the telephone or fax number listed above.

The World Bank
Washington, D.C. 20433
U.S.A.

WILFRIED P. THALWITZ
Senior Vice President
Policy, Research and External Affairs

October 29, 1990

Mr. Viktor Gerashchenko
Chairman
State Bank of the USSR
Neglinnaya 12
Moscow
Union of Soviet Socialist Republics

Dear Mr. Gerashchenko:

Please find enclosed an aide memoire on possible areas of cooperation between the Soviet Union and the World Bank. In response to your request, I am sending this to you as background information to help prepare the visit by Mr. Conable to the Soviet Union.

As discussed with Mr. Obminsky, we believe that the purpose of Mr. Conable's visit should be to discuss with President Gorbachev and other senior officials the nature and scope of a future relationship between the USSR and the Bank. The first step in this emerging relationship is, of course, the Joint Study of the Soviet Economy, which is now being completed in collaboration with the IMF, the OECD and the EBRD. This study will deal with the challenges facing the Soviet Union and the Republics in the area of economic reform. More importantly, it will spell out the major actions required to implement systemic reform and revitalization of the Soviet economy.

The Joint Study will thus form a basis for follow-up cooperation between the USSR and the Bank. One important aspect of this follow-up work would be in our response in the area of technical assistance to the Union and the Republics. Because this work would be so closely linked to the overall transformation of the Soviet economy and the ongoing reform of economic policies, we believe that such a technical assistance program must be anchored in a mutual understanding at the most senior levels about the role that the Bank would be expected to play in the future development of the Soviet economy.

In this connection, I would like to point out that any such program will require the approval of the Bank's Board of Directors. Moreover, since the Bank's charter stipulates that its resources and facilities are to be used exclusively for the benefit of its members, this program will need to be funded in the near term by contributions from third parties or by reimbursements.

Mr. Conable would also be prepared to discuss the issues and next steps -- including at a political level -- associated with possible membership of the Soviet Union in the World Bank Group.

Mr. Viktor Gerashchenko

- 2 -

October 29, 1990

Our present plans are to send a small delegation of senior officials to Moscow a few days in advance of Mr. Conable's arrival, in order to finalize preparations for Mr. Conable's visit. We are ready to work closely with you and your colleagues to make this visit a successful milestone in this emerging Soviet-World Bank cooperation.

We look forward to hearing from you.

Sincerely yours,

Wilfried Trautz

cc: Mr. Ernest E. Obminsky
Deputy Minister of Foreign Affairs and Chief of Foreign
Ministry Directorate for International Economic Relations
Ministry of Foreign Affairs of the USSR

AIDE MEMOIRE

POSSIBLE WORLD BANK TECHNICAL ASSISTANCE PROGRAM FOR THE SOVIET UNION

The World Bank, along with other institutions, is currently actively engaged in a joint study of the Soviet economy, which will examine some of the critical problems of economic recovery and reform. In discussions held during the IMF/IBRD Annual Meetings, the Soviet delegation requested further information on possible World Bank technical assistance beyond this initial study, in order to benefit from the experience of other countries, in Eastern Europe and around the world, and of those international institutions with substantial experience of economic reforms. The Soviet Union faces major challenges in its profound program of reform, and could benefit from this experience. As the Soviet team rightly noted, however, the Soviet economy is unique in size, diversity and sophistication, and in the depth and speed of change it wishes to bring about.

The Bank's member countries have looked to the Bank not just as a lender but as an experienced and objective advisor and provider of technical assistance. The Bank's analytical work and technical assistance span a very broad spectrum, from reform of the economic system and economy-wide policy formulation, through analysis of major sectoral problems, to specific project identification, preparation and appraisal. A key feature of the Bank's work with governments is to provide advice on policies, programs and institutions affecting a wide range of economic and social sectors, but to ensure at the same time that sectoral recommendations are broadly consistent with medium-term balance of payments and the fiscal situation, and are firmly related to investment strategy at the project level. In working on the issues of medium-term economic viability and macro-management, the Bank works closely with the International Monetary Fund, but especially focusses on possibilities of improvement in economic efficiency, restructuring of public expenditures, strengthening of incentives for the private sector, the role of the financial system and the role of the public sector in providing economic infrastructure, regulatory oversight and social protection.

This memorandum outlines areas of possible cooperation between the World Bank and the Soviet Union. The program of advice and technical assistance is comparable in many respects to that provided by the Bank to member countries, new or long established, which wish to undertake major economic reform programs. It must be noted at the outset that such an assistance program would require the formal approval of the Bank's Board of Directors and that it would need to be financed by third party contributions or reimbursements.

The scale and coverage of potential collaboration are set out in deliberately broad terms in this memorandum, to indicate what assistance might be made available. However, the actual scope of any program ultimately agreed will have to be carefully defined after further discussion between the Bank and the Soviet authorities. At this stage, for example, the Bank has limited knowledge of the government's priorities for technical assistance and has had no dialogue on this issue with the Soviet Republics, which would be expected to be beneficiaries of the Bank's support. Nor is it clear what the appropriate channels are through which such assistance might be provided to various governmental levels. Bearing these uncertainties in mind, this memorandum outlines areas of possible collaboration between the World Bank and the Soviet Union, and discusses modalities for carrying out and financing that assistance.

The content of this potential program is designed to be complementary to whatever parallel support might be provided by the IMF, in order to ensure broad coverage of the range of key issues for economy-wide reform. There would also be collaboration in the implementation of the two institutions' technical assistance programs.

Program Outline

The scope and content of technical assistance from the World Bank must be determined by decisions on economic reform to be taken by the Soviet authorities. Soviet economic policy debates have defined three broad challenges: to design and implement fundamental policy and institutional changes to transform the economic system; to develop the new institutions and economic practices which will allow an efficient market economy to flourish; and to increase the efficiency of investments and production in key sectors -- at Union and republic level, and in public and private sectors -- to support the transition to the new system. As Soviet decision-makers address these challenges and the difficult problems of consistency and sequencing which they entail, the Bank has experience and capacity to help at all three levels.

In summary, it is envisaged that the Bank would offer expertise to work alongside Soviet counterparts and provide advice and assistance in the following tasks:

- short-run actions to raise efficiency and production;
- detailed design and sequencing of economy-wide policy reforms, especially in the areas of trade, finance and prices;
- design and implementation of key institutional changes, especially in the financial system and in restructuring and privatization of the productive

and service sectors;

- design of sector-specific policy changes, and identification and assessment of sectoral investment priorities;
- training for Soviet cadres in a range of skills critical to a successful transition to a market economy; and
- coordination of external assistance.

These are discussed in further detail below.

System reform. Soviet policy-makers are currently grappling with how to effect a transition towards a market economy, while also establishing macroeconomic stability and fiscal and monetary discipline. Bank advice and technical assistance here would focus on the detailed content and sequencing of reforms, drawing on experience in other countries undertaking extensive structural adjustment, including some -- like Poland, Yugoslavia and Hungary -- in transition to market economy. Crucial areas of Bank assistance are likely to include timing and design of reforms in external trade, price structure and the financial system, and the linkage of these reforms to fiscal and macroeconomic policy objectives.

Short-run actions. While the primary objective of economic reform must be implementation of an appropriate, comprehensive combination of policies, a pragmatic response to Soviet needs must also deal with the key issues of supply response. These include the need to halt deterioration in the economic situation and expand the production and supply of key consumer goods -- both food and manufactures; measures to correct the most obvious waste in the use of valuable resources, especially energy and materials; the provision of social protection for those most immediately affected by the reforms; and improvements in the foreign trade and foreign investment environment (drawing inter alia on the expertise of the International Finance Corporation and MIGA, the Multilateral Investment Guarantee Agency).

Institutional change. Bank advice and assistance would address specific priority areas of institutional change. In the financial sector, for example, the Bank has assisted a number of countries to restructure the financial system, establish sound commercial banking and investment financing institutions, rationalize the public sector's direct involvement in finance, and strengthen its supervisory and regulatory capacity. This is likely to be an important area of work in the Soviet case too. The Bank has also given extensive assistance to countries wishing to reduce the State's direct role in production through encouragement of private investment and divestiture of state holdings. The Bank would draw on this experience to assist Soviet decisions to increase private ownership and investment

through privatization and related legal, regulatory and capital market reforms, with the primary objective of promoting efficiency and competition and mobilizing private domestic and foreign savings. The International Finance Corporation has relevant experience, particularly of capital market institutions such as stock markets, to complement the Bank's policy and institutional expertise. The Bank could also offer help in re-orienting administrative institutions from their former control function to one of promotion and regulation.

Sectoral policies and investments. The Bank's effort would focus on establishing sectoral policies and investment strategies consistent with overall reform objectives. Bank teams would also assist the Soviet authorities to assess major investments and establish sectoral investment priorities.

In industry, the broad business environment is the key -- and this will be set by the policy reforms and changes in the financial system, ownership and regulation referred to earlier. Beyond assistance in setting this basic framework, Bank technical assistance would probably concentrate on improvement in a limited number of subsectors. In agriculture, technical assistance would provide expertise on agricultural pricing, the creation of marketing institutions and channels appropriate to a much greater role for private production, and improvements in crop storage and transportation.

For infrastructure, assistance could be provided in long-range investment planning and assessment, pricing and efficiency improvements, and developing private sector financing of infrastructure projects. Energy, where the Bank has wide experience in the investment, pricing and efficiency issues particular to this vital sector, may be an important focus of the assistance program.

A critical dimension cutting across several sectors is likely to be environmental policy and rehabilitation, where the Bank has a rapidly growing portfolio of experience to draw on.

In the social sectors, the Bank has been extensively involved in the design of public expenditures to promote cost-effective and equitable service delivery, in health and educational services especially. Restructuring of the housing sector -- including ownership and financing -- is a possible important area of potential assistance as well. A critical aspect of social policy is the design of social safety nets to provide transitional help for those adversely affected during the course of reform -- including displaced workers, the elderly, and vulnerable families. Beyond this short-term requirement, assistance may be needed in designing and setting up effective and fiscally sustainable institutions for financing health care and social security in the new economy.

Training. The Bank's Economic Development Institute (EDI)

can work with Soviet institutions to mount policy seminars and help to design training by Soviet institutions for officials and managers assuming new responsibilities in economic management, privatization, industrial and agricultural development, and other fields. EDI could also provide thorough training in the techniques of investment analysis and project appraisal. Most of these programs would be done in the Soviet Union and managed by Soviet institutions: their scale, language of instruction and design will need to be worked out in detail.

Coordination. The Bank has considerable experience in the coordination and management of external financial and technical assistance programs provided by diverse sources. This expertise could help the Soviet Government utilize external resources cost-effectively, and may become particularly important as the range of external entities providing assistance to the Soviet Union increases.

Modalities

In designing this assistance, a multi-year program should be envisaged, most likely at least three years in the first instance. The Bank would provide highly qualified and experienced staff and consultants in each of the major areas, working under a head of program who would ensure that the Bank provided an integrated approach centred on the major problems of economic reform, rather than merely performing a series of disparate technical tasks. The team primarily responsible for systemic reform issues, for example, would be headed by a leading Bank economist, and might include experts in fiscal, trade and financial economics, supported by institutional and financial experts dealing with matters such as privatization and the design of transitional social safety nets. Comparable teams would work in the major sectors, and in the provision of training and technical assistance coordination, within a coherent framework. Team leaders drawn from senior Bank staff would assign individual experts to work alongside relevant Soviet colleagues, and liaise with the Soviet authorities on the detailed content of evolving work programs. These teams would spend a considerable proportion of their time in the Soviet Union and would be supplemented by a substantial budget for specialized short-term expertise.

Financing

The initial phase of the technical assistance program described in this aide memoire would be launched and implemented over at least a three-year period. A wide range of budgets is possible, depending on available funding, on Soviet decisions about how best to proceed with economic reform, on initial Soviet and Bank decisions about the desirable scope of the technical assistance, and on joint assessments of evolving experience as this enterprise gets underway. Extensions beyond the initial three years would also reflect these (and other) considerations.

To give some orders of magnitude, it is assumed that a major multi-sectoral study is carried out in the first year, broadening and deepening the analysis of the current Fund/Bank/EBRD/OECD study. In parallel, other assistance equivalent to 20-40 staff years, or \$5-10 million, would get underway. In the second and third years, the program might be up to 60-80 staff years per year (\$15-20 million) depending on mutually agreed work programs. With overheads, e.g. for secretarial and computing support and interpreting services, a total three-year funding requirement of up to \$50 million might be required.

None of these costs could be borne by the Bank's regular administrative budget unless the USSR were to apply for membership. Even then, the scope for such financing would be limited in the near term. Accordingly, this program should be planned on the assumption that its costs would be covered by special resources contributed by third parties and/or reimbursements.

Next Steps

The immediate next step is for the Soviet authorities to make a decision in principle on the nature and scale of technical assistance that they would wish to have from the Bank. Based on such a decision, Bank management would be prepared to send a technical mission to Moscow to discuss a more specific work program and budget and to agree on a financing plan.

Following agreement on these items, management would present the proposed program to the Bank's Board of Executive Directors. Formal agreement between the Bank and the Soviet could be on the basis of a Memorandum of Understanding (an example of such a Memorandum is attached for information only).

In parallel with the above, Bank management would be prepared to work with Soviet authorities in seeking external funding to support the program. As the funding begins to emerge, and subject to approval of the World Bank's Directors, Bank management would proceed with initial staffing and other administrative steps to implement the program.

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1g/29/90

October 29, 1990

MEMORANDUM OF UNDERSTANDING

ON

TECHNICAL ASSISTANCE

The Government of [name of country] (the Government) wishes to avail itself of technical assistance from the International Bank for Reconstruction and Development (the Bank) in those fields of economic and human resources development which the Government considers to have the highest national priority and which fall within the specific competence and expertise of the Bank. The Government and the Bank have agreed to establish procedures to achieve this purpose and to provide for the necessary administrative and financial arrangements as set out below.

Section 1

(a) In ___ of each year, the Government and the Bank shall review, through their representatives, the programs, studies or other projects relating to the development of the economic and human resources of [name of country] for which the Government wishes to obtain from the Bank technical or other advisory services and for which the Bank would be able, within the scope of its competence and with grant resources available to it from donors, to provide such services to the Government during the forthcoming 12-month period (each, a program year).

(b) On the basis of this review, the Government and the Bank shall establish, by mutual agreement, an annual program of technical assistance, and related administrative budget, specifying for such program year:

- (i) the various programs, studies or other projects to be undertaken or continued during such program year for which technical or other advisory services are expected to be rendered by the Bank to the Government;
- (ii) the estimated overall staffing requirements of the Bank for such services; and
- (iii) the cost of such assistance.

(c) In establishing their annual program and administrative budget the Government and the Bank shall take into due consideration the technical and other advisory services which may be available to the Government from other international or national sources.

Section 2

The Government and the Bank shall in the course of each program year exchange views from time to time on the progress of the annual program and administrative budget for that program year and may by mutual agreement introduce such modifications in the program, and related administrative budget, as they shall deem to be desirable.

Section 3

(a) Within the scope and budgetary allocation of each annual program referred to in Section 1, the services needed for the activities specified in the annual program shall normally be provided through the appropriate departments of the Bank in accordance with the provisions of the annual program.

(b) For the purposes of this Memorandum of Understanding, the staff of the Bank shall include staff of any other Specialized Agency of the United Nations assigned to any activity hereunder pursuant to a formal cooperative program or informal administrative arrangement between the Bank and such Specialized Agency or other specialized expertise recruited by the Bank, either individually or institutionally, to supplement the Bank's permanent staff resources for the execution of the program of technical assistance. The selection and replacement of Bank staff to carry out any particular activity shall be in the sole discretion of the Bank. The Bank staff assigned to any particular activity hereunder shall, in the conduct thereof, be responsible to, and under the sole direction of the Bank.

Section 4

In special circumstances, the Bank may, within the scope and budgetary allocation of the annual programs referred to in Section 1 and under arrangements to be agreed upon in each case between the Government and the Bank:

- (i) second, at the request of the Government, individual staff members of the Bank to the Government; and
- (ii) direct and supervise on behalf of and for the account of the Government, a complex project or program requiring the use of outside consultants or other services.

Section 5

(a) The Government acknowledges that the Bank's cost of technical assistance activities hereunder are to be reimbursed by the Government and/or paid by grant funds provided by third parties, and that the Bank shall have no obligation to provide any technical assistance activity hereunder unless and until the Bank has received funds adequate to fully cover the cost of such activity.

(b) The rates for the services rendered by the Bank shall be calculated in accordance with the Bank's normal budgeting procedures to cover the full cost to the Bank of the services to be rendered.

Section 6

(a) The Government shall accord to the Bank and to the staff members of the Bank who shall be assigned to any activity under this Memorandum of Understanding, the status, privileges and immunities conferred on the Bank and Bank employees in the Articles of Agreement of the Bank, as if [name of country] was a member of the Bank.

(b) The Government shall, at the request of the Bank, make arrangements for the personnel of organizations engaged by the Bank to perform services hereunder to be provided with all necessary entry, stay and exit visas and permits and shall exempt such organizations and such personnel from (or pay on their behalf) any taxes and other duties on payments made to such organizations and such personnel in connection with services hereunder or on their personal effects or items brought into [name of country] by them in connection with services hereunder.

Section 7

The Government shall hold the Bank, its staff and other persons performing services hereunder harmless from any claims arising from any action, advice or omission of the Bank, its staff or such other persons in the provision of services under this Memorandum of Understanding except where the Government and the Bank have agreed that a claim arises from the wilful misconduct or gross negligence of any of the individuals mentioned above.

Section 8

The Government and the Bank shall each designate an official who shall be the official channel of communications for all matters arising under this Memorandum of Understanding and who shall be authorized in the name and on behalf of the party appointing such official to enter into agreement on the annual program and administrative budget and to take such other action as such official shall consider necessary or advisable with respect to matters arising under this Memorandum of Understanding.

Section 9

(a) The Bank in carrying out the services under this Memorandum of Understanding shall use the same care and diligence as it uses in its other operations. If, at any time, the Bank, after consultation with the Government, shall determine that for any reason it is unlikely that the services called for in any annual program can be successfully completed or carried out in accordance with the usual standards and practices which are applied by the Bank in its operations, the Bank may cease the provision of such services.

(b) If at any time the Government shall decide that it no longer wishes a specific service to be provided by the Bank under the terms of any annual program, it may so notify the Bank and the Bank shall, following receipt of such notice, cease to carry out such service. Notwithstanding any other provision of this Memorandum of Understanding, the Government shall reimburse the Bank for any costs incurred by the Bank with respect to such service.

Section 10

The understandings reached in this Memorandum of Understanding shall remain in force and effect until six months after the date on which either party shall have notified the other of its intention to terminate this arrangement. Upon receipt of such notice, the parties shall take all appropriate steps to terminate in an orderly fashion the activities then ongoing.

On behalf of:

Government of [name of country] _____ (date)

International Bank for
Reconstruction and Development: _____ (date)

CURRENT MEMBERSHIP OF SOVIET COUNCIL OF MINISTERS

*(Biographical Directory of 100 Leading Soviet Officials
is in Sven Sandstrom's briefing book)*



USSR Council of Ministers

Compiled by Dawn Mann

(current as of October, 1990)

Presidium of the USSR Council of Ministers

Chairman

RYZHKOV, NIKOLAI IVANOVICH
Year of Birth: 1929
Nationality: Russian
Date of Appointment: 9/27/85

Chairman, Bureau of
the USSR Council of
Ministers for Social
Development

VACANT
Year of Birth:
Nationality:
Date of Appointment:

Chairman, State Com-
mission for Extra-
ordinary Situations

**DOGUZHIEV, VITALII KHUSSENO-
VICH**
Year of Birth: 1935
Nationality: Adygei
Date of Appointment: 6/30/89

First Deputy Chairmen

Chairman, USSR State
Planning Committee
(Gosplan) **MASLYUKOV, YURII DMITRIEVICH**
Year of Birth: 1937
Nationality: Russian
Date of Appointment: 2/6/88

Chairman, Bureau of
the USSR Council of
Ministers for Chemical
& Forestry Complex

GUSEV, VLADIMIR KUZ'MICH
Year of Birth: 1932
Nationality: Russian
Date of Appointment: 6/19/86

First Deputy Chairman
for General Matters **VORONIN, LEV ALEKSEEVICH**
Year of Birth: 1928
Nationality: Russian
Date of Appointment: 7/4/89

Chairman, Foreign Eco-
nomic Commission of
USSR Council of Minis-
ters (Gosvneshekonom-
komissiya SSSR)

SITARYAN, STEPAN ARAMAI SOVICH
Year of Birth: 1930
Nationality: Armenian
Date of appointment: 10/15/89

Chairman, USSR State
Commission for Food-
stuffs and Procurement VACANT
Year of Birth:
Nationality:
Date of Appointment:

Chairman, State Com-
mittee for Science and
Technology

LAVEROV, NIKOLAI PAVLOVICH
Year of Birth: 1930
Nationality: Russian
Date of Appointment: 6/30/89

Deputy Chairmen

Chairman, State Com-
mission for Economic
Reform **ABALKIN, LEONID IVANOVICH**
Year of Birth: 1930
Nationality: Russian
Date of Appointment: 7/4/89

Chairman, USSR State
Committee for Material
and Technical Supply
(Gossnab SSSR)

MOSTOVOI, PAVEL IVANOVICH
Year of Birth: 1931
Nationality: Ukrainian
Date of Appointment: 6/30/89

Chairman, State Com-
mission for Military-
Industrial Matters **BELOUSOV, IGOR' SERGEEVICH**
Year of Birth: 1934
Nationality: Russian
Date of Appointment: 2/13/88

Chairman, Bureau of
the USSR Council of
Ministers for Fuel and
Energy Complex

RYABEV, LEV DMITRIEVICH
Year of Birth: 1933
Nationality: Russian
Date of Appointment: 6/30/89

Chairman, Bureau of
the USSR Council of
Ministers for Machine
Building

VACANT
Year of Birth:
Nationality:
Date of Appointment:

Ministers and State Committee Chairmen

(A) = All-Union (U) = Union-Republic

Minister of Automotive and Agricultural Machine Building (A)	PUGIN, NIKOLAI ANDREEVICH Year of Birth: 1940 Nationality: Russian Date of Appointment: 12/2/88	Minister of the Electrical Equipment Industry and Instrument Making (A)	ANFIMOV, OLEG GEORGIEVICH Year of Birth: 1937 Nationality: Russian Date of Appointment: 7/18/86
Minister of the Aviation Industry (A) (Minaviaprom)	SYSTSOV, APOLLON SERGEEVICH Year of Birth: 1929 Nationality: Russian Date of Appointment: 11/1/85	Minister of the Electronics Industry (A) (Minelektronprom)	KOLESNIKOV, VLADISLAV GRIGOR'EVICH Year of Birth: 1925 Nationality: Russian Date of Appointment: 11/18/85
Minister of the Chemical and Petroleum Refining Industry (A)	VACANT Year of Birth: Nationality: Date of Appointment:	Minister of Finance (U) (Minfin SSSR)	PAVLOV, VALENTIN SERGEEVICH Year of Birth: 1937 Nationality: Russian Date of Appointment: 7/3/89
Minister of Civil Aviation (A) (MGA)	PANYUKOV, BORIS YEGOROVICH Year of Birth: 1930 Nationality: Russian Date of Appointment: 4/19/90	Minister of Fisheries (A) (Minrybkhos SSSR)	KOTLYAR, NIKOLAI ISAAKOVICH Year of Birth: 1935 Nationality: Russian Date of Appointment: 1/8/87
Minister of the Coal Industry (A) (Minugleprom SSSR)	SHCHADOV, MIKHAIL IVANOVICH Year of Birth: 1927 Nationality: Russian Date of Appointment: 12/13/85	Minister of Foreign Affairs (U) (MID SSSR)	SHEVARDNADZE, EDUARD AMVROSIEVICH Year of Birth: 1928 Nationality: Georgian Date of Appointment: 7/2/85
Minister of Communications (U)	PERVYSHIN, ERLÉN KIRIKOVICH Year of Birth: 1932 Nationality: Russian Date of Appointment: 4/11/74	Minister of Foreign Economic Relations (A) (MVES SSSR)	KATUSHEV, KONSTANTIN FEDOROVICH Year of Birth: 1927 Nationality: Russian Date of Appointment: 1/16/88
Minister of Construction of Petroleum and Gas Industry Enterprises (A) (Minneftegazstroï)	CHIRSKOV, VLADIMIR Grigor'evich Year of Birth: 1935 Nationality: Russian Date of Appointment: 2/21/84	Minister of General Machine Building (A) (Minobshchemash, MOM)	SHISHKIN, OLEG NIKOLAEVICH Year of Birth: 1934 Nationality: Russian Date of Appointment: 7/5/89
Minister of Culture (U) (Minkul'tury SSSR, MK SSSR)	GUBENKO, NIKOLAI NIKOLAEVICH Year of Birth: 1941 Nationality: Ukrainian Date of Appointment: 11/21/89	Minister of Geology (A) (Mingeo SSSR)	GABRIELYANTS, GRIGORII ARKAD'EVICH Year of Birth: 1934 Nationality: Armenian Date of Appointment: 7/4/89
Minister of Defense (A) (MO)	YAZOV, DMITRII TIMOFEEVICH (Army General) Year of Birth: 1923 Nationality: Russian Date of Appointment: 5/30/87	Minister of Health (U) (Minzdrav SSSR)	DENISOV, IGOR' NIKOLAEVICH Year of Birth: 1941 Nationality: Russian Date of Appointment: 4/19/90
Minister of the Defense Industry (A) (Minoboronprom, MOP)	BELOUSOV, BORIS MIKHAILOVICH Year of Birth: 1928 Nationality: Russian Date of Appointment: 7/5/89		

Chairman, State Committee for Computer Technology and Information Science (A)	TOLSTYKH, BORIS LEONT'EVICH Year of Birth: 1936 Nationality: Russian Date of Appointment: 2/6/87	Chairman, State Committee for Light Industry attached to Gosplan	DAVLETOVA, LYUDMILA EL'MATOVNA Year of Birth: 1940 Nationality: Kazakh Date of Appointment: 7/14/89
Chairman, State Committee for Construction (Gostroi SSSR) (U)	SEROV, VALERII MIKHAILOVICH Year of Birth: 1940 Nationality: Russian Date of Appointment: 7/12/89	Chairman, State Committee for Publishing (U)	EFIMOV, NIKOLAI IVANOVICH Year of Birth: 1932 Nationality: Russian Date of Appointment: 7/13/89
Chairman, State Committee for Forestry (Goskomles SSSR) (U)	ISAEV, ALEKSANDR SERGEEVICH Year of Birth: 1931 Nationality: Russian Date of Appointment: 3/28/88	Chairman, State Committee for Prices (Goskomsen SSSR) (U)	SENCHAGOV, VYACHESLAV KONSTANTINOVICH Year of Birth: Not known Nationality: Not known Date of Appointment: 7/27/89
Chairman, State Committee for Hydrometeorology (A)	IZRAEL', YURII ANTONIEVICH Year of Birth: 1930 Nationality: Russian Date of Appointment: 5/4/78	Chairman, State Committee for Public Education (U) (Goskomnarobraz)	YAGODIN, GENNADII ALEKSEEVICH Year of Birth: 1927 Nationality: Russian Date of Appointment: 3/12/88
Chairman, State Committee for Labor and Social Problems (Goskomtrud SSSR) (U)	SHCHERBAKOV, VLADIMIR IVANOVICH Year of Birth: 1949 Nationality: Russian Date of Appointment: 7/12/89	Chairman, State Committee for Science and Technology (GKNT) (A)	LAVEROV, NIKOLAI PETROVICH Year of Birth: 1930 Nationality: Russian Date of Appointment: 7/4/89
Chairman, State Committee for Material and Technical Supply (Gossnab SSSR) (U)	MOSTOVOI, PAVEL IVANOVICH Year of Birth: 1931 Nationality: Ukrainian Date of Appointment: 7/4/89	Chairman, Committee for State Security (KGB (Army General) (SSSR) (U)	KRYUCHKOV, VLADIMIR ALEKSANDROVICH Year of Birth: 1924 Nationality: Russian Date of Appointment: 10/1/88
Chairman, State Committee for Physical Culture and Sports (Goskomsport SSSR) (U)	RUSAK, NIKOLAI IVANOVICH Year of Birth: 1944 Nationality: Not known Date of Appointment: 8/3/89	Chairman, State Committee for Statistics (Goskomstat) (U)	KIRICHENKO, VADIM NIKITOVICH Year of Birth: 1931 Nationality: Russian Date of Appointment: 7/12/89
Chairman, State Committee for Protection of Nature (U)	VORONTSOV, NIKOLAI NIKOLAEVICH Year of Birth: 1944 Nationality: Not known Date of Appointment: 8/3/89	Chairman, State Committee for Supervision of Safe Working Practices in Industry and in the Nuclear Power Industry (U) (Gosatomenergondzor)	MALYSHEV, VADIM MIKHAILOVICH Year of Birth: 1932 Nationality: Russian Date of Appointment: 9/3/86
Chairman, State Planning Committee (Gosplan SSSR) (U)	MASLYUKOV, YURII DMITRIEVICH Year of Birth: 1937 Nationality: Russian Date of Appointment: 2/6/88	Chairman, State Committee for Television and Radio Broadcasting (Gosteleradio SSSR) (U)	NENASHEV, MIKHAIL FEDOROVICH Year of Birth: 1929 Nationality: Russian Date of Appointment: 5/16/89
First Deputy Chairman (with rank of Minister) State Planning Committee	DURASOV, VLADIMIR ALEKSANDROVICH Year of Birth: 1935 Nationality: Russian Date of Appointment: 7/17/89		

Minister of Heavy Machine Building (A) (Mintyazhmash)	VELICHKO, VLADIMIR MAKAROVICH Year of Birth: 1937 Nationality: Russian Date of Appointment: 7/20/87	Minister of Power and Electrification (U) (Minenergo SSSR)	SEMENOV, YURI KUZ'MICH Year of Birth: 1932 Nationality: Russian Date of Appointment: 7/11/89
Minister of Installation and Special Construction Work (U)	MIKHAIL'CHENKO, ALEKSANDR IVANOVICH Year of Birth: 1935 Nationality: Ukrainian Date of Appointment: 7/10/89	Minister of the Radio Industry (A) (Minradioprom)	SHIMKO, VLADIMIR IVANOVICH Year of Birth: 1938 Nationality: Russian Date of Appointment: 7/5/89
Minister of Internal Affairs (U) (MVD SSSR)	BAKATIN, VADIM VIKTOROVICH Year of Birth: 1937 Nationality: Russian Date of Appointment: 10/20/88	Minister of Railways (A) (MPS)	KONAREV, NIKOLAI SEMENOVICH Year of Birth: 1927 Nationality: Russian Date of Appointment: 11/29/82
Minister of Justice (U) (Minyust SSSR, MYu SSSR)	YAKOVLEV, VENIAMIN FEDOROVICH Year of Birth: 1932 Nationality: Russian Date of Appointment: 7/11/89	Minister of the Ship-building Industry (A) (Minsudprom)	KOKSANOV, IGOR' VLADIMIROVICH Year of Birth: 1928 Nationality: Russian Date of Appointment: 2/20/88
Minister of the Machine Tool and Instrument Building Industry (A)	PANICHEV, NIKOLAI ALEKSANDROVICH Year of Birth: 1934 Nationality: Belorussian Date of Appointment: 7/14/86	Minister of the Timber Industry (U) (Minlesprom SSSR)	MEL'NIKOV, VLADIMIR IVANOVICH Year of Birth: 1935 Nationality: Russian Date of Appointment: 8/3/89
Minister of the Maritime Fleet (A) (Minmorflot)	VOL'MER, YURI MIKHAILOVICH Year of Birth: 1933 Nationality: Russian Date of Appointment: 10/24/86	Minister of Trade (U) (Mintorg SSSR)	TEREKH, KONDRAT ZIGMUNDOVICH Year of Birth: 1935 Nationality: Belorussian Date of Appointment: 12/26/86
Minister of the Medical Industry (A)	BYKOV, VALERII ALEKSEEVICH Year of Birth: 1938 Nationality: Russian Date of Appointment: 11/29/85	Minister of Transport Construction (A) (Mintransstroj)	BREZHNEV, VLADIMIR ARKAD'EVICH Year of Birth: 1931 Nationality: Russian Date of Appointment: 5/7/85
Minister of Ferrous Metallurgy (A)	KOLPAKOV, SERAFIM VASIL'EVICH Year of Birth: 1933 Nationality: Russian Date of Appointment: 7/5/85	Minister of Water Resources Construction (A)	VACANT: Year of Birth: Nationality: Date of Appointment:
Minister of Nuclear Power Generation and the Nuclear Industry (A)	KONOVALOV, VITALII FEDOROVICH Year of Birth: 1932 Nationality: Russian Date of Appointment: 7/4/89	Chairman, State Committee for Administration of Quality Output Control Standards (A)	SYCHEV, VALERII VASIL'EVICH Year of Birth: 1939 Nationality: Russian Date of Appointment: 7/11/89
Minister of the Petroleum and Gas Industry (A)	FILIMONOV, LEONID IVANOVICH Year of Birth: 1945 Nationality: Russian Date of Appointment: 8/3/89	Chairman, State Committee for Cinematography (Goskino SSSR) (U)	KAMSHALOV, ALEKSANDR IVANOVICH Year of Birth: 1932 Nationality: Russian Date of Appointment: 12/26/86

Administrator, Administration of Affairs of the Council of Ministers

SHKABARDNYA, MIKHAIL SERGEEVICH
Year of Birth: 1930
Nationality: Russian
Date of Appointment: 6/30/89

Chairman of Board, USSR State Bank (Gosbank)

GERASHCHENKO, VIKTOR VLADIMIROVICH
Year of Birth: 1947
Nationality: Not known
Date of Appointment: 8/3/89

Chairmen of Republican Councils of Ministers

Chairman, Armenian SSR Council of Ministers

SARKISYAN, FADEI TACHATOVICH
Year of Birth: 1923
Nationality: Armenian
Date of Appointment: 1/17/77

Chairman, Lithuanian SSR Council of Ministers

SAKALAUSKAS, VITAUTAS VLADOVICH
Year of Birth: 1933
Nationality: Lithuanian
Date of Appointment: 11/18/85

Chairman, Azerbaijan SSR Council of Ministers

SEIDOV, GASAN NEIMAT OGLY
Year of Birth: 1932
Nationality: Azeri
Date of Appointment: 1/22/81

Chairman, Moldavian SSR Council of Ministers

KALIN, IVAN PETROVICH
Year of Birth: 1935
Nationality: Moldavian
Date of Appointment: 12/24/85

Chairman, Belorussian SSR Council of Ministers

KOVALEV, MIKHAIL VASIL'EVICH
Year of Birth: 1925
Nationality: Belorussian
Date of Appointment: 1/10/86

Chairman, RSFSR Council of Ministers

VLASOV, ALEKSANDR VLADIMIROVICH
(Colonel General)
Year of Birth: 1932
Nationality: Russian
Date of Appointment: 10/3/88

Chairman, Estonian SSR Council of Ministers

SAUL, BRUNO EDUARDOVICH
Year of Birth: 1932
Nationality: Estonian
Date of Appointment: 1/18/84

Chairman, Tajik SSR Council of Ministers

KHAEV, IZATULLO
Year of Birth: 1936
Date of Appointment: 1/4/86

Chairman, Georgian SSR Council of Ministers

CHITANAVA, NODAR AMVROSIEVICH
Year of Birth: 1935
Nationality: Georgian
Date of Appointment: 4/14/89

Chairman, Turkmen SSR Council of Ministers

KHODZHAMURADOV, ANNAMURAD
Year of Birth: 1935
Nationality: Turkmen
Date of Appointment: 1/4/86

Chairman, Kazakh SSR Council of Ministers

KARAMANOV, UZAKBAI
Year of Birth: 1937
Nationality: Kazakh
Date of Appointment: 7/27/89

Chairman, Ukrainian SSR Council of Ministers

MASOL, VITALII ANDREEVICH
Year of Birth: 1928
Nationality: Ukrainian
Date of Appointment: 7/10/87

Chairman, Kirgiz SSR Council of Ministers

DZHUMAGULOV, APAS DZHUMAGULOVICH
Year of Birth: 1934
Nationality: Kirgiz
Date of Appointment: 5/20/86

Chairman, Uzbek SSR Council of Ministers

KADYROV, GAIRAT KHAMIDULLAEVICH
Year of Birth: 1939
Nationality: Not known
Date of Appointment: 11/19/84

Chairman, Latvian SSR Council of Ministers

BRESIS, VILNIS-EDVINS GEDERTOVICH
Year of Birth: 1938
Nationality: Latvian
Date of Appointment: 10/7/88



CPSU Politburo and Secretariat

Compiled by Dawn Mann

(current as of October, 1990)

Politburo

GORBACHEV, MIKHAIL: general secretary, CPSU (1985); USSR President (1990); CPSU member since 1952; member CPSU Central Committee (1971); born 1931; Russian.

IVASHKO, VLADIMIR: deputy general secretary, CPSU (1990); CPSU member since 1960; member CPSU Central Committee (1989); USSR People's Deputy; deputy chairman, USSR Congress of People's Deputies Mandate Commission; member USSR Supreme Soviet Council of Nationalities; born 1932; Ukrainian.

BURAKEVICIUS, MIKOLAS: first secretary, Lithuanian Communist Party (1990); CPSU member since 1946; member CPSU Central Committee (1990); born 1927; Lithuanian.

DZASOKHOV, ALEKSANDR: secretary for ideology, CPSU Central Committee (1990); chairman, USSR Supreme Soviet International Affairs Committee (1990); CPSU member since 1957; member CPSU Central Committee (1990); USSR People's Deputy; born 1934; Ossetian.

FROLOV, IVAN: editor in chief, *Pravda* (1989); CPSU member since 1960; member CPSU Central Committee (1986); USSR People's Deputy; born 1929; Russian.

GUMBARIDZE, GIVI: first secretary, Georgian Communist Party (1989); chairman, Presidium of the Georgian SSR Supreme Soviet (1989); member of Council of Federation; CPSU member since 1972; member CPSU Central Committee (1990); USSR People's Deputy; member USSR Congress of People's Deputies Constitutional Commission; member USSR Supreme Soviet Council of Nationalities; born 1945; Georgian.

GURENKO, STANISLAV: first secretary, Ukrainian Communist Party (1990); CPSU member since 1961; member CPSU Central Committee (1990); USSR People's Deputy; born 1936; Ukrainian.

KARIMOV, ISLAM: first secretary, Uzbek Communist Party (1989); President of Uzbek SSR (1990); member of Council of Federation; CPSU member since 1964; member CPSU Central Committee (1990); USSR People's Deputy; born 1938; Uzbek.

LUCHINSKY, PETR: first secretary, Moldavian Communist Party (1989); CPSU member since 1964; member CPSU Central Committee (1989); USSR People's Deputy; born 1940; Moldavian.

MAKHKAMOV, KAHKAR: first secretary, Tajik Communist Party (1985); Chairman Tajik SSR Supreme Soviet (1990); member of Council of Federation; CPSU member since 1957; member CPSU Central Committee (1986); USSR People's Deputy; member USSR Congress of People's Deputies Constitutional Commission; member USSR Supreme Soviet Council of the Union; born 1932; Tajik.

MASALIEV, ABSOMAT: first secretary, Kirgiz Communist Party (1985); chairman, Kirgiz SSR Supreme Soviet (1990); member of Council of Federation; CPSU member since 1960; member CPSU Central Committee (1986); USSR People's Deputy; member USSR Congress of People's Deputies Constitutional Commission; member USSR Supreme Soviet Council of the Union; born 1933; Kirgiz.

MOVSISYAN, VLADIMIR: first secretary, Armenian Communist Party (1990); CPSU member since 1961; member CPSU Central Committee (1990); born 1933; Armenian.

MUTALIBOV, AYAZ: first secretary, Azerbaijani Communist Party (1990); President of Azerbaijan SSR (1990); member of Council of Federation; CPSU member since 1963; member CPSU Central Committee (1990); USSR People's Deputy; born 1938; Azerbaijani.

NAZARBAEV, NURSULTAN: first secretary, Kazakh Communist Party (1989); President of Kazakh SSR (1990); member of Council of Federation; CPSU member since 1962; member CPSU Central Committee (1986); USSR People's Deputy; born 1940; Kazakh.

NIYAZOV, SAPPAR: first secretary, Turkmen Communist Party (1985); chairman, Turkmen SSR Supreme Soviet (1990); member of Council of Federation; CPSU member since 1962; member CPSU Central Committee (1986); USSR People's Deputy; member USSR Congress of People's Deputies Constitutional Commission; member USSR Supreme Soviet Council of the Union; born 1940; Turkmen.

POLOZKOV, IVAN: first secretary, RSFSR Communist Party (1990); CPSU member since 1958; member CPSU Central Committee (1986); RSFSR People's Deputy; born 1935; Russian.

PROKOF'EV, YURI: first secretary, Moscow City Party Committee (1989); secretary, CPSU Central Committee (1990), CPSU member since 1960; member CPSU Central Committee (1990); born 1939; Russian.

RUBIKS, ALFREDS: first secretary, Latvian Communist Party (1990); CPSU member since 1958; member CPSU Central Committee (1990); USSR People's Deputy; member USSR Supreme Soviet Council of Nationalities; member of USSR Supreme Soviet Committee of Soviets of People's Deputies, Development of Government, and Self-Government; born 1935; Latvian.

SEMENOVA, GALINA: secretary for women's affairs, CPSU Central Committee (1990); CPSU member since 1965; member CPSU Central Committee (1990); USSR People's Deputy; born 1937; Russian.

SHENIN, OLEG: secretary for organizational matters, CPSU Central Committee (1990); CPSU member since 1962;

member CPSU Central Committee (1990); USSR People's Deputy; born 1937; Russian.

SILLARI, ENN ARNO: first secretary, Estonian Communist Party (1990); CPSU member since 1972; member CPSU Central Committee (1990); born 1944; Estonian.

SOKOLOV, EFREM: first secretary, Belorussian Communist Party (1987); CPSU member since 1955; member CPSU Central Committee (1986); USSR People's Deputy; member USSR Congress of People's Deputies Drafting Commission; member USSR Congress of People's Deputies Constitutional Commission; member USSR Supreme Soviet Council of the Union; born 1926; Belorussian.

STROEV, IGOR': secretary for agriculture, CPSU Central Committee (1989); CPSU member since 1958; member CPSU Central Committee (1986); USSR People's Deputy; born 1937; Russian.

YANAEV, GENNADI: secretary for international affairs, CPSU Central Committee (1990); CPSU member since 1962; member CPSU Central Committee (1990); USSR People's Deputy; born 1937; Russian.

Secretariat

(excluding those who are also Politburo members)

BAKLANOV, OLEG: secretary for the defense industry, CPSU Central Committee (1988); CPSU member since 1953; member CPSU Central Committee (1986); born 1932; Ukrainian.

FALIN, VALENTIN: secretary for international affairs, CPSU Central Committee (1990); head, CPSU Central Committee International Department (1988); CPSU member since 1953; member CPSU Central Committee (1990); USSR People's Deputy; member USSR Supreme Soviet Council of the Union; member USSR Supreme Soviet International Affairs Committee; born 1926; Russian.

GIDASPOV, BORIS: secretary, CPSU Central Committee (1990); CPSU member since 1962; first secretary, Leningrad Party Committee (1989); USSR People's Deputy; member CPSU Central Committee (1990); born 1933; Russian.

GIRENKO, ANDREI: secretary for nationalities, CPSU Central Committee (1989); CPSU member since 1963; member CPSU

Central Committee (1990); USSR People's Deputy; born 1936; Ukrainian.

KUPTSOV, VALENTIN: secretary, CPSU Central Committee (1990); CPSU member since 1966; head, CPSU Central Committee Department for Work with Sociopolitical Organizations (1990); member CPSU Central Committee (1986); member CPSU Central Committee Ideology Commission (1989); USSR People's Deputy; born 1937; Russian.

MANAENKOV, YURI: secretary for the RSFSR Communist Party, CPSU Central Committee (1989); CPSU member since 1960; member CPSU Central Committee (1986); USSR People's Deputy; member USSR Supreme Soviet Council of the Union (1989); member USSR Supreme Soviet Committee on Agricultural Questions and Food Supply (1989); member CPSU Central Committee Foreign Policy Commission (1988); born 1936; Russian.



USSR Council of the Federation

Compiled by Herwig Kraus

(current as of October, 1990)

On the basis of the Law on the Presidency (Pravda, March 16, 1990), which states that all higher state officials of the Union republics are members of this body, it can be assumed that all republican heads of state belong to it.

DEMENTAI, NIKOLAI IVANOVICH: Born in May, 1931; Belorussian; identified as a member of the Council of the Federation in March, 1990; member of the CPSU since 1957; Chairman of the Belorussian SSR Supreme Soviet since May, 1990.

EL'TSIN, BORIS NIKOLAEVICH: Born on February 1, 1931; Russian; member of the CPSU since 1961; Chairman of the RSFSR Supreme Soviet since May, 1990.

GORBUNOV, ANATOLI: Born on February 10, 1942; Latvian; President of the Supreme Council of the Latvian Republic since July, 1989.

GUMBARIDZE, GIVI GRIGOR'EVICH: Born in 1945; Georgian; identified as a member of the Council of the Federation in March, 1990; member of the CPSU since 1972; First Secretary of the Georgian Communist Party Central Committee since April, 1989; Chairman of the Presidium of the Georgian SSR Supreme Soviet since November, 1989.

IVASHKO, VLADIMIR ANTONOVICH: Born on October 28, 1932; Ukrainian; member of the CPSU since 1960; First Secretary of the Ukrainian Communist Party Central Committee since September, 1989; member of the Politburo of the CPSU Central Committee since December, 1989; Chairman of the Ukrainian SSR Supreme Soviet since May, 1990.

KARIMOV, ISLAM ABDUGANIEVICH: Born on January 30, 1938; Uzbek; identified as a member of the Council of the Federation in March 1990; member of the CPSU since 1964; First Secretary of the Uzbek Communist Party Central Committee since June, 1989; President of the Uzbek SSR since March, 1990.

LANDSBERGIS, VYTAUTAS: Born on October 18, 1932; Lithuanian; President of the Supreme Council of the Lithuanian Republic since March, 1990.

MAKHKAMOV, KAKHAR MAKHKAHOVICH: Born on April 16, 1932; Tajik; member of the CPSU since 1957; First Secretary

of the Tajik Communist Party Central Committee since December, 1985; Chairman of the Tajik SSR Supreme Soviet since April, 1990.

MASALIEV, ABSAMAT: Born on April 10, 1933; Kirgiz; member of CPSU since 1960; First Secretary of the Kirgiz Communist Party Central Committee since November, 1985; Chairman of the Kirgiz SSR Supreme Soviet since April, 1990.

MUTALIBOV, AYAZ NIYAZIOGLY: Born on May 12, 1938; Azeri; member of CPSU since 1963; First Secretary of the Azerbaijan Communist Party Central Committee since January, 1990; President of the Azerbaijan Democratic Republic since May, 1990.

NAZARBAEV, NURSULTAN ABISHEVICH: Born in 1940; Kazakh; identified as a member of the Council of the Federation in March, 1990; member of the CPSU since 1962; First Secretary of the Kazakh Communist Party Central Committee since June, 1989; President of the Kazakh SSR since April, 1990.

NIYAZOV, SAPARMURAD ATAIEVICH: Born on February 19, 1940; Turkmen; member of the CPSU since 1962; First Secretary of the Turkmen Communist Party Central Committee since December, 1985; Chairman of the Turkmen SSR Supreme Soviet since January 1990.

RÜÜTEL, ARNOLD: Born on May 10, 1928; Estonian; President of the Supreme Council of the Estonian Republic since March, 1990.

SNIGUR, MIRCEA ION: Born in 1940; Moldovan; identified as a member of the Council of the Federation in March, 1990; member of CPSU since 1964; Chairman of the Supreme Soviet of the Soviet Socialist Republic of Moldova since April, 1990.

VOSKANYAN, GRANT MUSHEGOVICH: Born on May 15, 1924; Armenian; member of the CPSU since 1946; Chairman of the Presidium of the Armenian SSR Supreme Soviet since December, 1985.

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A BIOGRAPHIC DIRECTORY OF 100 LEADING SOVIET OFFICIALS

4th EDITION, REVISED WITH SOME ADDITIONS, JANUARY 1989

Compiled by

ALEXANDER G. RAHR

RADIO LIBERTY RESEARCH, RFE/RL, MUNICH

FOREWORD

This is the fourth edition of the BIOGRAPHIC DIRECTORY OF 100 LEADING SOVIET OFFICIALS, compiled by RADIO LIBERTY RESEARCH. It provides an invaluable reference guide to "Who's Who" at the summit of the Soviet Party and state hierarchy. The directory continues the tradition set by similar publications in 1981, 1984, and 1986. The project was sponsored and financed by the RFE/RL Fund.

The number of biographies has again been limited to an even 100. The directory contains detailed information about the careers of current members of the top Soviet Party and government bodies, officials of the armed forces and diplomats, as well as other officials who are believed to have a good chance of attaining top-level posts in the next few years. Substantial additions to and deletions from the list of entries of the previous editions have been made. From rare biographic information that recently became available in the West, for example, it has been possible to piece together information on most of the leading officials of the KGB. Also to be found among the 100 entries in the 1988 edition of the directory are the biographies of the most prominent theoreticians of Gorbachev's policy of perestroika such as Fedor Burlatsky, Evgenii Primakov, and Nikolai Shmelev.

The directory was compiled at a time when the central Party apparatus was undergoing reorganization. Thus several officials who are listed as chiefs of CPSU Central Committee departments in the directory may be transferred to other positions in the next few months. Entries on most of the Krai and Oblast Party Committee secretaries have been excluded from the 1988 edition because that information is available in A BIOGRAPHIC DIRECTORY OF SOVIET REGIONAL PARTY LEADERS (Part I: RSFSR Oblasts, Krai, and ASSRs; Part II: Union Republic Oblasts and ASSRs), compiled by Gavin Helf for RADIO LIBERTY RESEARCH in August 1988.

The biographical entries are in alphabetical order. All entries contain the same types of information, where this is available, presented in the same sequence. The enumeration of topics of speeches and writings is selective and may be based on a single source or on several sources; lists of publications are not necessarily exhaustive.

The Directory is the product of many years' work. The biographies were compiled by Alexander Rahr, who is employed in RADIO LIBERTY RESEARCH, and were edited by Amy Corning. The biographical data are, with few exceptions, drawn from the RADIO LIBERTY RED ARCHIVE DATA BASE and Herwig Kraus' extensive archive. The biographies were selected from approximately 1,000 biographies prepared by Alexander Rahr together with Dr. Eberhard Schneider of the BUNDESINSTITUT FUER OSTWISSENSCHAFTLICHE UND INTERNATIONALE STUDIEN in Cologne (FRG).

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AFANAS'EV Viktor Grigor'evich

Present Positions: Chief Editor, Pravda

Date of Birth: November 18, 1922

Place of Birth: Aktanysh (now in Aktanysh Raion, Tatar ASSR)

Nationality: Russian

Family Background: Unknown

Higher Education: Graduated from N.G. Chernyshevsky State Pedagogical Institute (Chita) in 1950; Doctor of Philosophical Sciences (1964); Professor (1965)

Career: 1940 - 53 Served in Red (after 1946: Soviet) Army

1943 - Party member

1953 - 54 Teacher at Chelyabinsk Pedagogical Institute

1954 - 59 Deputy Director, Chelyabinsk Pedagogical Institute

1959 - 60 Head, Chair of Philosophy, Chelyabinsk Pedagogical Institute

1960 - 68 Head, Chair of Scientific Communism, Academy of Social Sciences of the CC CPSU (Moscow)

1968 - 70 Deputy Chief Editor (for theoretical questions), Pravda

1968 - Member, Editorial Collegium, Voprosy filosofii

1970 - 74 First Deputy Chief Editor, Pravda

1971 - 80 Deputy (and Member, 1971-75; Chairman 1975-80; Commission on Education, Science and Culture), RSFSR Supreme Soviet

1972 - 81 Corresponding Member, USSR Academy of

AFANAS'EV Viktor Grigor'evich (continued)

Sciences

- 1974 - 76 Chief Editor, Kommunist
- 1976 - Chief Editor, Pravda
- 1976 - Full Member, CC CPSU
- 1976 - Vice President, International Organization of Journalists
- 1976 - Chairman of Board, USSR Union of Journalists
- 1979 - Deputy (and Member, Commission on Foreign Affairs), Council of Nationalities, USSR Supreme Soviet (since 10th convocation)
- 1981 - Full Member, USSR Academy of Sciences (Philosophy and Law Section)
- 1988 - Member, Ideological Commission, CC CPSU

WW II Experience:

Most likely served at the front

Travels Abroad:

Australia (1985), Austria (10 visits, 1978-86), Bulgaria (4 visits, 1977-86), Canada (1986, 1987), China (1976, 1988), Finland (1976), France (12 visits, 1969-88), FRG (3 visits, 1973-77), GDR (1976, 1985), Great Britain (1976, 1983), India (3 visits 1984-86), Italy (1975, 1983), Japan (1979, 1988), Mexico (1978), North Vietnam (1972), Poland (1978, 1987), Portugal (1980), Spain (1977, 1978), Sweden (1984, 1988), USA (1986, 1987), Yugoslavia (1985)

Speeches:

Topics include ideology and propaganda; task of mass media under new policy of glasnost'.

Publications:

Articles in newspapers and periodicals on glasnost', internal politics, Party questions, course of economic changes, philosophy, ideology, development of socialism, nationalities question; author of several books on ideology.

AFANAS'EV Viktor Grigor'evich (continued)

Experience & Expertise:

Authority on ideology, education and philosophy; often clarifies basic direction of Soviet domestic policy and diplomacy at press conferences and in interviews with foreign press; the enhancement of Gorbachev's role in the Soviet leadership was very much facilitated by Afanas'ev, who began to generate a Gorbachev cult in the West.

Political Line:

Wants to keep democratic processes under strong Party supervision, rejects political pluralism and warns against allowing open criticism of Party policy to go too far. Criticized for his conservative views by Mel'nikov at 1988 Party Conference.

Awards:

Order of Lenin (1982), Order of October Revolution, USSR State Prize (1983), medals and foreign awards

AFONIN Ven'yamin Georgievich

Present Positions: First Secretary, Kuibyshev Obkom, CPSU

Date of Birth: 1931

Place of Birth: Unknown

Nationality: Russian

Family Background: Unknown

Higher Education: Studied at technical school from 1946 to 1950; graduated from Kemerovo Mining Institute in 1963 and from Higher Party School, CC CPSU, Moscow, in 1974 (correspondence courses)

Career:

1950 - 51	Foreman, then Deputy Mechanic of Production at a plant in Kemerovo
1951 - 54	Served in Soviet Army
1954 - 55	Mechanic, then Deputy Mechanic of Production
1955 - 56	First Secretary, Kirov Raikom, All-Union Komsomol, Kemerovo City
1956 - 64	Mechanic, then Senior Engineer of a technical department, then Deputy Chief Mechanic at a plant in Kemerovo
1957 -	Party member
1964 - 70	Mechanic, then Deputy Chief Shop Mechanic, then Party Committee Secretary at a chemical plant, Nevinomyssk (Stavropol' Krai)
1970 - 78	First Secretary, Nevinomyssk Gorkom, CPSU (Stavropol' Krai)
1978 - 80	Chief of a department (for industry?), Stavropol' Kraikom, CPSU

AFONIN Ven'yamin Georgievich (continued)

1980 - 83 Secretary, Stavropol' Kraikom, CPSU
(responsible for industry)

1983 - 88 Chief, Department of Chemical Industry,
CC CPSU

1983 - Deputy (and Member, Industrial
Commission, since 1985), RSFSR Supreme
Soviet

1986 - Candidate Member, CC CPSU

1988 - First Secretary, Kuibyshev Obkom, CPSU;
Member, Military Council, Volga Military
District

1988 - Member, Commission on Socio-Economic
Policy, CC CPSU

Travels Abroad: Bulgaria (1984), Romania (1986)

Evident Patrons: Brought to Moscow from Stavropol',
Gorbachev's home region.

Experience & Expertise: Elected Party chief in Kuibyshev after a
protest by thousands of workers demanding
dismissal of previous first secretary,
Murav'ev.

AGANBEGYAN Abel Gezevich

Present Positions: Chairman, Commission on Production Forces, Presidium, USSR Academy of Sciences; Director, Institute for Production Forces and National Resources

Date of Birth: October 8, 1932

Place of Birth: Tbilisi

Nationality: Armenian

Family Background: Unknown

Higher Education: Graduated from State Institute of Economics in Moscow in 1955; Doctor of Economic Sciences; Professor

Career: 1955 - 61 Economist, Sector Chief, Deputy Head of General Economics Department, State Committee for Labor and Social Problems, USSR Council of Ministers

1956 - Party member

1961 - 67 Chief of a laboratory, Institute for Economics and Organization of Industrial Production, Siberian Department, USSR Academy of Sciences

1964 - 67 Scientific Chief, Production Association, Ministry of Instrument Making, Automation Equipment and Control Systems, Novosibirsk

1964 - 74 Corresponding Member, USSR Academy of Sciences (Economics Department)

1967 - 85 Director, Institute of Economics and Organization of Industrial Production, Siberian Department, USSR Academy of Sciences; Head, Scientific Council for Construction of Baikal-Amur Railroad (BAM), USSR Academy of Sciences

AGANBEGYAN Abel Gezevich (continued)

1967 - 85	Professor of Economics, Novosibirsk State University
1967 - 88	Chief Editor, journal <u>EKO</u> (Siberian Department, USSR Academy of Sciences)
1974 -	Member, Siberian Department, USSR Academy of Sciences (Subdepartment Foreign Relations)
1974 -	Full Member, USSR Academy of Sciences (Economics Department)
1985 -	Chairman, Commission on Production Forces, Presidium, USSR Academy of Sciences; Director, Institute for Production Forces and National Resources.
1986 -	Member, Commission for Improving Administration, Planning, and the Economic Mechanism, USSR Council of Ministers
1987 -	Academic Secretary, Economics Department, USSR Academy of Sciences
Travels Abroad:	Austria (1976), FRG (1987), Great Britain (3 visits, 1987-1988), US (1987, 1988), Yugoslavia (1988); in addition numerous travels to international conferences which were not mentioned in Soviet press.
Speeches:	On scientific and technological progress.
Publications:	Articles in state, scientific and other papers on economic reform, exploitation and supply of natural resources, industrialization in Siberia; interviews in foreign newspapers on prospects of reforms; author of numerous books, including book "The Challenge: Economics of Perestroika" (1987).
Evident Patrons:	Has strong ties to Gorbachev (see biography.)
Experience & Expertise:	Key architect of Gorbachev's new economic reform program. Together with Tatyana Zaslavskaya (Institute of Economics and Organization of Industrial Production,

AGANBEGYAN Abel Gezevich (continued)

Siberian Department) caught Gorbachev's attention with critical economic analyses first made public in 1965. Submitted new recommendations on the need for profound restructuring of the whole economic mechanism. Leader of a group of government officials and academicians who drafted Gorbachev's economic reform program.

Political Line:

Reformist but not as critical of the Soviet economic system as, for example, Shmelev (see biography); criticizes bureaucracy but not Gosplan.

Awards:

Order of Lenin, Order of Red Banner of Labor (1982), Honorary Doctor, Lodz University (Poland)

AGEEV Genii Evgen'evich

Present Positions:	Deputy Chairman, USSR Committee for State Security (KGB)
Date of Birth:	1929
Place of Birth:	Unknown
Nationality:	Russian
Family Background:	Unknown
Higher Education:	Graduated from Irkutsk Mining and Metallurgical Institute in 1952
Career:	1952 - 55 Deputy Chief, then Department Chief, Irkutsk Obkom, All-Union Komsomol
	1952 - Party member
	1955 - 61 Deputy Secretary, Party Committee of construction of Bratsk power plant (Irkutsk Oblast)
	1961 - 63 Department Chief, Irkutsk Gorkom, CPSU; First Secretary, Kirov Raikom, CPSU, Irkutsk City
	1963 - 65 Second Secretary, Irkutsk Gorkom, CPSU
	1965 - 73 Deputy Chief of an Administration, USSR KGB; Chief of an Administration, USSR KGB
	1973 - Member, Collegium, USSR KGB
	1973 - 83 Secretary of Party Committee, USSR KGB
	1979 - 86 General Lieutenant (KGB)
	1981 - 85 Chief of an Administration, USSR KGB
	1983 - Deputy Chairman, USSR KGB
	1985 - Deputy (and Member, Commission on Foreign Affairs), RSFSR Supreme Soviet (11th convocation)

AGEEV Genii Evgen'evich (continued)

1986 - Candidate Member, CC CPSU

1986 - Colonel General (KGB)

Travels Abroad: Not known

Publications: Unusual interview in Trud (1987) on Western subversion directed against Soviet citizens, Western broadcasting to the USSR, and Soviet counterintelligence.

Experience & Expertise: As deputy chief of KGB, Ageev is in charge of internal counterintelligence and probably supervises KGB's Second Main Administration. Began his career in provincial Party apparat of Irkutsk (Siberia).

ARBATOV Georgii Arkad'evich

Present Positions: Director, Institute for the Study of the USA and Canada, USSR Academy of Sciences

Date of Birth: May 19, 1923

Place of Birth: Kherson, Ukrainian SSR

Nationality: Russian (until 1969, officially Jewish)

Family Background: Unknown

Higher Education: Attended First Moscow Artillery School, 1941; attended military academy, 1941-44, graduated with officer's rank; studied from 1943(?) to 1949 at Institute for International Relations, Moscow, and graduated in 1949 with degree in history; Doctor of Historical Sciences (1966); Professor (1970)

Career: 1941 - 44 Served in Red Army

1943 - Party member

1949 - 57 Worked at publishing house for foreign literature and for journal Voprosy filosofii

1957 - 60 Journalist, Novoe vremya and Kommunist

1960 - 62 Commentator for journal Problemy mira i sotsializma (Prague)

1962 - 64 Chief, Ideology Section, Institute for the Study of World Economy and International Relations (IMEMO), USSR Academy of Sciences, Moscow

1964 - 67 Held responsible post(s) in CC CPSU apparat; Member, then Chief, Consultant Group, Department for Liaison with Communist and Workers' Parties of Socialist Countries, CC CPSU; Chief of USA Section, International Department, CC CPSU

ARBATOV Georgii Arkad'evich (continued)

- 1967 - Director, Institute for the Study of the USA and Canada (until 1974, Institute for the Study of the USA), USSR Academy of Sciences
- 1970 - 74 Corresponding Member, USSR Academy of Sciences (Department of Economics)
- 1970 - Member, Editorial Collegium, journal SShA
- 1971 - 76 Member, Central Auditing Commission, CPSU
- 1973 - Chairman, Scientific Council on Economic, Political, and Ideological Questions of the USA
- 1974 - Deputy (and Member, Commission on Foreign Affairs), Council of Nationalities, USSR Supreme Soviet (since 9th convocation)
- 1974 - Full Member, USSR Academy of Sciences (Department of Economics)
- 1975 - Deputy Chairman, USSR-USA Society (Deputy Chairman, Institute for Soviet-American Relations, 1975-76)
- 1976 - 81 Candidate Member, CC CPSU
- 1979 - Section Head, Scientific Council on the Study of Problems of War and Peace
- 1980 - 82 Member, Independent Commission on Questions of Disarmament and Security (Palme Commission)
- 1981 - Full Member, CC CPSU
- 1982 - Member, Section on Problems of Peace and Disarmament, USSR Parliamentary Group
- 1984 - Member, Buro, USSR Parliamentary Group Committee
- 1985 - Chairman, Association for Promotion of the UN in the USSR

ARBATOV Georgii Arkad'evich (continued)

1988 -

Member, Commission on International Policy, CC CPSU

WW II Experience:

Served as a soldier in the artillery and an officer in a rocket and grenade-launching battalion; fought in the Ukraine; demobilized in 1944.

Travels Abroad:

Austria (1980, 1981), Canada (4 visits, 1981-88), China (1985), Finland (3 visits, 1978-87), FRG (1981, 1982), France (1984), Great Britain (3 visits, 1975-82), Greece (1985), Hungary (1983), Iceland (1986), India (1987), Italy (1984), Netherlands (1983), Norway (1982), Poland (1988), Spain (1987), Sweden (3 visits, 1982-86), Switzerland (1985), US (20 visits, 1969-88)

Publications:

Articles and interviews in Party and state press and in Western press on USSR-US relations, arms reduction, American foreign policy under all presidents since Nixon. Author of several books on similar topics; co-editor of a 12-volume history of World War II. Arbatov has given many interviews to US correspondents, and has appeared often on US television via satellite.

Evident Patrons:

Yu. Andropov; O. Kuusinen, with whom he co-authored a book on ideology.

Experience & Expertise:

One of the Kremlin's top specialists and advisors on East-West relations; participates as advisor in meetings between Soviet leaders and American delegations; attended summit meetings between Gorbachev and Reagan. He has established an excellent reputation through his numerous publications and through his position as head of the Institute for Study of the USA and Canada, which supports research on the history, international relations, economic policies, and sociological composition of the two nations. Arbatov is known to value democratic principles and working conditions. His institute, an

ARKHIPOV Vladimir Mikhailovich

Present Positions: Chief, Rear Services, USSR Armed Forces;
USSR Deputy Minister of Defense

Date of Birth: 1933

Place of Birth: Chelkar, Aktyubinsk Oblast, Kazakh SSR

Nationality: Russian

Family Background: Son of locomotive driver

Higher Education: Studied at Tashkent Tank School in 1950s;
graduated from Military Academy for Tank
Troops, Moscow, in 1966; in 1970, entered
Military Academy of the General Staff,
Moscow, and graduated in 1972

Career: 1951 - 52 Lathe Operator at Chelkar railway
station, Aktyubinsk Oblast (Kazakh SSR)

1952 - 62 Military studies; Commander of a tank
platoon, Commander of a tank regiment,
Commander of a tank battalion

1957 - Party member

1966 - 70 Deputy Commander, then Commander of a
tank regiment; Deputy Commander of a tank
division

1972 - 73 Commander of Kantemirovka Guards Tank
Division, Moscow Military District

1976 - 79 Commander of a tank army, Group of Soviet
Troops in Germany

1979 - 83 Chief of Staff and First Deputy
Commander, Central Asian Military
District

1980 - 85 Deputy, Tadzhik SSR Supreme Soviet

1981 - 86 Full Member, CC Tadzhik CP

1982 - Colonel General

ARKHIPOV Vladimir Mikhailovich (continued)

1983 - 85 Commander, Transcaucasian Military District

1984 - 85 Member, Buro, CC Georgian CP

1984 - Deputy (and Member, Commission on Transport and Communications), Council of Nationalities, USSR Supreme Soviet (since 11th convocation)

1985 - 88 Commander, Moscow Military District; Chief, Moscow Garrison

1986 - Full Member, CC CPSU

1988 - Army General

1988 - Chief, Rear Services, USSR Armed Forces; USSR Deputy Minister of Defense

Travels Abroad:

Not known

Speeches:

Topics include national security, military training and education.

Publications:

In Party and military newspapers on military training.

Evident Patrons:

Served as chief of staff of Central Asian Military District under Yazov (see biography).

Experience & Expertise:

As chief of staff of Central Asian Military District, involved in invasion of Afghanistan; played a significant role in conduct of military operations in Afghanistan.

Awards:

Certificate of Honor, Presidium, Armenian SSR (1985)

BAKATIN Vadim Viktorovich

Present Positions: USSR Minister of Internal Affairs

Date of Birth: November 6, 1937

Place of Birth: Unknown

Nationality: Russian (?)

Family Background: Unknown

Higher Education: Graduated from Novosibirsk Institute for Construction Engineering in 1960

Career:

1960 - 71	Master, Foreman, Chief Engineer, then Chief of a Construction Administration
1964 -	Party member
1971 - 73	Chief Engineer, Housing Construction Combine, Kemerovo, RSFSR
1973 - 75	Second Secretary, Kemerovo Gorkom, CPSU
1975 - 77	Chief, Construction(?) Department, Kemerovo Obkom, CPSU
1977 - 83	Secretary, Kemerovo Obkom, CPSU (for industry)
1983 - 85	Inspector, CC CPSU
1985 - 87	First Secretary, Kirov Obkom, CPSU
1986 -	Full Member, CC CPSU
1986 -	Deputy (and Member, Communal Housing and Municipal Economy Commission), Council of the Union, USSR Supreme Soviet (elected mid-term)
1987 - 88	First Secretary, Kemerovo Obkom, CPSU
1988 -	USSR Minister of Internal Affairs

BAKATIN Vadim Viktorovich (continued)

Travels Abroad: Sri Lanka (1987); Vietnam (1988)

Speeches: On economic reform, scientific and technical progress; criticism of some aspects of glasnost' reform (1988 Party Conference).

Publications: Interview on social aspects of perestroika (1988); article on selection of cadres in Kirov Oblast (1986).

Experience & Expertise: Made career as specialist in construction affairs in Siberia (Kemerovo); promoted to central Party apparatus under Yurii Andropov. The appointment of Bakatin--a Party apparatchik--to the post of Soviet minister of internal affairs suggests that the Kremlin leadership wants to keep this ministry under firm Party control.

Awards: Order of Lenin (1987)

BAKLANOV Oleg Dmitrievich

Present Positions: Secretary, CC CPSU

Date of Birth: March 17, 1932

Place of Birth: Unknown

Nationality: Ukrainian

Family Background: Unknown

Higher Education: Graduated from All-Union Power Institute, Moscow, in 1958 (correspondence courses); Candidate of Technical Sciences (1969)

Career:

1950 - 75	Successively Master, Shop Superintendent, Deputy Chief Engineer, and Chief Engineer at an instrument plant in Khar'kov, Ukraine
1953 -	Party member
1975 - 76	General Director of a production association, USSR Ministry of General Machine Building
1976 - 81	USSR Deputy Minister of General Machine Building
1981 - 83	USSR First Deputy Minister of General Machine Building
1983 - 88	USSR Minister of General Machine Building
1984 -	Deputy, Council of the Union, USSR Supreme Soviet (since 11th convocation)
1986 -	Full Member, CC CPSU
1988 -	Secretary, CC CPSU (responsible for military-industrial complex and chemical industry)

Travels Abroad: Afghanistan (1988)

BAKLANOV Oleg Dmitrievich (continued)

Speeches: Topics include internal politics, economic management, and the chemical industry.

Publications: Unknown

Experience and Expertise: Armament specialist. In 1975, became general director of a production association of the Ministry of General Machine Building, which is responsible for the production of ballistic missiles and spacecraft. Promoted to rank of minister under Andropov. His promotion to the Secretariat came as a surprise, since he had no previous experience in Party work.

Awards: Hero of Socialist Labor, Lenin Prize

BATALIN Yuri Petrovich

Present Positions: Deputy Chairman, USSR Council of Ministers; Chairman, USSR State Committee for Construction (Gosstroj)

Date of Birth: July 28, 1927

Place of Birth: Unknown

Nationality: Russian

Family Background: Unknown

Higher Education: Graduated from Ural Polytechnical Institute, Sverdlovsk, in 1950; Candidate of Technical Sciences (1984)

Career: 1950 - 52 Foreman, Construction Administration of "Bashuglerazrezstroj" Trust, Bashkir ASSR

1952 - 57 Construction Engineer, engaged in building coal, energy and petroleum plants in Bashkir ASSR

1956 - Party member

1957 - 58 Chief Engineer, "Bashuglerazrezstroj" Trust

1958 - 65 Chief Engineer, then Head of "Bashneftepromstroj" Trust

1965 - 70 Chief Engineer and Deputy Head, Main Administration for Construction of Petroleum and Gas Enterprises in Tyumen', USSR Ministry for Construction of Petroleum Gas Industry Enterprises

1970 - 72 USSR Deputy Minister, Gas Industry

1972 - 73 USSR Deputy Minister for Construction of Petroleum and Gas Industry Enterprises

1973 - 83 USSR First Deputy Minister for Construction of Petroleum and Gas Enterprises

BATALIN Yurii Petrovich (continued)

1983 - 85 Chairman, USSR State Committee for Labor and Social Problems; Member, USSR Council of Ministers

1984 - Deputy, Council of Nationalities, USSR Supreme Soviet (11th convocation)

1985 - Deputy Chairman, USSR Council of Ministers; Member, Presidium, USSR Council of Ministers

1986 - Full Member, CC CPSU

1986 - Chairman, USSR State Committee for Construction (Gosstroi)

1988 - Chairman, Commission of USSR Council of Ministers for Transport in Non-Chernozem

1988 - Member, Commission on Legal Policy, CC CPSU

Travels Abroad:

FRG (1986)

Speeches:

On construction affairs.

Publications:

Topics include construction affairs, gas pipeline to Western Europe, interview on tasks of Gosstroi.

Evident Patrons:

Studied at Ural Polytechnical Institute in Sverdlovsk, as did Ryzhkov, El'tsin and Kolbin (see biographies).

Experience & Expertise:

In 1986, the centralized ministries dealing with specific types of construction were reorganized on a geographic basis into general ministries under a supraministry--Gosstroi--headed by Batalin.

Awards:

Lenin Prize (1980), 2 Orders of Lenin (1973, 1987), Order of Red Banner of Labor (1977)

BELOUSOV Igor' Sergeevich

Present Positions: Deputy Chairman, USSR Council of Ministers; Member, Presidium, USSR Council of Ministers; Chairman, Military-Industrial Commission, Presidium, USSR Council of Ministers

Date of Birth: January 15, 1928

Place of Birth: Leningrad

Nationality: Russian

Higher Education: Graduated from Leningrad Ship Building Institute in 1952

Career: 1952 - 63 Successively Master, Engineer, Deputy Shop Superintendent, Shop Superintendent, Chief of Production Department, Secretary of All-Union Komsomol, Baltic Plant, Leningrad

1955 - Party member

1963 - 67 Chief Engineer, Baltic Plant in Leningrad

1967 - 69 Chief Engineer, Admiralteisky Plant in Leningrad

1969 - 76 USSR Deputy Minister of Ship Building Industry

1976 - 84 USSR First Deputy Minister of Ship Building Industry

1984 - 88 USSR Minister of Ship Building Industry

1984 - Deputy, Council of the Union, USSR Supreme Soviet (since 11th convocation)

1986 - Full Member, CC CPSU

1988 - USSR Deputy Chairman, USSR Council of Ministers; Member, Presidium, USSR Council of Ministers

BELOUSOV Igor' Sergeevich (continued)

1988 - Chairman, Military-Industrial Commission,
Presidium, USSR Council of Ministers

Travels Abroad: Czechslovakia (1988), GDR (1985, 1988),
Hungary (1985), Poland (1986)

Speeches: On the ship building industry.

Publications: Not known.

Evident Patrons: Probably protege of former Leningrad
Party boss Zaikov (see biography), who
oversees military affairs in the Central
Committee.

Experience and Expertise: Armament specialist from Leningrad;
replaced Maslyukov (who was appointed
Gosplan chief) as head of Soviet
Military-Industrial Commission.

Awards: Hero of Socialist Labor, State Prize
(1969), Lenin Prize, 3 Orders of Lenin
(one in 1988), 2 Orders of Red Banner of
Labor, Order "Badge of Honor," medals

BELYAKOV Oleg Sergeevich

Present Positions: Chief, Department of Defense Industry, CC CPSU

Date of Birth: 1933

Place of Birth: Unknown

Family Background: Unknown

Higher Education: Graduated in 1958 from Dzerzhinsky Higher Naval Engineer School

Career: 1958 - 64 Worked as engineer

1961 - Party member

1964 - 72 Party work in Leningrad

1972 - 81 Post(s) in the CC CPSU apparat, presumably in Department of Defense Industry

1981 - 83 Deputy Chief, Department of Defense Industry, CC CPSU

1983 - 85 Aide to Secretary, CC CPSU (G.V. Romanov)

1985 - Chief, Department of Defense Industry, CC CPSU

1986 - Full Member, CC CPSU

1986 - Deputy (and Member, Energy Commission, since 1986), USSR Supreme Soviet (elected mid-term)

Evident Patrons: As military specialist from Leningrad, established good working relations with former Leningrad Party chief Romanov; became assistant to "senior" secretary Romanov in 1983.

BESSMERTNYKH Aleksandr Aleksandrovich

Present Positions: USSR First Deputy Minister of Foreign Affairs

Date of Birth: November 10, 1933

Place of Birth: Biysk, Altai Krai, RSFSR

Nationality: Russian

Family Background: Not known

Higher Education: Graduated from Moscow State Institute of International Relations (MGIMO) in 1957; Candidate of Juridical Sciences

Career:

1957 - 60	Referent, Main Referent, Attache, Press Department, USSR Ministry of Foreign Affairs
1960 - 66	Official at UN Secretariat (New York)
1963 -	Party member
1966 - 70	Second Secretary, then First Secretary, Secretariat of USSR Ministry of Foreign Affairs
1970 - 77	First Secretary, then Counselor, USSR Embassy to US
1977 - 83	Minister-Counselor, USSR Embassy to US
1983 - 86	Chief, United States of America Department, USSR Ministry of Foreign Affairs
1986 - 88	USSR Deputy Minister of Foreign Affairs (responsible for United Nations, US and Canada)
1988 -	USSR First Deputy Minister of Foreign Affairs (responsible for questions of global policy, USSR-US relations)

BESSMERTNYKH Aleksandr Aleksandrovich (continued)

Travels Abroad: Canada (1986), Cuba (1986), France(1986), Great Britain (1987), Iceland (1986), Iran (1988), Iraq (1988), Italy (1986), Mexico (1986), US (8 visits, 1986-88), Switzerland (1988), Turkey (1988)

Speeches: Topics include USSR-US relations, arms control (on press conferences).

Publications: Topics include arms control.

Evident Patrons: Appears to have been a protege of both A. Gromyko and A. Dobrynin.

Experience & Expertise: Expert on USSR-US relations. His promotion to post of USSR first deputy foreign minister in October 1988 suggests Kremlin's continued high priority on US affairs.

Awards: Order of Peoples' Friendship, Certificate of Honor, Presidium, RSFSR Supreme Soviet (1983), Order "Badge of Honor", medals

BIRYUKOVA Aleksandra Pavlovna

Present Positions: Deputy Chairman, USSR Council of Ministers for Social Questions; Candidate Member, Politburo, CC CPSU; Member, Presidium, USSR Council of Ministers; Chairman, Bureau for Social Development, USSR Council of Ministers

Date of Birth: February 25, 1929

Place of Birth: Moscow Oblast

Nationality: Russian

Family Background: Peasant

Higher Education: Graduated from Moscow Textile Institute in 1952; wrote dissertation at Dolukhaev Soil Institute, Moscow, in 1958

Career: 1952 - 59 Master, then Deputy Chief, then Shop Supervisor at First Printed Fabric Works, MOSCOW

1956 - Party member

1959 - 63 Chief Specialist, Department Head, Administration for Textile and Knitwear Industry, Sovnarkhoz, Moscow City

1963 - 68 Chief Engineer, Dzerzhinsky "Trekhgornaya manufaktura" Cotton Combine, Moscow

1968 - 85 Secretary, Central Council of Trade Unions

1968 - 86 Member, Presidium, Central Council of Trade Unions

1971 - 76 Candidate Member, CC CPSU

1971 - Deputy (and Member, Commission on Industry, 1971-75; Chairman, Commission on Working and Living Conditions of Women, Mother and Child Care, since 1976), RSFSR Supreme Soviet

BIRYUKOVA Aleksandra Pavlovna (continued)

1976 -	Full Member, CC CPSU
1985 - 86	Deputy Chairman, Central Council of Trade Unions
1986 - 88	Secretary, CC CPSU (responsible for light industry, consumer goods production)
1986 -	Deputy, Council of Nationalities, USSR Supreme Soviet (elected mid-term)
1988 -	Deputy Chairman, USSR Council of Ministers for Social Questions; Member, Presidium, USSR Council of Ministers; Chairman, Bureau for Social Development, USSR Council of Ministers
1988 -	Candidate Member, Politburo, CC CPSU
1988 -	Member, Commission on Socio-Economic Policy, CC CPSU
Travels Abroad:	Austria (1973), Bulgaria (1987), Cambodia (1989), Czechoslovakia (1983), Denmark (1982), GDR (3 visits, 1975-1986), FRG (1976, 1980), Mongolia (1986), North Korea (1988), Portugal (1978), US (1976, 1984), Vietnam (1987)
Speeches:	Topics include consumer goods production, reconstruction of Soviet society, housing, socio-economic reform, regulations for women's and children's health care, labor situation.
Publications:	In Party, state and other papers on consumer goods production, labor situation, construction.
Experience & Expertise:	First woman since E. Furtseva to reach top leadership. At age of 39 named secretary in the national trade union leadership (responsible for housing, legal, and public services). Advocates improvement of Soviet workers' conditions, while rejecting "counterrevolutionary elements" characteristic of Polish unions. Has participated in many conferences on women's issues.

BOBKOV Filipp Denisovich

Present Positions: First Deputy Chairman, USSR Committee for State Security (KGB)

Date of Birth: 1925

Place of Birth: Unknown

Nationality: Russian

Family Background: Unknown

Higher Education: Graduated from Higher Party School, CC CPSU, Moscow, in 1956 (correspondence courses)

Career:

1941 - 42	Draftsman; Secretary, Komsomol Committee of a plant; Secretary, Leninsk-Kuznetsky Gorkom, All-Union Komsomol, Kemerovo Oblast
1942 - 45	Soldier in the Red Army; Komsomol work
1944 -	Party member
1945 - 78	Worked in security and intelligence service
1978 -	Member, Collegium, USSR KGB
1978 - 83	Chief of an Administration (Fifth Main Administration?), USSR KGB
1983 - 85	Deputy Chairman, USSR KGB
1984 -	Colonel General (KGB)
1985 -	Deputy (and Member, Commission for Legislative Proposals), RSFSR Supreme Soviet (11th convocation)
1985 -	First Deputy Chairman, USSR KGB
1986 -	Full Member, CC CPSU

BOBKOV Filipp Denisovich (continued)

1988 - ~~Member, Commission on Legal Policy, CC CPSU~~

Travels Abroad: Cuba (1960s), Czechoslovakia (1970s)

Speeches: On the education of KGB cadres.

Publications: Articles on Western anti-Soviet propaganda, imperialist subversion.

Experience & Expertise: Played significant role in dealing with Soviet intelligentsia and monitoring dissident activity in period of cultural thaw under Khrushchev; in late 1960s helped to build up Fidel Castro's intelligence service in Cuba; later dealt with internal dissent as head of a KGB administration (presumably Fifth Main Administration). As Kryuchkov's first deputy, he is responsible for ideology and cadres in the KGB apparatus.

Political Line: Represents new type of bright, well-educated Soviet KGB official; reportedly supported playwright Yu. Lyubimov against bureaucrats.

Relatives in Prominent Positions: His son, Sergei (born 1948, Moscow) holds the post of secretary of the RSFSR Writers' Union, and is a prominent poet in Soviet literary circles.

BOLDIN Valerii Ivanovich

Present Positions: Chief, General Department, CC CPSU

Date of Birth: 1935

Place of Birth: Unknown

Nationality: Russian

Family Background: Unknown

Higher Education: Graduated from Timiryazev Academy for Agriculture, Moscow, in 1961; graduated as Candidate of Economics from Academy of Social Sciences, CC CPSU, Moscow, in 1969

Career:

1960 -	Party member
1961 - 69	Journalist, then Literary Critic, <u>Pravda</u> ; later, Party work and studies
1969 - 73	Economic Commentator, Deputy Editor of an editorial section, <u>Pravda</u>
1973 - 81	Member, Editorial Collegium, <u>Pravda</u> ; Editor, Agricultural Section, <u>Pravda</u>
1981 - 85	Worked in CC CPSU apparat (presumably aide to CPSU CC Secretary Gorbachev)
1985 -	Deputy (and Member, Commission on Foreign Affairs), Council of the Union, USSR Supreme Soviet (since 11th convocation; elected mid-term)
1985 - 87	Aide to General Secretary, CC CPSU (on questions of agriculture)
1986 - 88	Candidate Member, CC CPSU
1987 -	Chief, General Department, CC CPSU
1987 -	Member, Commission for Further Study of Materials and Documents Related to the Repressions of the Stalin Years, Politburo, CC CPSU

BOLDIN Valerii Ivanovich (continued)

1988 -	Full Member, CC CPSU
1988 -	Member, Commission on Party Work and Cadres Policy, CC CPSU
Travels Abroad:	Poland (1988), US (1987)
Publications:	Articles on agriculture in Party and other newspapers.
Experience & Expertise:	Until 1987, was Gorbachev's main advisor on agricultural matters; now heads key department, which is responsible for registering and checking the Central Committee's incoming and outgoing secret documents.
Awards:	Not known

BOLDYREV Ivan Sergeevich

Present Positions: First Secretary, Stavropol' Kraikom, CPSU

Date of Birth: July 5, 1937

Place of Birth: Unknown

Nationality: Russian (?)

Family Background: Unknown

Higher Education: Graduated from Rostov Institute for Finances and Economics in 1964; also in 1964, graduated from Higher Party School, Rostov

Career:

1954 - 55	Secondary School Teacher
1955 - 64	Komsomol work
1956 -	Party member
1964 - 74	Instructor, then Deputy Department Chief, Stavropol' Kraikom, CPSU
1974 - 83	First Secretary, Pyatigorsk Gorkom, CPSU (Stavropol' Krai)
1983 - 85	Secretary, Stavropol' Kraikom, CPSU
1985	Inspector, CC CPSU
1985 -	First Secretary, Stavropol' Kraikom, CPSU; Member, Military Council, North Caucasian Military District
1986 -	Full Member, CC CPSU
1987 -	Deputy (and Member, Mandate Commission) RSFSR Supreme Soviet (elected mid-term)
1988 -	Member, Commission on Party Work and Cadres Policy, CC CPSU

BOLDYREV Ivan Sergeevich (continued)

Travels Abroad: Cyprus (1986), Spain (1988)

Speeches: On economic management and economic reform.

Publications: Articles in newspapers on economic reform, social aspects of reform, cadres, democratization, social developments in Pyatigorsk.

Evident Patrons: Gorbachev (see biography).

Experience & Expertise: Specialist on social issues in Stavropol' Krai; as Party chief of Pyatigorsk established close contacts with high-level Party officials (including Gorbachev) who visited the famous Pyatigorsk spa for treatment and vacations.

Awards: Order of Lenin (1987)

BURLATSKY Fedor Mikhailovich

Present Positions:

Chairman, Public Commission for International Cooperation in Humanitarian Problems and Human Rights; Political Observer, Literaturnaya gazeta; Deputy Chairman, Soviet Association of Political Science (State Studies); Chief, Philosophy Department, Institute of Social Sciences, CC CPSU

Date of Birth:

January 4, 1927

Place of Birth:

Unknown

Nationality:

Unknown

Family Background:

White-collar

Higher Education:

Graduated from Law Institute, Tashkent (Uzbek SSR) in 1948; post-graduate studies at Institute of State and Law, USSR Academy of Sciences, 1950-51; Doctor of Philosophical Sciences; Professor

Career: 1948 - 50

Journalist in Tashkent

1950 - 53

Worked in Institute of State and Law, USSR Academy of Sciences

1953

Secretary, Section for Social Sciences, Editorial and Publishing Council, USSR Academy of Sciences

1953 - 59

Journalist, Party journal Kommunist

1959 - 64

Member of Consultant Group, Department for Liaison with Communist and Workers' Parties of Socialist Countries, CC CPSU

1964 - 65

Sector Chief, Department for Liaison with Communist and Workers' Parties of Socialist Countries, CC CPSU

1965

Member of Consultant Group, Department for Liaison with Communist and Workers' Parties of Socialist Countries, CC CPSU

BURLATSKY Fedor Mikhailovich (continued)

1965 - 67 Political Observer, Pravda

1967 - 68 Member, Institute of World Economics and International Relations (IMEMO), Moscow

1968 - 72 Deputy Director, Institute of Sociological Studies, USSR Academy of Sciences

1972 - 75 Sector Chief, Institute of State and Law

1975 - Chief of Philosophy Department, Institute of Social Science, CC CPSU

1976 - Deputy Chairman, Soviet Association of Political Science (State Studies)

1983 - Political Observer, Literaturnaya gazeta

19(?) - Member, Institute for the Study of the USA and Canada, USSR Academy of Sciences

1987 - Chairman, Public Commission for International Cooperation in Humanitarian Problems and Human Rights

Travels Abroad:

Albania (1961), Bulgaria (1961), China (1985), Czechoslovakia (1987), France (1985, 1988), GDR (1964), Hungary (1961, 1964), Iceland (1986), Japan (1986), Netherlands (1988), Poland (1964), Romania (1962), Spain (1967), Switzerland (1985), US (1987, 1988), Yugoslavia (1962, 1963, 1988)

Publications:

Books on state and law, political systems, foreign affairs. Articles on political science, arms control, USSR-US relations under Reagan, Eurocommunism, Gorbachev's peace initiatives, Sino-Soviet relations, Marxism-Leninism, openness, restructuring of Soviet society. Author of television plays Two Views from One Office (1986) and The First Lesson (A Year Later) (1987).

Evident Patrons:

Worked as one of Andropov's main advisors in 1960s.

Experience & Expertise:

As member of Andropov's personal staff wrote ideological speeches for Khrushchev

BURLATSKY Fedor Mikhailovich (continued)

and other Kremlin leaders. Outspoken reformist; his controversial ideas have cost him his job on several occasions. Recently gained prominence through his plays, which were produced on the Soviet stage and on television, and through his position as political columnist for the Writers' Union weekly Literaturnaya gazeta.

Political Line:

One of the most prominent spokesmen for Soviet reform in 30 years; first in the Soviet Union to advocate treating political science as an academic discipline in its own right, rather than as a sub-division of Marxism. Protested censorship of plays in the 1960s.

Awards:

Order of Red Banner of Labor (1966),
V. V. Vorovsky Prize (1987)

CHEBRIKOV Viktor Mikhailovich

Present Positions:	Secretary, CC CPSU; Full Member, Politburo, CC CPSU
Date of Birth:	April 27, 1923
Place of Birth:	Unknown
Nationality:	Russian
Family Background:	Blue-collar
Higher Education:	Attended Metallurgical Institute, Dnepropetrovsk, 1946-50, and graduated with a degree in engineering
Career:	1941 - 46 Soldier; Commander of a platoon; Commander of a company; Chief of Staff of a battalion; Deputy Commander, then Commander of a battalion
	1944 - Party member
	1950 - 51 Engineer at Petrovsky Metallurgical Plant in Dnepropetrovsk
	1951 - 55 Department Chief, then Secretary, then First Secretary, Lenin Raikom, Ukrainian CP, Dnepropetrovsk City
	1955 - 58 Secretary, Party Committee, then Party Organizer, Metallurgical Plant, Dnepropetrovsk
	1956 - 61 Member of Auditing Commission, Ukrainian CP
	1958 - 59 Second Secretary, Dnepropetrovsk Gorkom, Ukrainian CP
	1959 - 61 Party work in Dnepropetrovsk; Secretary, Lenin Raikom, Dnepropetrovsk City, Ukrainian CP
	1961 - 63 First Secretary, Dnepropetrovsk Gorkom, Ukrainian CP

CHEBRIKOV Viktor Mikhailovich (continued)

1961 - 71	Candidate Member, CC Ukrainian CP
1963	Second Secretary, Dnepropetrovsk Obkom for Industry, Ukrainian CP
1963 - 64	Secretary, Dnepropetrovsk Obkom for Industry, Ukrainian CP
1963 - 67	Deputy, Ukrainian SSR Supreme Soviet (6th convocation)
1964 - 65	Secretary, Dnepropetrovsk Obkom, Ukrainian CP
1965 - 67	Second Secretary, Dnepropetrovsk Obkom, Ukrainian CP
1967 - 68	Chief, Administration of Cadres, USSR KGB
1968 - 82	Deputy Chairman, USSR KGB (identified in 1968 with rank of Major General and in 1974 with rank of Lieutenant General; held rank of Colonel General from 1978 to 1983)
1971 - 81	Candidate Member, CC CPSU
1974 -	Deputy (and Member, 1979-83, Commission on Foreign Affairs), Council of Nationalities, USSR Supreme Soviet (9th-11th convocations)
1981 -	Full Member, CC CPSU
1982	First Deputy Chairman, USSR KGB
1982 - 88	Chairman, USSR KGB
1983 -	Army General (KGB)
1983 - 85	Candidate Member, Politburo, CC CPSU
1985 -	Full Member, Politburo, CC CPSU
1987 -	Member, Commission for Further Study of Materials and Documents Related to the Repressions of the Stalin Years, Politburo, CC CPSU
1988 -	Secretary, CC CPSU

CHEBRIKOV Viktor Mikhailovich (continued)

1988 - Chairman, Commission on Legal Policy, CC CPSU

WW II Experience: Fought on Southwest, Stalingrad, Voronezh, Steppe, and First and Fourth Ukrainian Fronts.

Travels Abroad: Bulgaria (1983), Cuba (1987), Czechoslovakia (1984), GDR (1984), Hungary (1986), Laos (1987), North Korea (1988), Poland (1983), Vietnam (1987), Yugoslavia (1986)

Speeches: On Western anti-Soviet propaganda, imperialist subversion; expressed support for policy of reconstruction and reform; keynote speaker at October Revolution Anniversary, 1985.

Publications: Articles in Party press on tasks of KGB in Soviet society, Western anti-Soviet propaganda (interview in Pravda, 1988), consumerism, dissent, improvement of cooperation between Soviet and East European security services, human rights, KGB control, industrial (mining) and agricultural development in Dnepropetrovsk Oblast. Article criticizing Voroshilovgrad KGB chief (1986).

Evident Patrons: A member of Brezhnev's "Dnepropetrovsk mafia," Chebrikov also enjoyed close connections to Andropov, working under his supervision in the KGB for fifteen years. In 1985 he assured Gorbachev's election by providing compromising dossiers about Romanov and Grishin.

Experience & Expertise: Party affairs and security. In 1967 he became a kind of chief administrator of the security apparat. After 1969, he headed special KGB investigative commissions. Gorbachev needs his support in carrying on his campaign for discipline and his fight against corruption.

Awards: Order of Lenin (1983), Order of Red Banner of Labor (1946), USSR State Prize (1980), foreign awards

CHERNAVIN Vladimir Nikolaevich

Present Positions: Commander-in-Chief, USSR Naval Forces; USSR Deputy Minister of Defense; Admiral of the Fleet

Date of Birth: April 22, 1928

Place of Birth: Nikolaev, Ukrainian SSR

Nationality: Russian

Family Background: Son of a naval officer

Higher Education: Attended Caspian Naval College in Baku; graduated from Frunze Naval College in 1950; graduated from Naval Academy in Leningrad in 1965; attended Military Academy of the General Staff, Moscow, until 1969

Career: 1949 - Party member

1951 - 55 Served in submarine forces

1955 - 59 Second-in-Command, then Commander of a diesel submarine, Northern Fleet

1959 - 74 Commander of Nuclear Submarines, Northern Fleet

1974 - 77 Chief of Staff and First Deputy Commander of Northern Fleet

1977 - 81 Commander of Northern Fleet

1978 - 83 Admiral

1979 - Deputy (and Member, Commission on Public Education and Culture, 1979-84; Member, Commission on Youth Affairs, since 1984), Council of the Union, USSR Supreme Soviet (since 10th convocation)

1981 - 85 Chief of Main Staff and First Deputy Commander-in-Chief, USSR Naval Forces

CHERNAVIN Vladimir Nikolaevich (continued)

- 1984 - Member, Committee of Parliamentary Group, USSR
- 1981 - 86 Candidate Member, CC CPSU
- 1985 - Commander-in-Chief, USSR Naval Forces; USSR Deputy Minister of Defense
- 1986 - Full Member, CC CPSU

Travels Abroad:

Finland (1983, 1986), India (1987), Libya (1988), North Korea (1987), Syria (1987), Tunisia (1986)

Publications:

Topics include national security, significance of ocean-going submarines, tradition and education in the navy, education of naval officers.

Experience & Expertise:

Appointed commander of one of the first Soviet nuclear submarines launched in the late 1950s. During the 1960s participated in long voyages under the Arctic icecap while developing new methods for communication under ice. Involved in the deployment of nuclear missile submarines. Supported Gorbachev's suggestions for a freeze on naval forces to ease tensions in volatile areas of the world.

Awards:

Hero of the Soviet Union (1981), Order of Lenin (1966), Order of October Revolution, 2 Orders of Red Banner (1988 and one other)

CHERNYAEV Anatolii Sergeevich

Present Positions: Aide to General Secretary, CC CPSU

Date of Birth: May 25, 1921

Place of Birth: Unknown

Nationality: Russian

Family Background: Unknown

Higher Education: Studied history and English at Moscow State University, 1940-47; Candidate of Historical Sciences (1950)

Career:

1941 - 45	Served in Red Army
1942 -	Party member
1950 - 53	Lecturer at Moscow State University
1953 - 58	Instructor, Department of Science, CC CPSU
1958 - 61	Held important posts as a member of the editorial staff of the journal <u>Problemy mira i socializma</u> (Prague)
1961 - 70	Member, then Chief, Consulting Group, International Department, CC CPSU
1970 - 86	Deputy Chief, International Department, CC CPSU
1976 - 81	Member, Central Auditing Commission, CPSU
1981 - 86	Candidate Member, CC CPSU
1986 -	Aide to General Secretary, CC CPSU (on questions of foreign policy)
1986 -	Full Member, CC CPSU
1988 -	Member, Commission on International Policy, CC CPSU

CHERNYAEV Anatolii Sergeevich (continued)

Travels Abroad: Belgium (5 visits, 1968-79), Bulgaria (1982), Canada (1982), Czechoslovakia (4 visits, 1974-84), Denmark (1976), England (5 visits, 1976-85), FRG (4 visits, 1976-79), France (3 visits, 1976-85), GDR (1979, 1987), Iceland (1986), India (1986), Italy (1970, 1981), Ireland (1979), Jamaica (1979), Luxembourg (1984), Malta (1980, 1985), Poland (1974, 1988), Spain (1981, 1984), Switzerland (1974, 1978), US (1987)

Publications: Articles in scientific papers on questions of communist theory, Soviet-Chinese relations (1963).

Evident Patrons: Probably met Gorbachev (see biography) at Moscow State University in 1950s; also worked with A. Yakovlev (see biography) in CC CPSU apparat in 1950s; later became one of closest affiliates of former CC CPSU Secretary Ponomarev.

Experience & Expertise: Expert on problems of communist theory. As a deputy chief of the International Department, he kept a close watch on communist movements in non-communist countries, maintained CPSU contacts with social democrats, and was responsible for monitoring political developments in North America and the United Kingdom.

Political Line: Expressed liberal, reform-oriented views under Khrushchev; had friends among dissidents.

CHERVONENKO Stepan Vasil'evich

Present Positions: Chief, Department for Cadres Abroad, CC CPSU

Date of Birth: September 16, 1915

Place of Birth: Okop, Lohvitsa Raion, Poltava Oblast, Ukrainian SSR

Nationality: Ukrainian

Family Background: Peasant

Higher Education: Graduated in 1936 from Taras Shevchenko State University, Kiev; in 1940 completed advanced courses for instructors of Marxism-Leninism, CC Ukrainian CP; in 1949, completed studies at Academy of Social Sciences, CC CPSU, Moscow, and was awarded degree of Candidate of Philosophical Sciences

Career:

1937 - 40	History Teacher and Director of a secondary school in Kiev Oblast
1940 -	Party member
1941 - 44	Political Agitator in Red Army
1944 - 48	Successfully Lecturer on Dialectical and Historical Materialism, Professor of Marxism-Leninism, Deputy Director, and Director at Pedagogical Institute, Cherkassy
1949 - 56	Party work in CC apparat, Ukrainian CP
1949 - 51	Head of a group of lecturers, CC Ukrainian CP
1951 - 56	Chief, Department of Science and Culture, CC Ukrainian CP
1954 - 56	Candidate Member, CC Ukrainian CP

CHERVONENKO Stepan Vasil'evich (continued)

1955 - 63	Deputy (and Chairman, Commission on Foreign Affairs), Ukrainian SSR Supreme Soviet (4th and 5th convocations)
1956 - 60	Member, CC Ukrainian CP
1956 - 59	Secretary, CC Ukrainian CP (responsible for ideology)
1957 - 59	Candidate Member, Presidium, CC Ukrainian CP
1958 - 62	Deputy (and Chairman, 1958-60, Mandate Commission), Council of Nationalities, USSR Supreme Soviet (5th convocation)
1958 - 62	Member, USSR Parliamentary Group, USSR Supreme Soviet
1959 - 65	USSR Ambassador to People's Republic of China
1961 -	Full Member, CC CPSU
1965 - 73	USSR Ambassador to Czechoslovakia
1973 - 83	USSR Ambassador to France; (concurrently USSR Ambassador to Madagascar, 1973-74)
1983 -	Chief, Department for Cadres Abroad, CC CPSU
1984 -	Deputy (and Secretary, Commission on Foreign Affairs), Council of Nationalities, USSR Supreme Soviet (11th convocation)
Travels Abroad:	China (1959), Italy (1984), France (1959, 1985), Poland (2 visits, 1958), Vietnam (1987)
Speeches:	On foreign affairs, cadres.
Publications:	Articles in Party newspapers and journals on economic development in Ukraine, communist ideology, propaganda, and education.

CHERVONENKO Stepan Vasil'evich (continued)

Evident Patrons:

Although his early Party career in Ukraine blossomed under Khrushchev, he was most likely Suslov's protegee; the stance he took against deviations in communist ideology in China, Czechoslovakia, and France suggests guidance of Suslov.

Experience & Expertise:

Experienced diplomat. Chervonenko rose up through the ranks of the Ukrainian Party apparat, where he was responsible for ideology and Ukrainian foreign relations. His tour of duty in Peking coincided with a period of heated ideological conflict between the USSR and China. He played an important role in the invasion of Czechoslovakia in 1968 and in the subsequent consolidation of the regime there. While ambassador in Paris, he advocated East-West detente and French-Soviet cooperation.

Awards:

4 Orders of Lenin (1958, 1965, 1985 and one other), Order of Red Banner of Labor (1967), Order of October Revolution (1975), Order of the White Lion, First Class (Czechoslovakia, 1973)

DUBININ Yuri Vladimirovich

Present Positions: USSR Ambassador to the United States of America

Date of Birth: October 7, 1930

Place of Birth: Nal'chik, Kabardin-Balkar ASSR

Nationality: Russian

Higher Education: Graduated from Moscow State Institute of International Relations (MGIMO) in 1954; Candidate of Historical Sciences (1978)

Career:

1954 -	Party member
1954 - 56	Probationer at USSR Embassy, France
1956 - 59	Interpreter, Department of Translations, UNESCO Secretariat, Paris
1959 - 63	Third Secretary, then Second Secretary, then Aide to Chief of First European Department (responsible for Benelux countries, France, Italy, Portugal, Spain, Switzerland), USSR Ministry of Foreign Affairs
1963 - 68	First Secretary, then Minister Counselor at USSR Embassy, France
1968 - 71	Deputy Chief, First European Department, USSR Ministry of Foreign Affairs
1971 - 78	Chief, First European Department, USSR Ministry of Foreign Affairs
1972 - 78	Member, Collegium, USSR Ministry of Foreign Affairs
1978 - 86	USSR Ambassador to Spain
1986	(March-May) USSR Permanent Representative at the UN and USSR Representative at UN Security Council

DUBININ Yuri Vladimirovich (continued)

1986 - Member, Central Auditing Commission, CPSU

1986 - USSR Ambassador to the United States of America

Travels Abroad: France (1974, 1977), Iceland (1986), Italy (1974), Switzerland (1973)

Speeches: On foreign policy.

Experience & Expertise: Went to Spain in 1978 as second Soviet envoy in post-civil war period and spent seven years charting normalization of the newly restored Spanish-Soviet relationship; also served on the Soviet delegation that helped prepare the 1975 Helsinki accord on East-West cooperation.

Awards: Order of Red Banner of Labor, Order of Friendship of the Peoples, Order "Badge of Honor"

EFIMOV Aleksandr Nikolaevich

Present Positions: Commander-in-Chief, USSR Air Force; USSR Deputy Minister of Defense; Marshal of Aviation

Date of Birth: February 6, 1923

Place of Birth: Kantemirovka, Voronezh Oblast

Nationality: Russian

Family Background: Blue-collar

Higher Education: Attended Pilot School, USSR Air Force in Voroshilovgrad, 1941-42; attended Air Force Academy in Moscow until 1951; graduated from Military Academy of the General Staff in Moscow in 1957; Candidate of Military Sciences (1965)

Career:

1942 - 51	Bomber Pilot; Commander of an air squadron; Commander of an air formation; Navigation Officer of 62nd and 198th Air Regiment, 233rd Air Division
1943 -	Party member
1946 - 50	Deputy, USSR Supreme Soviet
1951 - 69	Held leading posts in Air Force, Baltic and Carpathian Military Districts
1963 - 67	Deputy, Latvian SSR Supreme Soviet
1967 - 72	Deputy, Ukrainian SSR Supreme Soviet
1969 - 85	First Deputy Commander-in-Chief, Air Force
1971 - 75	Deputy, RSFSR Supreme Soviet
1974 -	Deputy (and Member, Commission on Youth Affairs, since 1979), Council of Nationalities (9th-11th convocations)
1975 -	Marshal of Aviation

RESUME Aleksandr Mikhaevich (continued)

1984 - Commander-in-Chief, Air Force; USSR
Deputy Minister of Defense

1986 - Full Member, CC CPSU

WW II Experience:

Participated in 272 fighter missions on the Western and Second Belorussian Fronts, fighting at Vyaz'ma and Smolensk and throughout Belorussia, Poland, and Germany. Took part in Berlin operation, March-May 1945.

Travels Abroad:

Algeria (1987), Cuba (1973), Finland (1986), CDR (1987), Hungary (1987), India (1985), Syria (1988)

Speeches:

Topics include combat role of Air Force.

Publications:

Articles in Party, state and other newspapers on national security, and the combat role of the Air Force.

Experience & Expertise:

Launched reshuffle of Air Force after appointment to post of commander-in-chief in December 1984; Western intelligence sources describe him as a firm believer in the need to incorporate modern technology and strategies into air power.

Awards:

Hero of the Soviet Union (1944, 1945), "Honored Fighter Pilot" (1970), 2 Orders of Lenin, 5 Orders of Red Banner, Order of Aleksandr Nevsky, Order of "Great Patriotic War" (First Class), Order of Red Star, medals, foreign awards

EL'TSIN Boris Nikolaevich

Present Positions: First Deputy Chairman, USSR State Committee for Construction (Gosstroj)

Date of Birth: February 1, 1931

Place of Birth: Sverdlovsk

Nationality: Russian

Family Background: Unknown

Higher Education: Graduated in 1955 as construction engineer from Ural Polytechnical Institute, Sverdlovsk

Career: 1955 - 57 Master at Construction Administration of Nizhne-Isetsk, Sverdlovsk Oblast

1957 - 63 Successively Construction Supervisor, Chief Construction Supervisor, Chief Engineer, Head of Construction Administration of "Yuzhgorstroj" Trust, Sverdlovsk Oblast

1961 - Party member

1963 - 65 Chief Engineer of combine for housing construction, Sverdlovsk

1965 - 68 Chief of combine for housing construction, Sverdlovsk

1968 - 75 Chief of a department (for construction?), Sverdlovsk Obkom, CPSU

1975 - 76 Secretary, Sverdlovsk Obkom, CPSU (responsible for industry?)

1976 - 85 First Secretary, Sverdlovsk Obkom, CPSU; Member, Military Council, Ural Military District

1978 - Deputy (and Member, Commission on Transport and Communications, 1979-84)

EL'TSIN Boris Nikolaevich (continued)

Council of the Union, USSR Supreme Soviet
(since 9th convocation; elected mid-term)

1981 - Full Member, CC CPSU

1984 - 85 Member, Presidium, USSR Supreme Soviet

1985 (April to December) Chief, Department of Construction, CC CPSU
(July to December) Secretary, CC CPSU
(responsible for construction)

1985 - 87 First Secretary, Moscow Gorkom, CPSU;
Member, Military Council, Moscow Military District

1986 - 88 Candidate Member, Politburo, CC CPSU

1986 - 88 Member, Presidium, USSR Supreme Soviet

1987 - First Deputy Chairman, USSR State Committee for Construction (Gosstroj);
Member, USSR Council of Ministers

Travels Abroad:

Bulgaria (1987), Cuba (1987), FRG (1984, 1986), Luxembourg (1985), Nicaragua (1987), Romania (1982)

Speeches:

Delivered highly emotional speeches to the Twenty-seventh Party Congress (1986), October Plenum (1987) and All-Union Party Conference (1988) on Soviet domestic ills, speaking out against unwarranted privileges in particular. Other topics include criticism of previous Moscow leadership, internal politics, ideology, Party organizational work in Moscow, political and economic reform, glasnost, economic management and agriculture in Sverdlovsk. Spoke at Andropov's funeral in 1984. He has made comments on his dispute with Ligachev, Chernobyl', and other sensitive issues to the Western press.

Publications:

Articles in newspapers and journals on internal politics and economic management; interviewed by both Soviet and Western newspapers on the subject of reform.

EL'TSIN Boris Nikolaevich (continued)

Evident Patrons:

Member of the "Sverdlovsk Group," which is now headed by Soviet Premier Ryzhkov (see biography).

Experience & Expertise:

Made reputation for himself as an effective manager in pushing through Gorbachev's policy of restructuring in Moscow. El'tsin was dismissed from the top leadership after a serious internal Party dispute over the pace of reform.

Political Line:

Regards political change as a precondition for economic reform; has reputation of being the most outspoken supporter of glasnost'. No high-ranking member of the nomenklatura is better at handling sensitive political topics in public.

Awards:

Order of Lenin (1981)

EMOKHONOV Nikolai Pavlovich

Present Positions: First Deputy Chairman, USSR Committee for State Security (KGB)

Date of Birth: 1921

Place of Birth: Unknown

Nationality: Russian

Family Background: Unknown

Higher Education: Graduated from Military Academy of Communications, Leningrad, in 1952; Doctor of Technical Sciences (1981)

Career:

1939 - 46	Soldier in Red Army; Student
1947 -	Party member
1952 - 68	Successively Scientific Worker, Senior Researcher, Laboratory Chief, Shop Superintendent, Director of a scientific research institute
1968 - 71	Chief of a Main Administration, USSR KGB
1971 - 84	Deputy Chairman, USSR KGB
1984 -	First Deputy Chairman, USSR KGB
1984 -	Deputy (and Member, Commission on Industry), Council of Nationalities, USSR Supreme Soviet (11th convocation)
1985 -	Army General (KGB)
1986 -	Full Member, CC CPSU

Travels Abroad: Not known

Evident Patrons: Recruited to work in KGB apparatus under Andropov.

EMOKHONOV Nikolai Pavlovich (continued)

Experience & Expertise: Reportedly supervises the work of the First Main Administration, which runs most of the Soviet Union's civilian espionage and subversion abroad.

Awards: Lenin Prize (1976), State Prize (1972)

FALIN Valentin Mikhailovich

Present Positions: Chief, International Department, CC CPSU

Date of Birth: April 3, 1926

Place of Birth: Leningrad

Nationality: Russian

Family Background: Father was art historian and archeologist, active in the trade unions and particularly in the Higher School of the Trade Union Movement

Higher Education: Graduated from Moscow Institute for International Relations, USSR Ministry of Foreign Affairs, in 1950

Career: 1942 - 45 Apprentice Lathe Operator, then Lathe Operator in "Red Proletarian" Plant in Moscow

1950 - 52 Held post in Soviet Control Commission in Berlin

1952 - 58 Held post(s) in USSR Ministry of Foreign Affairs

1953 - Party member

1958 - 59 Held post(s) in CC CPSU

1959 - 65 Deputy Chief, Third European Department, USSR Ministry of Foreign Affairs (responsible for Austria, FRG, GDR, and West Berlin)

1965 Advisor to USSR Minister of Foreign Affairs (Gromyko)

1965 - 66 First Counselor, USSR Embassy, Austria

1966 - 68 Chief, Second European Department, USSR Ministry of Foreign Affairs (responsible for Great Britain, Australia, Canada, and New Zealand)

FALIN Valentin Mikhailovich (continued)

- 1968 - 71 Member, Collegium, USSR Ministry of Foreign Affairs
- 1968 - 71 Chief, Third European Department, USSR Ministry of Foreign Affairs (responsible for Austria, FRG, GDR, and West Berlin)
- 1971 - 78 USSR Ambassador to the Federal Republic of Germany
- 1976 - 86 Member, Central Auditing Commission, CPSU
- 1978 - 83 First Deputy Chief, International Information Department, CC CPSU
- 1980 - 85 Deputy (and Member, Commission on Foreign Affairs), RSFSR Supreme Soviet
- 1983 - 86 Editor, Editorial Department, newspaper Izvestia
- 1986 - Candidate Member, CC CPSU
- 1986 - 88 Chairman, APN
- 1987 - Deputy Chairman, USSR Union of Journalists
- 1988 - Chief, International Department, CC CPSU
- 1988 - Member, Commission on International Policy, CC CPSU

Travels Abroad:

Austria (1987), France (1967), FRG (numerous trips, 1970-88), GDR (4 visits, 1970-87), Great Britain (1967, 1971), Iceland (1986), India (1986), Poland (1970), Switzerland (1980, 1982), US (5 visits, 1967-1988)

Speeches:

Topics include detente, restructuring of Soviet propaganda.

Publications:

Numerous articles in Party and government newspapers on arms control, detente, foreign policy, history of post-war Soviet foreign policy, propaganda, process of perestroika under Gorbachev; co-author of book on history of Soviet diplomacy (1971). Numerous interviews in

FALIN Valentin Mikhailovich (continued)

Western newspapers and journals on arms reduction, detente, foreign policy, Chernobyl', restructuring of Soviet society, and openness.

Evident Patrons:

Gromyko (see biography); presumably worked under Andropov in CC CPSU apparatus, 1958-59.

Experience & Expertise:

Possesses great diplomatic tact and flexibility; leading expert on Western Europe (and on FRG in particular) among Soviet officials.

Awards:

Order of Red Banner of Labor (1976), Order of Friendship of the Peoples (1986), other medals

1952 - 56	Academy of Sciences
1956 - 61	Deputy Department Chief, then Executive Secretary of Journal Voprosy Filosofii
1960 - 7	Party work
1967 - 69	Progress with a socialist (Progres s sotsializmom) journal
1969 - 69	Deputy Executive Secretary, Journal Progress with a socialist (Progres s sotsializmom)
1969 - 68	Aide to USSR CC Secretary (Kamerad)
1968	Chief Editor of Literature magazine (Literaturny zhurnal) of the USSR Academy of Sciences
1968 - 77	Chief Editor, Journal Voprosy Filosofii
1976 - 67	Corresponding member, USSR Academy of Sciences (Philosophy and Law Section)
1977 - 78	Executive Secretary, Progress with a socialist (Progres s sotsializmom)
1979 - 80	Deputy Director, All-Union Scientific Research Institute for System Analysis

FROLOV Ivan Timofeevich

Present Positions: Aide to General Secretary, CC CPSU

Date of Birth: September 1, 1929

Place of Birth: Dobroe, Lipetsk Oblast, RSFSR

Nationality: Russian

Family Background: Unknown

Higher Education: Graduated from Philosophy Faculty, Moscow State University, in 1953; also studied biology; Doctor of Philosophical Sciences (1966); Professor (1970)

Career:

1952 - 56	Worked at publishing house of USSR Academy of Sciences
1956 - 62	Deputy Department Chief, then Executive Secretary of journal <u>Voprosy filosofii</u>
1960 -	Party member
1962 - 63	Consultant, editorial board, journal <u>Problemy mira i sotsializma</u> (Prague)
1963 - 65	Deputy Executive Secretary, journal <u>Problemy mira i sotsializma</u> (Prague)
1965 - 68	Aide to CPSU CC Secretary (Demichev)
1968	Chief Editor of <u>Literaturnoe nasledstvo</u> (publication of the USSR Academy of Sciences)
1968 - 77	Chief Editor, journal <u>Voprosy filosofii</u>
1976 - 87	Corresponding Member, USSR Academy of Sciences (Philosophy and Law Section)
1977 - 79	Executive Secretary, <u>Problemy mira i sotsializma</u> (Prague)
1979 - 80	Deputy Director, All-Union Scientific Research Institute for System Analysis

FROLOV Ivan Timofeevich (continued)

- 1980 - Chairman of the Scientific Council on Philosophical and Social Problems of Science and Technology of the USSR Academy of Sciences
- 1986 - 87 Chief Editor, journal Kommunist
- 1986 - Full Member, CC CPSU
- 1986 - Chairman, USSR-Bulgarian Friendship Society
- 1987 - President, USSR Philosophical Society
- 1987 - Aide to General Secretary, CC CPSU (on ideological questions)
- 1987 - Deputy, Council of the Union, USSR Supreme Soviet (since 11th convocation; elected mid-term)
- 1987 - Member of the Board, USSR Union of Journalists
- 1987 - Full Member, USSR Academy of Sciences (Philosophy and Law Section)
- 1988 - Member, Ideological Commission, CC CPSU
- Travels Abroad:** Bulgaria (1986), France (1986), FRG (1975, 1978), Great Britain (1988), Mexico (1987), US (1985), Yugoslavia (1985)
- Publications:** Author of several books and articles in newspapers and periodicals on philosophical problems, biomedical ethics, sociobiology, genetic engineering, the environment, energy, Third World development, and technology assessment.
- Evident Patrons:** Gorbachev (see biography), who made him his personal advisor on ideological questions; promoted to post of chief editor of Kommunist by CPSU CC Secretary Yakovlev (see biography).
- Experience & Expertise:** Soviet Union's leading biomedical ethicist; criticized Lysenko in the 1960s and

FROLOV Ivan Timofeevich (continued)

tried to reform Soviet philosophy in the first half of the 1970s, but failed because of a conservative turn in Kremlin's politics. Rehabilitated under Gorbachev; now directs major Party ideological work.

Political Line:

Seen as reform-minded; opposes ideological interference in science; has little regard for old-fashioned dialectical materialists.

Awards:

Certificate of Honor, Presidium, RSFSR Supreme Soviet (1979), 2 other orders, medals

GORBACHEV Mikhail Sergeevich

Present Positions:

General Secretary, CC CPSU; Chairman, Presidium, USSR Supreme Soviet; USSR Council of Defense; Full Member, Politburo, CC CPSU

Date of Birth:

March 2, 1931

Place of Birth:

Privol'noe, Krasnogvardeisky Raion, Stavropol' Krai, RSFSR

Nationality:

Russian

Family Background:

Peasant

Higher Education:

Graduated from law faculty, Moscow State University, 1955; completed correspondence course at Stavropol' Agricultural Institute, 1967

Career: 1946 -

Komsomol member

1946 - 50

Workhand at Machine-Tractor Station (MTS), Stavropol' Krai

1952 -

Party member

1952 - 54

All-Union Komsomol organizer, Law Faculty, Moscow State University

1955 - 56

Komsomol and Party work, Stavropol' Krai

1956 - 58

First Secretary, Stavropol' Gorkom, All-Union Komsomol

1958

Deputy Chief, Department of Propaganda and Agitation, Stavropol' Kraikom, All-Union Komsomol

1958 - 62

Second Secretary, then First Secretary, Stavropol' Kraikom, All-Union Komsomol

1962 - 63

CPSU organizer of territorial production administration of collective and state farms, Stavropol' Kraikom, CPSU

GORBACHEV Mikhail Sergeevich (continued)

1963 - 66	Chief, Department of Party Organs, Stavropol' Kraikom, CPSU
1966 - 68	First Secretary, Stavropol' Gorkom, CPSU
1968 - 70	Second Secretary, Stavropol' Kraikom, CPSU
1970 - 78	First Secretary, Stavropol' Kraikom, CPSU; Member, Military Council, North Caucasian Military District
1970 -	Deputy (and Member, Commission on Conservation, 1970-74; Chairman, Commission on Youth Affairs, 1974-79; Chairman, Commission on Legislative Proposals, 1979-84; Chairman, Commission on Foreign Affairs, 1984-85), Council of the Union, USSR Supreme Soviet (since 8th convocation)
1971 -	Full Member, CC CPSU
1978 - 85	Secretary, CC CPSU (responsible for agriculture, 1978-83; responsible for economy, cadres affairs, agriculture, 1983-84; responsible for ideology, culture, world communism affairs, economy, agriculture and cadres, until 1985)
1979 - 80	Candidate Member, Politburo, CC CPSU
1980 -	Full Member, Politburo, CC CPSU
1980 -	Deputy, RSFSR Supreme Soviet (since 10th convocation)
1984 - 85	Chairman, Commission on Reform of General Education and Vocational Schools, Politburo, CC CPSU
1985 -	General Secretary, CC CPSU; Chairman, USSR Council of Defense
1985 - 88	Member, Presidium, USSR Supreme Soviet
1988 -	Chairman, Presidium, USSR Supreme Soviet

GORBACHEV Mikhail Sergeevich (continued)

- Travels Abroad:** Belgium (1972), Bulgaria (1984, 1985), Canada (1983), Czechoslovakia (1979, 1985, 1987), France (1976, 1985), FRG (1975), GDR (2;1987), Great Britain (1984, 1987), Hungary (1986), India (1986,1988), Iceland (1986), Italy (1984), Mongolia (1981), Poland (1985, 1986, 1988), Portugal (1983), Romania (1987), Switzerland (1985), US (1987, 1988), Vietnam (1982), Yugoslavia (1988)
- Speeches:** All aspects of domestic and foreign policy and economic management; keynote speaker at Lenin Anniversary (1985) and October Revolution Anniversary (1987).
- Publications:** Articles in newspapers and journals on all aspects of domestic, foreign and Party policy, economic management and agriculture, ideology.
- Evident Patrons:** M. A. Suslov and F. D. Kulakov, whose territorial base was Stavropol'. Closely linked with Yu. Andropov, who promoted him from a position of responsibility for agriculture alone to a position involving oversight of entire economy and cadres.
- Experience & Expertise:** Began his Party career in Stavropol', where he conducted reform experiments in agriculture. Became secretary for agriculture under Brezhnev; promoted to a position involving oversight of entire economy and cadres under Andropov, and to post of chief ideologist under Chernenko. Brought to Soviet political affairs a dynamism not seen for over two decades; initiated policy of perestroika and glasnost' after election to position of General Secretary.
- Awards:** 3 Orders of Lenin, Order of October Revolution (1978), 2 Orders of Red Banner of Labor, medals
- Political Line:** Most reform-oriented Kremlin chief since Khrushchev; Western analyses emphasize his pragmatism and his detailed understanding of power.

GORBACHEV Mikhail Sergeevich (continued)

Prominent Relatives:

Gorbachev's wife, Raisa Maksimovna (Titorenko), Candidate of Philosophical Sciences, plays an active role in Soviet cultural life and is a member of the presidium of the Soviet Cultural Fund. The Gorbachevs have a daughter, Irina (born about 1954). Irina and her husband, Anatolii Virgansky, are doctors. They have two children, the eldest daughter, Oxana, was born in 1980.

GOVOROV Vladimir Leonidovich

Present Positions: USSR Deputy Minister of Defense; Chief of USSR Civil Defense

Date of Birth: October 18, 1924

Place of Birth: Odessa

Nationality: Russian

Family Background: Son of Marshal L. A. Govorov (1897-1955)

Higher Education: Attended Special Artillery School, Moscow, 1942-43; attended Frunze Military Academy, Moscow, until 1949; attended Military Academy of the General Staff, Moscow, until 1963

Career: 1942 - Began career in Red Army

1943 - 45 Commander of artillery section and battery, artillery division, Leningrad and Second Baltic Fronts

1946 - Party member

1946 - 58 Deputy Commander, then Commander of a regiment; Chief of Staff of a division

1958 - 69 Leading positions in Soviet Army, also in foreign service (GDR?)

1969 - 71 First Deputy Commander-in-Chief, Group of Soviet Troops in Germany

1971 - 72 Commander, Baltic Military District

1971 - 75 Deputy, Supreme Soviet, Latvian SSR

1972 - 80 Commander, Moscow Military District; Chief of Moscow Garrison

1972 - 84 Deputy, (and Member, Commission on Foreign Affairs, 1979-84), Council of the Union, USSR Supreme Soviet

GOVOROV Vladimir Leonidovich (continued)

1976 - 81 Candidate Member, CC CPSU
1977 - Army General
1981 - Full Member, CC CPSU
1980 - 84 Commander-in-Chief, Far Eastern Troops
1984 - USSR Deputy Minister of Defense
1984 - 86 Chief Inspector, Main Inspectorate, USSR Ministry of Defense
1984 - Deputy (and Member, Commission on Foreign Affairs), Council of Nationalities, USSR Supreme Soviet (11th convocation)
1986 - Chief of USSR Civil Defense

Travels Abroad:

Kuwait (1986), Mongolia (1984)

Speeches:

Topics include plan fulfillment, military training, and improvement of Party work in the army.

Publications:

In Party, state and military newspapers on military education, national security, domestic policy, and World War II experience.

Experience & Expertise:

As head of Far Eastern Troops may have given order for Soviet fighters to shoot down the South Korean airliner in 1983. Replaced ailing Marshal Moskalenko in the post of chief inspector the following year. In 1986 sent to Kuwait as part of a general Soviet effort to widen ties in the Gulf area. Replaced Army General Altunin as chief of civil defense after Altunin was blamed for the Chernobyl' disaster.

Awards:

Hero of the Soviet Union (1984), Order of Lenin, 2 Orders of Red Banner, Order of "War for the Fatherland" (Second Class), Order "For Service to the Fatherland in the Soviet Armed Forces" (Third Class), medals, foreign orders

GRIGOR'EV Valentin Aleksandrovich

Present Positions: Chief, Department of Science and Educational Institutions, CC CPSU

Date of Birth: 1929

Place of Birth: Unknown

Nationality: Russian (?)

Family Background: Unknown

Higher Education: Doctor of Technical Sciences; Professor

Career: 1958 - Party member

1970s- 85 Rector, Moscow Institute of Energetics

1981 - Corresponding Member, USSR Academy of Sciences (Department of Physical Technical Problems of Power Engineering)

1982 - Deputy, Moscow City Workers' Soviet

1985 Deputy Chief, Department of Science and Educational Institutions, CC CPSU

1985 - 87 First Deputy Chief, Department of Science and Educational Institutions, CC CPSU

1987 - Chief, Department of Science and Educational Institutions, CC CPSU

1987 - Deputy (and Member, Commission on Science and Technology), Council of the Union (11th convocation; elected mid-term)

Travels Abroad: Czechoslovakia (1987)

Publications: Articles in Party newspapers on problems of education, developments at Soviet universities.

Experience & Expertise: Scientist in field of power engineering;

GRIGOR'EV Valentin Aleksandrovich (continued)

specialist on problems of Soviet educational system. Entrusted with reform of educational sector.

Awards:

Honored Worker of Science and Technology (1980)

GUSEV Vladimir Kuz'mich

Present Positions: Deputy Chairman, USSR Council of Ministers; Member, Presidium, USSR Council of Ministers

Date of Birth: April 17, 1932

Place of Birth: Unknown

Nationality: Russian

Family Background: Unknown

Higher Education: Graduated as chemist from N. G. Chernyshevsky State University, Saratov, in 1957; graduated from Saratov Economics Institute in 1969; Candidate of Technical Sciences (1972)

Career: 1952 - Carrier in a factory, Saratov Oblast

1957 - 58 Laboratory Assistant at a department of N.G. Chernyshevsky State University, Saratov

1958 - 63 Shift Foreman of chemical section of a plant; Dispatcher, Deputy Chief of central plant laboratory for scientific research; Chief Technologist, Engel's Synthetic Fiber Combine, Saratov Oblast

1963 - Party member

1963 - 70 Chief Engineer, Engel's Synthetic Fiber Combine, Saratov Oblast

1966 - 70 Deputy (and Member, Commission on Consumer Goods and Trade), Council of the Union, USSR Supreme Soviet

1970 - 75 Director, Engel's Synthetic Fiber Combine, Saratov Oblast

1975 - 76 First Secretary, Engel's Gorkom, CPSU

1976 Second Secretary, Saratov Obkom, CPSU

GUSEV Vladimir Kuz'mich (continued)

1976 - 85 First Secretary, Saratov Obkom, CPSU;
Member, Military Council, Volga Military District

1979 - Deputy (and Member, Commission on
Maternity, Child Development, and the
Work and Life of Women, 1979-84; Member,
Commission on Planning and Budget,
1984-85; Chairman, Commission on Consumer
Goods and Services, 1985-86), Council of
the Union, USSR Supreme Soviet

1981 - Full Member, CC CPSU

1985 - 86 First Deputy Chairman, RSFSR Council of
Ministers

1986 - Deputy Chairman, USSR Council of
Ministers (responsible for chemical
industry)

1988 - Chairman, Bureau of the USSR Council of
Ministers for Chemical Wood Processing
Industry Complex

Travels Abroad:

Cambodia (1986), Czechoslovakia (1981),
France (1981), Laos (1986), Poland
(1986), Portugal (1983), Spain (1979),
Vietnam (1987), Yugoslavia (1985)

Speeches:

Topics include economic reforms, chemical
industry.

Publications:

Articles in newspapers on economic
planning and plan fulfillment in Saratov
Oblast, economic management, agriculture,
land improvement, and ideology.

Experience & Expertise:

Economic manager in chemical industry; as
Party chief in Saratov also concerned
with nuclear power. In 1986, served as
chairman of the clean-up commission at
Chernobyl'.

Awards:

Order of Lenin (1982), Order of October
Revolution (1977)

IVANOVSKY Evgenii Filippovich

Present Positions: Commander-in-Chief, USSR Ground Forces;
USSR Deputy Minister of Defense

Date of Birth: March 7, 1918

Place of Birth: Chereya, Chasniki Raion, Vitebsk Oblast,
Belorussian SSR

Nationality: Belorussian

Family Background: Peasant

Higher Education: Attended Saratov School for Tank Troops,
1936-38, and graduated as lieutenant;
attended Military Academy for
Mechanization and Motorization of Red
Army, 1940-41 (intensive courses);
attended Military Academy of the General
Staff, Moscow, 1956-58

Career: 1935 - 36 Radio mechanic

1939 - 40 Served in Soviet tank troops; involved in
invasion of Poland and in Soviet-Finnish
war

1941 - Party member

1941 - 44 Chief of Staff, then Commander of a tank
battalion; Deputy Chief of Staff of a
tank brigade; Chief of Reconnaissance,
then Chief of the Operational Department,
staff of a tank corps

1944 - 45 Commander of a self-propelled gun
regiment

1946 - 52 Chief of Combat Training Department,
staff of an army

1952 - 53 Deputy Commander of Tanks and Mechanized
Troops, self-propelled artillery,
Belorussian Military District

IVANOVSKY Evgenii Filippovich (continued)

- 1953 - 56 Chief of Staff and Commander of a tank division
- 1958 - 61 First Deputy Chief of Staff, Far Eastern Military District
- 1961 - 65 Commander of operational unit, tank army of Group of Soviet Forces in Germany
- 1963 - 71 Deputy, RSFSR Supreme Soviet
- 1965 - 68 First Deputy Commander, Moscow Military District
- 1968 - 72 Commander, Moscow Military District; Chief of Moscow Garrison
- 1970 - Deputy (and Member, Commission on Legislative Proposals, 1981-84), Council of the Union, USSR Supreme Soviet (8th-10th convocations); Deputy (and Member, Commission on Legislative Proposals, since 1984), Council of Nationalities, USSR Supreme Soviet (11th convocation)
- 1971 - Full Member, CC CPSU
- 1972 - 80 Commander-in-Chief, Group of Soviet Troops in Germany
- 1972 - Army General
- 1980 - 85 Commander, Belorussian Military District
- 1981 - 85 Member, CC Belorussian CP; Member, Buro, CC Belorussian CP
- 1985 - Commander-in-Chief, USSR Ground Forces; USSR Deputy Minister of Defense

WW II Experience:

Served in tank troops; fought on Western, Voronezh, Stalingrad, Southwestern, First and Second Belorussian Fronts. Participated in the battles of Moscow, Stalingrad and Kursk; involved in crossing the river Dnepr and in the Red Army's advance into the Ukraine and Poland. In 1945 he crossed the river Oder with his heavy self-propelled gun regiment and entered Berlin with the Red Army.

IVANOVSKY Evgenii Filippovich (continued)

- Travels Abroad:** Algeria (1986), Czechoslovakia (1969), Finland (1988), FRG (1981), Mongolia (1988), Mozambique (1986), South Yemen (1987), Thailand (1987)
- Speeches:** Topics include national security, domestic policy and ideology, and history of World War II.
- Publications:** Articles on national security, domestic policy, education and ideology (the heroes of the Red Army).
- Experience & Expertise:** One of last remaining Soviet military officers with combat experience; responsible for export of Soviet arms to Third World countries.
- Awards:** Order of Lenin, 4 Orders of Red Banner, Suvorov Order (Third Class), Order of Patriotic War (First and Second Class), 2 Orders of Red Star, Order "For Service to the Fatherland in the Soviet Armed Forces" (Third Class), Certificate of Honor, Presidium, Belorussian Supreme Soviet (1985), foreign orders

KALASHNIKOV Vladimir Il'ich

Present Positions:	First Secretary, Volgograd Obkom, CPSU
Date of Birth:	1929
Place of Birth:	Unknown
Nationality:	Russian
Family Background:	Unknown
Higher Education:	Graduated from Agricultural Institute in Stavropol' in 1950
Career:	
1950 - 57	Chief Agronomist at farms in Stavropol' Krai
1954 -	Party member
1957 - 61	Director of Prikumsky sheep breeding sovkhos (Stavropol' Krai)
1961 - 62	Second Secretary, Prikumsky Raikom, CPSU (Stavropol' Krai)
1962	First Secretary, Predgorny Raikom, CPSU (Stavropol' Krai)
1962 - 64	Chief, Kochubeevskoe Production Administration of Collective and State Farms, Stavropol' Krai
1964 - 73	Chief, Administration of Land Reclamation and Water Resources, Executive Committee, Stavropol' Krai Workers' Soviet
1973 - 75	Chief, Department of Agriculture, Stavropol' Kraikom, CPSU
1975 - 82	Secretary, Stavropol' Kraikom, CPSU (responsible for agriculture)
1982 - 84	RSFSR Minister of Land Reclamation and Water Resources

KALASHNIKOV Vladimir Il'ich (continued)

1984 - First Secretary, Volgograd Obkom, CPSU;
Member, Military Council, North Caucasian
Military District

1984 - Deputy (and Member, Commission on
Agro-Industrial Complex), Council of the
Union, USSR Supreme Soviet (11th
convocation)

1986 - Full Member, CC CPSU

1988 - Member, Commission on Agrarian Policy, CC
CPSU

Travels Abroad: Spain (1985)

Speeches: In support of radical economic reform, an
open review of history, and cooperatives;
has also discussed Party organizational
work.

Publications: Articles in Party and state newspapers on
agriculture and agro-industrial
development, food program, housing, and
innovative "Ipatovo" agricultural method.

Evident Patrons: Made his party career in Stavropol' Krai
under Gorbachev.

KAMENTSEV Vladimir Mikhailovich

Present Positions: Deputy Chairman, USSR Council of Ministers; Member, Presidium, USSR Council of Ministers; Chairman, Foreign Economic Commission of USSR Council of Ministers

Date of Birth: January 6, 1928

Place of Birth: Unknown

Nationality: Russian

Family Background: Unknown

Higher Education: Studied at Technical Institute of Fish Industry and Fishing, Moscow, 1944-50

Career:

1942 - 44	Steamship Stoker; Lathe Operator at a ship repair plant; Mechanic on a motor ship, Moscow River Navigation Administration
1950 - 53	Heat Engineer, then Chief of Design Bureau of an experimental base, Murmansk Trawler Fleet
1953 - 57	Responsible posts at enterprises of Main Administration for Trawler Fleet, "Murmanryba" Association, Murmansk
1954 -	Party member
1957 - 62	Chief Engineer, then Deputy Chairman, Murmansk Sovnarkhoz
1962 - 64	Deputy Chairman, State Production Committee of Fish Industry, USSR Sovnarkhoz
1964 - 65	First Deputy Chairman, USSR State Production Committee of Fish Industry
1965 - 79	USSR First Deputy Minister of Fish Industry

KAMENTSEV Vladimir Mikhailovich (continued)

- 1979 - 86 USSR Minister of Fish Industry
- 1981 - 86 Candidate Member, CC CPSU
- 1982 - 86 Member, Commission on Agro-Industrial Complex, Presidium, USSR Council of Ministers
- 1982 - Deputy, Council of the Union, USSR Supreme Soviet (elected mid-term)
- 1986 - Full Member, CC CPSU
- 1986 - Deputy Chairman, USSR Council of Ministers; Member, Presidium, USSR Council of Ministers
- 1986 - Chairman, Foreign Economic Commission, USSR Council of Ministers (Gosvnesh-ekonomkomissiya SSSR)
- 1988 - Member, Commission on International Policy, CC CPSU

Travels Abroad:

Afghanistan (1988), Cuba (1988), Denmark (1987), Finland (1987, 1988), France (1987), GDR (1987), India (5 visits, 1986-1988), Japan (1983), Nicaragua (1986), Poland (1969), Turkey (1987), US (1987, 1988)

Publications:

Articles in newspapers and journals on planning, plan fulfillment and technological progress in the fishing industry.

Experience & Expertise:

As head of Foreign Economic Commission, entrusted with establishing joint ventures with Western enterprises.

Awards:

Order of Lenin (1986), Order of October Revolution (1981)

KAPTO Aleksandr Semenovich

Present Positions: Chief, Department of Ideology, CC CPSU

Date of Birth: April 14, 1933

Place of Birth: Vysshetarasevka, Tomakovka Raion,
Dnepropetrovsk Oblast, Ukrainian SSR

Nationality: Ukrainian

Family Background: White-collar

Higher Education: Graduated from Dnepropetrovsk State
University in 1957; Candidate of
Philosophical Sciences (1966)

Career: 1955 - Party member

1957 - 60 Secretary, Oktyabr'sky Raikom, Ukrainian
Komsomol (Dnepropetrovsk City);
Secretary, Dnepropetrovsk Gorkom and
Obkom, Ukrainian Komsomol

1960 - 61 Secretary, Dnepropetrovsk Obkom,
Ukrainian Komsomol

1961 - 63 Deputy Editor of Komsomol'skoe znamya
(Ukrainian Komsomol newspaper)

1963 - 66 Editor, Komsomol'skoe znamya

1966 - 68 Second Secretary, CC Ukrainian Komsomol

1967 - 75 Deputy, Ukrainian SSR Supreme Soviet

1968 - 72 First Secretary, CC Ukrainian Komsomol

1968 - 72 Member, Buro, CC All-Union Komsomol

1969 - 75 Member, Presidium, Ukrainian SSR Supreme
Soviet

1971 - 86 Member, CC Ukrainian CP

1972 Secretary, Kiev Gorkom, Ukrainian CP
(responsible for ideology)

KAPTO Aleksandr Semenovich (continued)

1972 - 78	Secretary, Kiev Obkom, Ukrainian CP (responsible for ideology)
1978 - 79	Chief, Department for Culture, CC Ukrainian CP
1979 - 86	Secretary, CC Ukrainian CP (responsible for ideology)
1979 - 86	Candidate Member, Politburo, CC Ukrainian CP
1980 -	Deputy, Ukrainian SSR Supreme Soviet
1981 - 86	Candidate Member, CC CPSU
1986 -	Full Member, CC CPSU
1986 - 88	USSR Ambassador to Cuba
1988	First Deputy Chief, Department for Liaison with Communist and Workers' Parties of Socialist Countries, CC CPSU
1988 -	Chief, Department of Ideology, CC CPSU
1988 -	Member, Ideological Commission, CC CPSU
Travels Abroad:	Bolivia (1983), Czechoslovakia (1980), North Korea (1988), Romania (1979), Sao Tome and Principe (1983), US (1971), Vietnam (1969)
Speeches:	Topics include domestic policies, indoc- trination of youth, cultural affairs.
Publications:	Articles in Party press on Komsomol affairs, social activities of Komsomol, propaganda, education, cultural affairs.
Evident Patrons:	Although originally from Dnepropetrovsk, he does not seem to be a member of Brezhnev's "mafia." Worked with Chebrikov (see biography) in Dnepropetrovsk.
Experience & Expertise:	From 1979 to 1986, chief ideologist in Ukrainian Party leadership; regarded as possible successor to Ukrainian Party boss Shcherbitsky (see biography).

KAPTO Aleksandr Semenovich (continued)

Awards:

- 3 Orders of Red Banner of Labor, Order of Friendship of the Peoples (1983), medal "For Valiant Labor" (1966), Badge of Honor, Presidium, Ukrainian SSR Supreme Soviet

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KHOMYAKOV Aleksandr Aleksandrovich

Present Positions: First Secretary, Saratov Obkom, CPSU

Date of Birth: August 25, 1932

Place of Birth: Unknown

Nationality: Russian

Family Background: Unknown

Higher Education: Studied economics at Polytechnical Institute in Novochoerkassk (Rostov Oblast), graduated in 1955; Candidate of Economic Sciences (1974)

Career: 1955 - 58 Foreman, then Deputy Shop Superintendent at Krasnodar Electronic Instrumentation Factory

1958 - Party member

1958 - 65 Second Secretary, Krasnodar Gorkom, All-Union Komsomol; Raikom Department Chief, Krasnodar Krai, CPSU; Department Chief, Krasnodar Gorkom, CPSU; Chairman, Executive Committee, Raion Workers' Soviet, Krasnodar Krai; Deputy Department Chief, Krasnodar Kraikom, CPSU

1965 - 69 Second Secretary, Krasnodar Gorkom, CPSU

1969 - 71 Secretary, Krasnodar Kraikom, CPSU (responsible for industry)

1971 - 78 Second Secretary, Krasnodar Kraikom, CPSU

1971 - 80 Deputy (and Member, Mandate Commission), RSFSR Supreme Soviet

1978 - 85 First Secretary, Tambov Obkom, CPSU; Member, Military Council, Moscow Military District

1979 - Deputy (and Member, Commission on Transport and Communications, 1979-84;

KHOMYAKOV Aleksandr Aleksandrovich (continued)

Member, Commission on Planning and Budget, since 1984), Council of the Union, USSR Supreme Soviet

1981 - Full Member, CC CPSU

1985 - First Secretary, Saratov Obkom, CPSU; Member, Military Council, Volga Military District

1988 - Member, Commission on Legal Policy, CC CPSU

Travels Abroad:

Afghanistan (1983), Czechoslovakia (1988), Hungary (1985), Mozambique (1981), Portugal (1983)

Speeches:

Topics include economic reform, adoption of Socialist Enterprise Law, consumer goods, and the Food Program.

Publications:

In Party, state and other papers on industry, development of light industry, plan fulfillment and economic management.

Evident Patrons:

Worked with Razumovsky (see biography) in Krasnodar Krai.

Awards:

Order of Lenin (1982), medals

KOLBIN Gennadii Vasil'evich

Present Positions: First Secretary, CC Kazak CP

Date of Birth: May 7, 1927

Place of Birth: Nizhnii Tagil', Sverdlovsk Oblast, RSFSR

Nationality: Russian

Family Background: White-collar

Higher Education: Graduated as engineer from Ural Polytechnical Institute, Sverdlovsk, in 1955 (correspondence courses)

Career: 1942 - 47 Apprentice in a machine building factory; Shoemaker; Student at a tekhnikum in Nizhnii Tagil'

1947 - 59 Successively Design Engineer, Head of Technological Bureau of the Department of Chief Metallurgist, Deputy Shop Supervisor, Shop Supervisor, Deputy Chief Engineer at a plant in Nizhnii Tagil'

1954 - Party member

1959 - 62 Secretary, Party Committee of a plant, Nizhnii Tagil'; Second Secretary, then First Secretary of a raikom, CPSU, Sverdlovsk Oblast'

1962 - 64 Second Secretary, Nizhnii Tagil' Gorkom, CPSU

1964 - 70 First Secretary, Nizhnii Tagil' Gorkom, CPSU

1966 - 70 Deputy, Council of the Union, USSR Supreme Soviet (7th convocation)

1970 - 71 Secretary, Sverdlovsk Obkom, CPSU (responsible for industry)

1971 - 75 Second Secretary, Sverdlovsk Obkom, CPSU

KOLBIN Gennadii Vasil'evich (continued)

- 1971 - 75 Deputy (and Member, Commission on Youth Affairs), RSFSR Supreme Soviet (8th convocation)
- 1975 - 83 Second Secretary, CC Georgian CP; Full Member, Buro, CC Georgian CP
- 1975 - 80 Deputy, Georgian SSR Supreme Soviet (9th convocation)
- 1976 - 86 Member, CC Georgian CP
- 1976 - 81 Candidate Member, CC CPSU
- 1976 - Deputy (and Member, Commission on Maternity, Child Development, and the Work and Life of Women, 1976-84; Commission on Legislative Proposals, since 1984), Council of the Union, USSR Supreme Soviet (elected mid-term)
- 1978 Chairman, Commission on Questions of Improvement of Production Effectiveness and Quality, CC Georgian CP
- 1979 Chairman, Commission on Utilization of Labor Resources, Georgian SSR
- 1981 - Member, CC CPSU
- 1983 - 86 First Secretary, Ul'yanovsk Obkom, CPSU; Member, Military Council, Volga Military District
- 1986 - First Secretary, CC Kazak CP; Member, Buro, CC Kazak CP; Member, Military Council, Central Asian Military District
- 1987 - Member, Presidium, USSR Supreme Soviet; Member, Presidium, Kazak SSR Supreme Soviet
- 1988 - Member, Commission on Socio-Economic Policy, CC CPSU

Travels Abroad:

Guinea (1982), India (1988), Sweden (1985), Venezuela (1976, 1985)

KOLBIN Gennadii Vasil'evich (continued)

Speeches:

Topics include reconstruction of Soviet society, economic management, ideology, denunciation of Kunaev's nepotism.

Publications:

Articles in newspapers on economic affairs, Party organizational work, education of cadres, perestroika and glasnost' under Gorbachev, discipline campaign, crackdown on corruption, industrial production in Sverdlovsk, agricultural developments in Georgia, construction, ideological education, nationalities questions in Kazakhstan. Author of a book on economic developments in Sverdlovsk (1972).

Evident Patrons:

Studied with El'tsin (see biography); patronage of Kirilenko enabled him to move up within the Party hierarchy; later worked closely with Shevardnadze (see biography) in Georgia.

Experience & Expertise:

Model leader in the Gorbachev mold; introduced campaign against alcoholism in Ul'yanovsk that foreshadowed Gorbachev's national campaign; tough disciplinarian. Instituted a number of economic and political innovations in Georgia, Ul'yanovsk and Kazakhstan. The appointment of the ethnic Russian Kolbin as successor to Kunaev set off two days of rioting by Kazakhs in the streets of Alma Ata (December 1986).

Awards:

2 Orders of Lenin (1977, 1987)

KRUCHINA Nikolai Efimovich

Present Positions: Administrator of Affairs, CC CPSU

Date of Birth: May 14, 1928

Place of Birth: Novaya Pokrovka, Altai Krai

Nationality: Russian

Family Background: Unknown

Higher Education: Graduated in 1953 from Azov-Black Sea Agricultural Institute in Zernograd (Rostov Oblast)

Career:

1949 -	Party member
1952 - 54	First Secretary, Novocherkassk Gorkom (Rostov Oblast), All-Union Komosomol
1954 - 55	Second Secretary, Kamensk Obkom, All-Union Komsomol
1955 - 57	First Secretary, Kamensk Obkom, All-Union Komsomol
1957 - 59	First Secretary, Smolensk Obkom, All-Union Komsomol
1958 - 62	Member, CC All-Union Komsomol
1959 - 62	Chief, Rural Youth Department, CC All-Union Komsomol
1961 - 62	Member, CC Buro, All-Union Komsomol
1962	Candidate Member, CC Buro, All-Union Komsomol
1962 - 63	Department Instructor, CC CPSU
1963 - 65	Secretary, Virgin Lands Kraikom, Kazak CP (dissolved in 1965)
1965 - 78	First Secretary, Tselinograd Obkom, Kazak CP

KRUCHINA Nikolai Efimovich (continued)

1966 - 76 Member, CC Kazak CP

1966 - 71 Member, Central Auditing Commission, CPSU

1966 - Deputy (and Member, Commission on Budget and Planning, 1966-70; Member, Commission on Youth Affairs, since 1970), Council of the Union, USSR Supreme Soviet (7th-11th convocations)

1971 - 76 Candidate Member, CC CPSU

1976 - Full Member, CC CPSU

1978 - 83 First Deputy Chief, Department of Agriculture, CC CPSU

1983 - Administrator of Affairs, CC CPSU

1988 - Member, Commission on Party Work and Cadres Policy, CC CPSU

Travels Abroad:

Bulgaria (1978), Hungary (1984), Romania (1974), Poland (1988), Portugal (1984)

Speeches:

Has spoken on agricultural management and Party organizational work.

Publications:

Articles on communist upbringing and cadres work in rural areas, plan fulfillment; book on contemporary agricultural policy of the CPSU (1981).

Evident Patrons:

Rose up through Komsomol apparat under Shelepin; worked in the 1970s under Gorbachev (see biography) in area of agricultural management; seems to be one of Gorbachev's key men in Party apparat.

Experience & Expertise:

Made career in Kazakhstan, where he worked on development of Virgin Lands. Weathered Khrushchev's ouster, retaining his post despite public criticism of his performance.

Awards:

Hero of Socialist Labor (1973), 3 Orders of Lenin (1973, 1988, and one other), Order of Red Banner of Labor, 2 Badges of Honor, other medals

KRYUCHKOV Vladimir Aleksandrovich

Present Positions: Chairman, USSR Committee for State Security (KGB)

Date of Birth: 1924

Place of Birth: Unknown

Nationality: Russian

Family Background: Unknown

Higher Education: Graduated from All-Union Juridical Institute in 1949 (correspondence courses); graduated from Higher School for Diplomats at the USSR Foreign Ministry in 1954

Career: 1941 - 44 Worker at enterprises of USSR Peoples' Commissariat for Defense; Komsomol Organizer of special construction unit

1944 - Party member

1944 - 46 First Secretary, Barrikady Raikom, All-Union Komsomol, Stalingrad (now Volgograd) Oblast; Second Secretary, Stalingrad (now Volgograd) Gorkom, All-Union Komsomol

1946 - 54 Worked in apparatus of Stalingrad (now Volgograd) City and Oblast Procuracy; Student

1954 - 59 Diplomatic work; Third Secretary, USSR Embassy, Hungary

1959 - 67 Worked in CC CPSU apparatus; Chief of a sector (for Hungary), Department for Liaison with Communist and Workers' Parties of Socialist Countries, CC CPSU

1967 - 74 Chief of Secretariat, then First Deputy Chief, First(?) Main Administration, USSR KGB

KRYUCHKOV Vladimir Aleksandrovich (continued)

- 1974 - Member, Collegium, USSR KGB
- 1974 - 88 Chief of First Main Administration, USSR KGB
- 1978 - 88 Deputy Chairman, USSR KGB
- 1982 - Colonel General (KGB)
- 1984 - Deputy (and Member, Commission on Legislative Proposals), Council of Nationalities, USSR Supreme Soviet (11th convocation)
- 1986 - Full Member, CC CPSU
- 1988 - Chairman, USSR KGB
- 1988 - Army General (KGB)
- 1988 - Member, Commission for Further Study of Materials and Documents Related to the Repressions of the Stalin Years, Politburo, CC CPSU
- 1988 - Member, Commission on International Policy, CC CPSU

Travels Abroad:

US (1987)

Speeches:

On Soviet propaganda strategies, need for reevaluation of world politics, call for new efforts to "win the minds" of Western politicians (1988).

Evident Patrons:

Worked under USSR ambassador Andropov in Hungary; later supervised political developments in Hungary as sector chief of CC CPSU department for "bloc relations," then headed by Andropov. Appointed chief of the KGB First Main Administration after Andropov's rise to the post of head of Soviet state security apparatus.

Experience & Expertise:

As chief of KGB First Main Administration, he was in charge of all foreign operations (intelligence gathering and covert operations abroad). Permitted to travel to Washington in 1987 as part of the summit delegation headed by Gorbachev

KULIKOV Viktor Georgievich

Present Positions: USSR First Deputy Minister of Defense; Commander-in-Chief, Warsaw Pact Joint Forces; Marshal of the Soviet Union

Date of Birth: July 5, 1921

Place of Birth: Verkhnyaya Lyubovsha (now in Novodereven'kovsky Raion, Orel Oblast, RSFSR)

Nationality: Russian

Family Background: Peasant

Higher Education: Attended Military School for the Infantry, Groznyi (Chechen-Ingush ASSR), 1939-41; attended Higher Officers' School for Tank Troops, 1945-47; attended Frunze Military Academy, Moscow, 1950-53, and Military Academy of the General Staff, Moscow, 1957-59

Career: 1939 Began career in Red (after 1946, Soviet) Army

1941 - 43 Commander of a platoon, Kiev Special Military District; Commander of a motorcycle company in a reconnaissance battalion; Chief of Staff of a tank battalion on Southwestern, Kalinin, First Baltic, and Second Belorussian Fronts

1942 - Party member

1943 - 45 Deputy Commander, then Commander of 143rd Independent Tank Brigade

1947 - 50 Chief of Staff and Deputy Commander of a tank brigade; then Commander of a tank regiment

1953 - 57 Chief of Staff and Commander of a tank division

KULIKOV Viktor Georgievich (continued)

1959 - 64	Deputy Commander, then First Deputy Commander of an army unit
1964 - 67	Commander of an army unit in Murmansk Raion, Leningrad Military District
1967 - 69	Commander, Kiev Military District
1968 -	Deputy, Council of the Union, USSR Supreme Soviet (7th-8th convocations; elected mid-term); Deputy (and Member, Mandate Commission, 1974-79; Member, Commission on Conservation and Utilization of Natural Resources, since 1984), Council of Nationalities, USSR Supreme Soviet (9th-11th convocations)
1969 - 71	Commander-in-Chief, Group of Soviet Troops in Germany
1970 - 77	Army General
1971 - 77	Chief of General Staff, USSR Armed Forces
1971 -	USSR First Deputy Minister of Defense
1971 -	Full Member, CC CPSU
1977 -	Commander-in-Chief, Warsaw Pact Joint Forces; Marshal of the Soviet Union

WW II Experience:

Took part in Battle of Kiev; staff officer in various tank units; involved in scouting and intelligence activities in Smolensk, Riga, and Belorussia; participated in planning of military operations in East Prussia; wounded six times; in Murmansk negotiated weapons deliveries from US Army. One source mentions him as member of Soviet delegation to UN in late 1944.

Travels Abroad:

Bulgaria (24 visits, 1974-88), Cuba (1976), Czechoslovakia (20 visits, 1977-88), Finland (1972, 1975), France (1973), GDR (20 visits, 1977-87), Hungary (18 visits, 1972-86), Iraq (1974), Poland (28 visits, 1977-88), Romania (16 visits,

KULIKOV Viktor Georgievich (continued)

1977-88), Sudan (1976), Sweden (1976), Syria (1975), Turkey (1972), Vietnam (1974), Yugoslavia (3 visits, 1972-76)

Speeches:

Topics include ideological and political work in the army and military-Party relations, comradeship-in-arms of Warsaw Pact, Lenin as developer of military science, and military discipline and preparedness of troops. Reports on Party congresses and work of Supreme Soviet.

Publications:

Articles and interviews on restructuring, national security, military history, weapons and institutions of Warsaw Pact, ideological and political aspects of defense, role of Soviet military leadership. He has also written articles criticizing Chinese and US military policies; he portrays the US as an imperialist aggressor and the leading cause of the arms race. He has reviewed the war memoirs of Marshal B. Shaposhnikov (1974), and is the author of a book on collective defense of socialism (1982).

Evident Patrons:

Considered protege of former Soviet Defense Minister Grechko (died 1976).

Experience & Expertise:

One of the two last remaining Soviet marshals in military leadership; rose up through the military by virtue of his performance at the front during World War II and in the Soviet military abroad; has recently commented on need for perestroika in the military.

Awards:

Hero of the Soviet Union (1981), Lenin Prize (1983), 3 Orders of Lenin (1971, 1978, 1981), 3 Orders of Red Banner of Labor, 2 Orders of Great Patriotic War (First Class), Order "For Service to the Fatherland in the USSR Armed Forces" (Third Class, 1975), Order of Red Star, medals and foreign orders

KVITSINSKY Yulii Aleksandrovich

Present Positions: USSR Ambassador to the Federal Republic of Germany

Date of Birth: September 28, 1936

Place of Birth: Rzhev, Kalinin Oblast

Nationality: Russian (Polish origins)

Family Background: White-collar

Higher Education: Graduated from Moscow State Institute of International Relations (MGIMO) in 1959; Candidate of Juridical Sciences (1968)

Career:

1959 - 65	Successively Interpreter, Attache, Third Secretary, Second Secretary at USSR Embassy, GDR
1962 -	Party member
1965 - 69	Second Secretary, then First Secretary, then Consultant at the Third European Department, USSR Ministry of Foreign Affairs (responsible for Austria, FRG, GDR)
1969 - 78	Deputy Chief, Third European Department, USSR Ministry of Foreign Affairs
1978 - 81	Minister-Counselor, USSR Embassy, FRG
1981 - 86	Ambassador-at-Large, USSR Ministry of Foreign Affairs
1985 - 86	Chief, Soviet delegation, Space Arms Group, Nuclear and Space Arms Talks in Geneva
1986 -	USSR Ambassador to the Federal Republic of Germany
1986 -	Candidate Member, CC CPSU

KVITSINSKY Yulii Aleksandrovich (continued)

Travels Abroad: France (1985), US (1975, 1976); numerous visits to Austria, FRG, GDR and Switzerland

Speeches: Spoke at January 1987 plenum and 1988 Party Conference on reconstruction in foreign service institutions.

Experience & Expertise: Specialist on German affairs and arms control; 1970-71 involved in Berlin Quadripartite Agreement talks; 1973-74 participated in MBFR talks in Vienna; 1981-83 participated in INF negotiations in Geneva.

Awards: Order of October Revolution (1987), Order of Red Banner of Labor, Order of Friendship of the Peoples

LIGACHEV Egor Kuz'mich

Present Positions: Secretary, CC CPSU; Full Member, Politburo, CC CPSU

Date of Birth: November 29, 1920

Place of Birth: Dubinkina

Nationality: Russian

Family Background: Unknown

Higher Education: Studied from 1938(?) to 1943 at Ordzhonikidze Institute for Aircraft Construction in Moscow and graduated with technical engineering degree; studied at Higher Party School, CC CPSU, Moscow, 1951 (correspondence courses)

Career: 1943 - 44 Chief Engineer in production group, Technology Department, V. I. Chkalov Plant (Novosibirsk)

1944 - Party member

1944 - 46 Secretary of a raikom in Novosibirsk Oblast, All-Union Komsomol

1946 - 49 Secretary, then First Secretary, Novosibirsk Obkom, All-Union Komsomol

1949 - 51 Lecturer, Novosibirsk Gorkom, CPSU

1951 - 52 Chief, Department of Culture, Novosibirsk Gorkom, CPSU

1952 - 53 Chief, Department of Culture, Novosibirsk Obkom, CPSU

1953 - 55 Worked in Novosibirsk Oblast Administration for Culture

1955 - 58 Deputy Chairman, Executive Committee, Novosibirsk Oblast Workers' Soviet

LIGACHEV Egor Kuz'mich (continued)

- 1958 - 59 First Secretary of Sovetsky Raikom, Novosibirsk Oblast, CPSU
- 1959 - 61 Secretary, Novosibirsk Obkom, CPSU
- 1961 - 63 Deputy Chief, Department of Propaganda and Agitation, CC CPSU Bureau for RSFSR
- 1963 - 65 Deputy Chief, Department for Party Organs, CC CPSU Bureau for RSFSR
- 1965 - 83 First Secretary, Tomsk Obkom, CPSU; Member, Military Council, Siberian Military District
- 1966 - 76 Candidate Member, CC CPSU
- 1966 - Deputy (and Member, Commission on Industry, Transport, and Communications, 1966-68; Chairman, Commission for Youth Affairs, 1968-74; Member, Commission on Planning and Budget, 1974-79; Deputy Chairman, Commission on Science and Technology, 1979-84; Chairman, Commission on Legislative Proposals, 1984-85; Chairman, Commission on Foreign Affairs, since 1985), Council of the Union, USSR Supreme Soviet (7th-11th convocations)
- 1976 - Full Member, CC CPSU
- 1983 - 85 Chief, Department for Party Organizational Work, CC CPSU
- 1983 - Secretary, CC CPSU (responsible for cadres, 1983-85; responsible for ideology, cadres and Party administration, 1985-88; responsible for agriculture, since 1988)
- 1985 - Full Member, Politburo, CC CPSU
- 1988 - Chairman, Commission on Agrarian Policy, CC CPSU

Travels Abroad:

Angola (1980), Czechoslovakia (1974), Cuba (1986), Bulgaria (1983), Finland (1986), FRG (1978), France (1975, 1987).

LIGACHEV Egor Kuz'mich (continued)

Hungary (2 visits, 1987), Mexico (1976), Poland (1984), Sao Tome and Principe (1980), Vietnam (1986), Yugoslavia (1970)

Speeches:

Topics include leading role of Party, ideology, campaign against alcoholism, criticism of US foreign policy, economic changes from the point of view of ideology and incentives, discipline and cadres, personnel changes. Keynote speaker at October Revolution Anniversary, 1986.

Publications:

Articles in Party and state newspapers on leading role of Party, plan fulfillment, oil industry and natural resources in Western Siberia, Party policy in Tomsk, mechanization of agriculture; article in a book on relations between Party committees and the press; article in connection with preparations for the Twenty-seventh Party Congress.

Evident Patrons:

Promoted by Andropov to central Party apparatus; elevation to post of "second" secretary in 1985 may have been an effort to counterbalance incumbents in Party apparatus with someone not associated with Gorbachev.

Experience & Expertise:

Assumed the role of guardian of Marxist-Leninist ideological orthodoxy. During time spent in the Tomsk Obkom, gained experience in strengthening labor discipline. He has been the driving force behind the campaign against corruption.

Political Line:

Perceived as cautious and conservative in comparison with Gorbachev, who favors rapid reforms. Cautions against too much glasnost, on the grounds that it could obscure the achievements of 70 years of communist rule.

Awards:

2 Orders of Lenin (1970, 1980), Order of October Revolution (1976), Order of Red Banner of Labor (1967)

LIZICHEV Aleksei Dmitrievich

Present Positions: Chief, Main Political Administration, Soviet Army and Navy

Date of Birth: June 22, 1928

Place of Birth: Vologda Oblast

Nationality: Russian

Family Background: Blue-collar

Higher Education: Attended Military School, 1946-49, and graduated from Lenin Military-Political Academy in Moscow in 1957

Career: 1949 - Party member

1949 - 61 Political Officer for Komsomol Work in a regiment, then in a division; Assistant for Komsomol Work to Chief of Political Administration, Northern Military District, later in Leningrad Military District

1961 - 65 Assistant for Komsomol Work to Chief of Main Political Administration, Soviet Army and Navy

1962 - 65 Candidate Member, Buro, CC All-Union Komsomol

1962 - 66 Member, CC All-Union Komsomol

1965 - 68 Chief of Political Administration, Army Corps, Volga Military District

1968 - 71 Deputy Chief, then First Deputy Chief, Political Administration, Moscow Military District

1971 - 75 First Deputy Chief, Political Administration, Group of Soviet Troops in Germany

LIZICHEV Aleksei Dmitrievich (continued)

1975 - 80 Chief of Political Administration and Member, Military Council, Transbaikalian Military District

1975 - 85 Deputy, RSFSR Supreme Soviet

1980 - 82 Deputy Chief, Main Political Administration, Soviet Army and Navy (responsible for ideology); Member, Central Board, Soviet Society for Friendship with GDR

1982 - 85 Chief of Political Administration, Group of Soviet Troops in Germany; Member, Military Council, Group of Soviet Troops in Germany

1984 - Deputy (and Member, Commission on Foreign Affairs, since 1985), Council of Nationalities, USSR Supreme Soviet (11th convocation)

1985 - Chief, Main Political Administration, Soviet Army and Navy

1986 - Full member, CC CPSU

1986 - Army General

1988 - Member, Commission on Legal Policy, CC CPSU

Travels Abroad:

Cuba (1980, 1987), Hungary (1987), Laos (1988), North Korea (1986), Poland (1971, 1980, 1988), Romania (1987), Vietnam (1988), North Yemen (1987)

Speeches:

Topics include national security and ideology (youth education, role of Party within army, army literature).

Publications:

On issues related to patriotic education, Komsomol work within army; books on military education (1985) and on Party-military relations after Twenty-seventh Party Congress (1986).

Experience & Expertise:

Started his career under Golikov and Epishev in the Main Political Administration, where he was responsible for all Komsomol activities in the Soviet Army.

LIZICHEV Aleksei Dmitrievich (continued)

The Main Political Administration is charged with maintaining the ideological purity of the Army.

Political Line:

Supports Gorbachev's policy of restructuring. Believes that the new concept of restructuring ideological work in the army should be applied primarily to: (1) resolving problems of combat readiness and strengthening troop discipline; (2) improving morale and creating a new ethical atmosphere in troop collectives, (3) renewing content and methods of mass political work.

Awards:

2 Orders of Red Star (1968, 1978)

LUK'YANOV Anatolii Ivanovich

Present Positions: First Deputy Chairman, Presidium, USSR Supreme Soviet; Candidate Member, Politburo, CC CPSU

Date of Birth: May 7, 1930

Place of Birth: Unknown

Nationality: Russian

Family Background: Unknown

Higher Education: Graduated from Law Faculty, Moscow State University, 1953; post-graduate studies, 1953-56; Doctor of Juridical Sciences (1980)

Career: 1943 -(?) Worker, "Arsenal" Munitions Factory in Balashov, Saratov Oblast

1955 - Party member

1956 - 61 Senior Consultant of Legal Commission, USSR Council of Ministers

1961 - 69 Senior Staff Official, Department of Soviet Activities, Presidium, USSR Supreme Soviet

1969 - 76 Deputy Chief, Department of Soviet Activities, Presidium, USSR Supreme Soviet

1976 - 77 Department Consultant, CC CPSU

1977 - 83 Chief of Secretariat, Presidium, USSR Supreme Soviet

1981 - 86 Member, Central Auditing Commission, CPSU

1983 - 85 First Deputy Chief, General Department, CC CPSU

1984 - 86 Member, Buro, Central Auditing Commission, CPSU

LUK'YANOV Anatolii Ivanovich (continued)

- 1985 - Deputy (and Chairman, Commission on Legal Proposals), RSFSR Supreme Soviet (11th convocation)
- 1985 - 87 Chief, General Department, CC CPSU
- 1986 - Full Member, CC CPSU
- 1987 - 88 Secretary, CC CPSU (duties include supervision of military, security, intelligence, and legal institutions; also responsible for Politburo staff work)
- 1987 - Deputy, Council of the Union, USSR Supreme Soviet (elected mid-term)
- 1987 - Member, Commission for Further Study of Materials and Documents Related to the Repressions of the Stalin Years, Politburo, CC CPSU
- 1988 - Candidate Member, Politburo, CC CPSU
- 1988 - First Deputy Chairman, Presidium, USSR Supreme Soviet

WW II Experience:

At the age of 13 went to work at top-secret "Arsenal" Munitions Factory, which had been evacuated from Kiev to the east when the war broke out.

Travels Abroad:

Denmark (1987), Yugoslavia (1986)

Speeches:

On process of democratization, glasnost', cadres work, political developments under Gorbachev, acceleration of socio-economic development.

Publications:

Articles in Party and other papers on Soviet legal system, Soviet democracy, constitutional issues, review of Chernenko's book on the work of soviets; author of two books on Soviet legal system (1978, 1981).

Evident Patrons:

Studied with Gorbachev at Moscow State University's Law Faculty; good connections to Chernenko.

LUK'YANOV Anatolii Ivanovich (continued)

Experience & Expertise:

Played a role in the preparation of Khrushchev's economic and legal reforms in 1950s. Under Brezhnev, took part in drafting Soviet constitution. Appointed to CC CPSU Secretariat and later to Presidium of USSR Supreme Soviet to oversee democratization process.

Political Line:

Criticized Stalinism openly in recent years; driving force behind legal reforms, democratization of society and reform of electoral procedures; supported Chernenko's views on enhancement of the role of soviets in order to increase public participation in state affairs.

Awards:

Order of October Revolution (1980)

LUSHCHIKOV Anatolii Pavlovich

Present Positions: Aide to General Secretary, CC CPSU

Date of Birth: November 7 (or 9), 1917

Place of Birth: Not known

Nationality: Russian

Family Background: Unknown

Higher Education: Graduated from Kuibyshev Agricultural
Tekhnikum in 1941

Career: 1941 - 46 Soldier in Red Army

1942 - Party member

1946 - 52 Worked in apparatus of Saratov Obkom,
CPSU

1952 - 54 First Secretary, Romanovka Raikom, CPSU
(Balashov Oblast; now Saratov Oblast)

1954 - 56 Chief of a department (of agriculture?),
Balashov Obkom, CPSU

1956 - 57 First Deputy Chairman, Executive
Committee, Balashov Oblast Workers'
Soviet

1957 - 60 Worked in apparatus, CC CPSU

1960 - 62 Secretary, Bryansk Obkom, CPSU
(responsible for agriculture?)

1962 - 71 Deputy Chief, Department of Agriculture,
CC CPSU

1971 - 78 Aide to Secretary, CC CPSU (Kulakov)

1978 - 85 Aide to Secretary, CC CPSU (Gorbachev)

1985 - Aide to General Secretary, CC CPSU
(Gorbachev; on general questions)

LUSHCHIKOV Anatolii Pavlovich (continued)

1985 - Deputy (and Member, Commission on Legislative Proposals), Council of Nationalities, USSR Supreme Soviet (since 11th convocation; elected mid-term)

1986 - Full Member, CC CPSU

Travels Abroad: Not known

Publications: Not known

Evident Patrons: Worked as advisor to Fedor Kulakov, the former CC secretary for agriculture and patron of Gorbachev. After Kulakov's death, Lushchikov became Gorbachev's advisor and, in 1985, head of the general secretary's personal chancellery.

Awards: Certificate of Honor, Presidium, RSFSR Supreme Soviet (1967), Order of Lenin

LUSHEV Petr Georgievich

Present Positions: USSR First Deputy Minister of Defense

Date of Birth: October 18, 1923

Place of Birth: Poboishche, Kholmogory Raion,
Arkhangel'sk Oblast

Nationality: Russian

Family Background: Unknown

Higher Education: Junior Lieutenants' Courses, 1941-42;
then Infantry Officers Courses, 1945-47;
attended Stalin Military Academy for
Tanks and Mechanized Troops, Moscow,
until 1954; attended Military Academy of
the General Staff, Moscow, until 1966

Career:

1942 - 45	Commander of a platoon, Senior Adjutant of a battalion, Commander of a company
1947 - 69	Commander of a tank battalion, Commander of a tank regiment in Leningrad, Kiev and Ural Military Districts; Deputy Comman- der, later Commander of Kantemirovka Guards Tank Division (Voronezh Oblast), Moscow Military District
1951 -	Party member
1969 - 71	First Deputy Commander, Soviet First Guards Tank Army, Dresden (GDR)
1971 - 73	Commander of Soviet First Guards Tank Army, Dresden (GDR)
1973 - 75	First Deputy Commander-in-Chief, Group of Soviet Troops in Germany
1975 - 80	Deputy, Estonian SSR Supreme Soviet
1975 - 77	Commander, Volga Military District
1977 - 80	Commander, Central Asian Military District

LUSHEV Petr Georgievich (continued)

1979 - Deputy (and Member, Commission on Housing, Municipal Economy), Council of the Union, USSR Supreme Soviet

1980 - 85 Commander, Moscow Military District; Chief of Moscow Garrison

1981 - Full Member, CC CPSU

1981 - Army General

1985 - 86 Commander-in-Chief, Group of Soviet Troops in Germany

1986 - USSR First Deputy Minister of Defense (in charge of internal affairs)

WW II Experience:

In 1942 he served in the 19th Rifle Division on the Volkhov and Leningrad fronts. Served during Leningrad blockade; wounded

Travels Abroad:

Czechoslovakia (1969), North Korea (1988) North Yemen (1988), South Yemen (1988)

Speeches:

On national security, ideology, arms control.

Publications:

Topics include Soviet military policy, increased discipline, decentralization of command and control, conventional versus nuclear warfare, military doctrine, national security.

Awards:

Hero of the Soviet Union, Order of Lenin, Order of Red Banner, 2 Orders of Red Star, Order "For Service to the Fatherland in the Soviet Armed Forces" (Third Class), Scharnhorst Order (GDR; 1986), 18 medals

MAKSIMOV Yurii Pavlovich

Present Positions: Commander-in-Chief, Strategic Rocket Forces; USSR Deputy Minister of Defense; Army General

Date of Birth: June 30, 1924

Place of Birth: Kryukovka, Michurinsk Raion, Tambov Oblast, RSFSR

Nationality: Russian

Family Background: Blue-collar

Higher Education: Graduated from Frunze Military Academy, Moscow, in 1950; graduated from Military Academy of the General Staff, Moscow, in 1965 (received gold medal)

Career: 1942 Began career in Red (after 1946, Soviet) Army

1943 - Party member

1943 - 45 Commander of a machine gun company

1945 - 57 Officer, General Staff in an operational area; Commander of a battalion

1957 - 69 Commander of a regiment; Deputy Chief of Staff of a motorized infantry division; Commander of a regiment; Chief of Staff of a division; Commander of a division (reportedly in Group of Soviet Troops in Germany)

1969 - 73 First Deputy Commander of an army unit

1973 - 76 First Deputy Commander, Turkestan Military District; Chief of Tashkent Garrison

1975 - 79 Deputy, Turkmen SSR Supreme Soviet

1976 - 78 Worked in General Staff, USSR Armed Forces

MAKSIMOV Yurii Pavlovich (continued)

1978 - 79 First Deputy Commander, Turkestan Military District

1979 - 84 Commander (and Chairman of Military Council), Turkestan Military District

1979 - Deputy (and Member, Commission on Public Education and Culture), Council of Nationalities (10th convocation); Deputy (and Member, Commission on Public Education and Culture), Council of the Union, USSR Supreme Soviet (11th convocation)

1981 - 84 Member, Buro, CC Uzbek CP

1981 - 86 Member, CC Uzbek CP

1981 - 86 Candidate Member, CC CPSU

1982 - Army General

1984 - 85 Commander, Southern Theater of Operations (TVD)

1985 - Commander-in-Chief, Strategic Rocket Forces; USSR Deputy Minister of Defense

1986 - Full Member, CC CPSU

WW II Experience:

Involved in combat operations on the Southern, Western, Second, Third, and Fourth Ukrainian Fronts; wounded three times.

Publications:

Articles on national security, foreign policy, military management and Party control, education and tradition in the army.

Experience & Expertise:

As commander of Turkestan Military District and of Southern Theater, in charge of all military operations in Afghanistan. Under Gorbachev, experience in Afghanistan has become an important qualification for promotion up the military hierarchy to Moscow. As commander-in-chief of the strategic

MAKSIMOV Yurii Pavlovich (continued)

rocket forces since 1985, he has been in charge of the country's long- and medium-range nuclear weapons--the most important of the five main branches of the armed forces.

Awards:

Hero of the Soviet Union (1982), Order of Lenin (1982), Certificate of Honor, Presidium, Uzbek SSR Supreme Soviet (1984), 3 Orders of Red Banner, Order of Red Star, 2 Orders of Patriotic War (First and Third Class), medals and foreign orders

Member, Politburo, CC CPSU	1981 - 84
Member, CC CPSU	1981 - 84
Candidate Member, CC CPSU	1981 - 84
Army General	1981 - 84
Commander, Southern Theater of Operations (T-O)	1984 - 85
Commander-in-Chief, Strategic Rocket Forces, USSR Deputy Minister of Defense	1985 -
Full Member, CC CPSU	1985 -

involved in combat operations on the Southern, Western, Second, Third, and Fourth Ukrainian Front; wounded three times.

Articles on national security, foreign policy, military management and Party control, education and tradition in the army.

As commander of Turkistan Military District and of Southern Theater in charge of all military operations in Afghanistan. Under Gorbachev, experience in Afghanistan has become an important qualification for promotion up the military hierarchy in Moscow. As commander-in-chief of the strategic

MASLYUKOV Yuri Dmitrievich

Present Positions: First Deputy Chairman, USSR Council of Ministers; Candidate Member, Politburo, CC CPSU; Chairman, USSR State Planning Committee (Gosplan); Member, Presidium, USSR Council of Ministers

Date of Birth: September 30, 1937

Place of Birth: Leninabad, Tajik SSR

Nationality: Russian

Family Background: Unknown

Higher Education: Graduated in 1962 from Leningrad Institute of Mechanics with degree in engineering

Career: 1962 - 70 Successively Engineer, Technological Engineer, Department Deputy Chief, Chief Engineer, and Deputy Director at a (military-related?) technological-scientific research institute

1966 - Party member

1970 - 74 Chief Engineer, branch of an Izhevsk machine-building plant

1974 - 82 Chief of a Main Administration, USSR Ministry of Defense Industry

1979 - 82 USSR Deputy Minister of Defense Industry

1982 - 85 First Deputy Chairman, USSR Gosplan (responsible for armaments)

1984 - Deputy (and Member, Commission on Foreign Affairs, 1984-85), Council of Nationalities, USSR Supreme Soviet (11th convocation)

1985 - 88 Deputy Chairman, USSR Council of Ministers; Chairman, Military-Industrial Commission, Presidium, USSR Council of

MASLYUKOV Yurii Dmitrievich (continued)

Ministers

- 1985 - Member, Presidium, USSR Council of Ministers
- 1986 - Full Member, CC CPSU
- 1988 - First Deputy Chairman, USSR Council of Ministers; Chairman, USSR State Planning Committee (Gosplan); Chairman, Commission for Improving Administration, Planning, and the Economic Mechanism, USSR Council of Ministers
- 1988 - Candidate Member, Politburo, CC CPSU
- 1988 - Chairman, Commission for Arctic Affairs, USSR Council of Ministers
- 1988 - Member, Commission on Socio-Economic Policy, CC CPSU

Travels Abroad:

Bulgaria (2 visits, 1988), China (1988), Czechoslovakia (1986, 1988), India (1988), Poland (1987)

Evident Patrons:

Ryzhkov (see biography), who added a large number of representatives of the military and industrial complex to the Presidium, Council of Ministers.

Experience & Expertise:

Specialist in armament affairs; worked in military research facilities. Replaced Ryzhkov (who was appointed Secretary, CC CPSU) as First Deputy Chairman, Gosplan (in charge of the arms industry) in 1982. As member of Foreign Affairs Commission of USSR Supreme Soviet's Council of Nationalities, was presumably responsible for arms export. Since 1988, in charge of difficult task of restructuring the work of Gosplan under new economic conditions.

Awards:

Order of Lenin (1987), Order of October Revolution, Order of Red Banner of Labor, Order "Badge of Honor" (all awarded for achievements in defense industry)

MATROSOV Vadim Aleksandrovich

Present Positions: Deputy Chairman, USSR Committee for State Security (KGB); Chief, Main Administration for Border Troops, USSR KGB

Date of Birth: October 13, 1917

Place of Birth: Unknown

Nationality: Russian

Family Background: White-collar

Higher Education: Studied at Military-Juridical Academy of Soviet Army, Moscow, until 1955; attended Higher Academic Courses at Military Academy of the General Staff, Moscow, 1958-59

Career: 1938 Began career in Soviet state security forces

1941 - 44 Senior Assistant to Chief of Reconnaissance, Border Troops Regiment at Karelian front

1944 - Party member

1944 - 58 Senior Assistant to Chief of a subdivision, Administration for Border Troops of a border district; Deputy Chief of a subdivision, then Deputy Department Chief, Main Administration for Border Troops, USSR KGB

1959 - 61 Chief of Staff, Transcaucasian Border District

1961 - 63 Deputy Chief of Staff, Border Troops, USSR KGB

1963 - 67 Chief of Troops, Transcaucasian Border District (Tbilisi)

1964 - 71 Full Member, CC Georgian CP

MATROSOV Vadim Aleksandrovich (continued)

1966 - 70 Deputy, Council of Nationalities, USSR Supreme Soviet (7th convocation)

1967 - 72 Chief of Staff, Border Troops, USSR KGB

1972 - Chief, Main Administration for Border Troops, USSR KGB, and Chief of Border Troops, USSR KGB

1973 - Deputy (and Member, Commission for Consumer Goods and Services, since 1985), RSFSR Supreme Soviet

1978 - Army General (KGB)

1984 - Deputy Chairman, USSR KGB

WW II Experience:

Sent to serve with border troops at the Karelian Front.

Travels Abroad:

China (1969), Finland (1987), GDR (1984, 1988) Turkey (1973)

Speeches:

Delivered at military meetings on topics such as Soviet Border Troops, national defense, and the struggle against imperialist subversion.

Publications:

Interviews in Party and military press on performance of Border Troops; article on history of Border Troops (1978).

Evident Patrons:

Reportedly worked with Yurii Andropov in Karelia during World War II.

Experience & Expertise:

According to the Law on the USSR State Border of 1982, Matrosov's KGB Border Troops (estimated to number between 200,000 and 400,000) bear responsibility for the protection of land and sea borders. The Border Troops also guard against importation of subversive literature.

Awards:

Hero of the Soviet Union (1982), Order of Lenin (1987)

MEDVEDEV Vadim Andreovich

Present Positions: Secretary, CC CPSU; Full Member, Politburo, CC CPSU

Date of Birth: March 29, 1929

Place of Birth: Mokhon'kovo, Danilov Raion, Yaroslavl' Oblast

Nationality: Russian

Family Background: Unknown

Higher Education: Graduated from Leningrad State University in 1951; Doctor of Economic Sciences; Professor (1968)

Career: 1951 -56 Chief Lecturer, Leningrad State University

1952 - Party member

1956 - 61 Assistant Professor, Leningrad Institute of Rail Transport

1961 - 68 Held chair of Politeconomics at Leningrad Technological Institute

1968 - 70 Secretary, Leningrad Gorkom, CPSU (responsible for ideology)

1970 - 78 Deputy Chief, Department of Propaganda, CC CPSU

1976 - 86 Member, Central Auditing Commission, CPSU

1978 - 83 Rector, Academy of Social Sciences, CC CPSU, Moscow

1983 - 86 Chief, Department of Science and Educational Institutions, CC CPSU

1984 - Corresponding Member, USSR Academy of Sciences (Economics Section)

MEDVEDEV Vadim Andreevich (continued)

- 1984 - Deputy (and Member, Commission on Science and Technology, 1984-88; Member, Commission on Foreign Affairs, since 1988), Council of the Union, USSR Supreme Soviet (11th convocation)
- 1986 - Full Member, CC CPSU
- 1986 - Secretary, CC CPSU (responsible for bloc relations; for ideology, since 1988)
- 1986 - 88 Chief, Department for Liaison with Communist and Workers' Parties of Socialist Countries, CC CPSU
- 1988 - Full Member, Politburo, CC CPSU
- 1988 - Chairman, Ideological Commission, CC CPSU
- 1988 - Member, Commission for Further Study of Materials and Documents Related to the Repressions of the Stalin Years, Politburo, CC CPSU

Travels Abroad:

Bulgaria (3 visits, 1972-1987), Cuba (1973, 1988), Czechoslovakia (3 visits, 1975-1987), Denmark (1977), France (1970, 1977), FRG (1979, 1983), GDR (6 visits, 1971-1988), Guyana (1979), Hungary (1986), Iraq (1976), Mongolia (1982), Poland (3 visits, 1984-1988), Portugal (1988), Romania (1987), Spain (1983), Vietnam (1974, 1986), West Berlin (1979, 1987), Yugoslavia (1988)

Speeches:

Has spoken in favour of glasnost'; has also discussed implications of Gorbachev's policy, strengthening of socialism.

Publications:

Articles in newspapers and journals on restructuring in the field of ideology (1988), economic reform, relations between socialist countries, economic management, and education; author of books on the development of socialism.

Evident Patrons:

Associated with A. Yakovlev (see biography), with whom he worked in CC CPSU propaganda apparat in 1970s.

MEDVEDEV Vadim Andreevich (continued)

Experience & Expertise:

Reform-oriented Party ideologist and economic theoretician. Chosen in 1986 to implement new strategy for dealing with Eastern bloc countries, involving the direction of creative comparison of attitudes toward reform among various socialist countries. Stated on several occasions that the CPSU has been drawing on experience of other fraternal Parties. Replaced Ligachev as Party secretary in charge of ideology in September 1988.

Awards:

Order of October Revolution (1979)

1987 - 1991	Secretary of the Central Committee of the CPSU
1986 - 1987	Secretary of the Central Committee of the CPSU
1985 - 1986	Secretary of the Central Committee of the CPSU
1984 - 1985	Secretary of the Central Committee of the CPSU
1983 - 1984	Secretary of the Central Committee of the CPSU
1982 - 1983	Secretary of the Central Committee of the CPSU
1981 - 1982	Secretary of the Central Committee of the CPSU
1980 - 1981	Secretary of the Central Committee of the CPSU
1979 - 1980	Secretary of the Central Committee of the CPSU
1978 - 1979	Secretary of the Central Committee of the CPSU
1977 - 1978	Secretary of the Central Committee of the CPSU
1976 - 1977	Secretary of the Central Committee of the CPSU
1975 - 1976	Secretary of the Central Committee of the CPSU
1974 - 1975	Secretary of the Central Committee of the CPSU
1973 - 1974	Secretary of the Central Committee of the CPSU
1972 - 1973	Secretary of the Central Committee of the CPSU
1971 - 1972	Secretary of the Central Committee of the CPSU
1970 - 1971	Secretary of the Central Committee of the CPSU
1969 - 1970	Secretary of the Central Committee of the CPSU
1968 - 1969	Secretary of the Central Committee of the CPSU
1967 - 1968	Secretary of the Central Committee of the CPSU
1966 - 1967	Secretary of the Central Committee of the CPSU
1965 - 1966	Secretary of the Central Committee of the CPSU
1964 - 1965	Secretary of the Central Committee of the CPSU
1963 - 1964	Secretary of the Central Committee of the CPSU
1962 - 1963	Secretary of the Central Committee of the CPSU
1961 - 1962	Secretary of the Central Committee of the CPSU
1960 - 1961	Secretary of the Central Committee of the CPSU
1959 - 1960	Secretary of the Central Committee of the CPSU
1958 - 1959	Secretary of the Central Committee of the CPSU
1957 - 1958	Secretary of the Central Committee of the CPSU
1956 - 1957	Secretary of the Central Committee of the CPSU
1955 - 1956	Secretary of the Central Committee of the CPSU
1954 - 1955	Secretary of the Central Committee of the CPSU
1953 - 1954	Secretary of the Central Committee of the CPSU
1952 - 1953	Secretary of the Central Committee of the CPSU
1951 - 1952	Secretary of the Central Committee of the CPSU
1950 - 1951	Secretary of the Central Committee of the CPSU
1949 - 1950	Secretary of the Central Committee of the CPSU
1948 - 1949	Secretary of the Central Committee of the CPSU
1947 - 1948	Secretary of the Central Committee of the CPSU
1946 - 1947	Secretary of the Central Committee of the CPSU
1945 - 1946	Secretary of the Central Committee of the CPSU
1944 - 1945	Secretary of the Central Committee of the CPSU
1943 - 1944	Secretary of the Central Committee of the CPSU
1942 - 1943	Secretary of the Central Committee of the CPSU
1941 - 1942	Secretary of the Central Committee of the CPSU
1940 - 1941	Secretary of the Central Committee of the CPSU
1939 - 1940	Secretary of the Central Committee of the CPSU
1938 - 1939	Secretary of the Central Committee of the CPSU
1937 - 1938	Secretary of the Central Committee of the CPSU
1936 - 1937	Secretary of the Central Committee of the CPSU
1935 - 1936	Secretary of the Central Committee of the CPSU
1934 - 1935	Secretary of the Central Committee of the CPSU
1933 - 1934	Secretary of the Central Committee of the CPSU
1932 - 1933	Secretary of the Central Committee of the CPSU
1931 - 1932	Secretary of the Central Committee of the CPSU
1930 - 1931	Secretary of the Central Committee of the CPSU
1929 - 1930	Secretary of the Central Committee of the CPSU
1928 - 1929	Secretary of the Central Committee of the CPSU
1927 - 1928	Secretary of the Central Committee of the CPSU
1926 - 1927	Secretary of the Central Committee of the CPSU
1925 - 1926	Secretary of the Central Committee of the CPSU
1924 - 1925	Secretary of the Central Committee of the CPSU
1923 - 1924	Secretary of the Central Committee of the CPSU
1922 - 1923	Secretary of the Central Committee of the CPSU
1921 - 1922	Secretary of the Central Committee of the CPSU
1920 - 1921	Secretary of the Central Committee of the CPSU
1919 - 1920	Secretary of the Central Committee of the CPSU
1918 - 1919	Secretary of the Central Committee of the CPSU
1917 - 1918	Secretary of the Central Committee of the CPSU
1916 - 1917	Secretary of the Central Committee of the CPSU
1915 - 1916	Secretary of the Central Committee of the CPSU
1914 - 1915	Secretary of the Central Committee of the CPSU
1913 - 1914	Secretary of the Central Committee of the CPSU
1912 - 1913	Secretary of the Central Committee of the CPSU
1911 - 1912	Secretary of the Central Committee of the CPSU
1910 - 1911	Secretary of the Central Committee of the CPSU
1909 - 1910	Secretary of the Central Committee of the CPSU
1908 - 1909	Secretary of the Central Committee of the CPSU
1907 - 1908	Secretary of the Central Committee of the CPSU
1906 - 1907	Secretary of the Central Committee of the CPSU
1905 - 1906	Secretary of the Central Committee of the CPSU
1904 - 1905	Secretary of the Central Committee of the CPSU
1903 - 1904	Secretary of the Central Committee of the CPSU
1902 - 1903	Secretary of the Central Committee of the CPSU
1901 - 1902	Secretary of the Central Committee of the CPSU
1900 - 1901	Secretary of the Central Committee of the CPSU

MIRONENKO Viktor Ivanovich

Present Positions: First Secretary, CC All-Union Komsomol

Date of Birth: June 7, 1953

Place of Birth: Chernigov, Ukrainian SSR

Nationality: Ukrainian

Family Background: Son of high ranking Party official

Higher Education: Studied at Historical Faculty, Moscow State University; graduated from T. G. Shevchenko Pedagogical Institute in Chernigov (Ukraine) in 1975

Career:

1967 -	Komsomol member
1970 - 73	Fitter at a chemical enterprise
1973 - 75	Chairman of Trade Union Committee and Komsomol Secretary, T.G. Shevchenko Pedagogical Institute in Chernigov
1975 -	Party member
1975 - 76	Served in Soviet Army
1976 - 77	Assistant to the Chair for Party History and Scientific Communism, T.G. Shevchenko Pedagogical Institute in Chernigov; Secretary, Komsomol Committee, T.G. Shevchenko Pedagogical Institute
1977 - 82	First Secretary of a raikom, Ukrainian Komsomol; Secretary, Chernigov Obkom, Ukrainian Komsomol; Department Chief, CC Ukrainian Komsomol
1982 - 83	Secretary, CC Ukrainian Komsomol (responsible for ideology)
1982 - 86	Member, Buro, CC Ukrainian Komsomol
1982 - 87	Member, CC Ukrainian Komsomol

MIRONENKO Viktor Ivanovich (continued)

1982 - Member, CC All-Union Komsomol

1983 Second Secretary, CC Ukrainian Komsomol

1983 - 86 First Secretary, CC Ukrainian Komsomol

1983 - Member, Buro, CC All-Union Komsomol

1984 - Deputy, Ukrainian SSR Supreme Soviet
(elected mid-term)

1985 - 86 Member, Presidium, Ukrainian SSR Supreme
Soviet

1986 - 88 Candidate Member, CC CPSU

1986 - First Secretary, CC All-Union Komsomol

1986 - Deputy, Council of the Union, USSR
Supreme Soviet (elected mid-term)

1986 - Member, Presidium, USSR Supreme Soviet

1988 - Full Member, CC CPSU

1988- Member, Commission on Party Work and
Cadres Policy, CC CPSU

Travels Abroad:

China (1988), US (1984, 1985)

Speeches:

Topics include youth affairs, cadres, democratization of Soviet society, reconstruction in the Komsomol, criticism of bureaucracy in Komsomol; report to the Twentieth Komsomol Congress (1987).

Publications:

Articles and interviews on role of Komsomol, glasnost' and perestroika, youth problems, drug abuse, cadres.

Experience & Expertise:

Youngest Komsomol leader for 25 years; Gorbachev selected him from outside the central Komsomol apparatus to carry out reconstruction in Komsomol bureaucracy. Promised to give rank-and-file members a greater voice in Komsomol affairs.

Awards:

Order of Red Banner of Labor, medals

MOISEEV Mikhail Alekseevich

Present Positions: USSR First Deputy Minister of Defense; Chief of General Staff, USSR Armed Forces; Secretary, USSR Defense Council

Date of Birth: 1939

Place of Birth: Khabarovsk

Nationality: Unknown

Family Background: Blue-collar

Higher Education: Attended military officers' school until 1962; graduated from M.V. Frunze Military Academy in 1972; graduated from Military Academy of the General Staff, Moscow, in 1982

Career: 1958 Began career in Soviet Army

1962 - ? Commander of a platoon; Commander of a company; Chief of Staff of a battalion; Commander of a battalion

1972 - 80 Commander of a regiment; Chief of Staff of a rifle division, Group of Soviet Troops in Germany (?)

1982 - 86 Commander of a division; Commander of an army, Far Eastern Military District

1986 - 87 First Deputy Commander and Chief of Staff, Far Eastern Military District

1987 - 88 Commander, Far Eastern Military District; Colonel General (1987)

1988 - Chief of General Staff, USSR Armed Forces; USSR First Deputy Minister of Defense; Secretary, USSR Defense Council

Travels Abroad: Unknown

Speeches: Unknown

MOISEEV Mikhail Alekseevich (continued)

Publications: Articles in Soviet military press on strengthening military discipline, need for unity between ethnic groups in army, improvement of technical training of Soviet officer corps.

Evident Patrons: Yazov (see biography), Tret'yak (see biography)

Experience & Expertise: Too young to have participated in the Second World War. One of the new generation of Soviet officers whose careers have been made entirely in the nuclear era.

Awards: Unknown

Graduated from Stavropol' State Univ. Institute in 1954

Served in Red Army (1954-1955) Army Party center

Teacher in Stavropol' Univ. 1950 - 54

First Secretary, Stavropol' Region, 1951 - 52

First Party and government posts in Stavropol' Univ. 1958 - 59

Secretary, Stavropol' Region, CPSU 1959 - 61

Department Chief, Stavropol' Region, CPSU 1961 - 63

Deputy Chairman, Executive Committee, Stavropol' First Workers' Sovets 1963 - 64

First Secretary, Krasnodar Region, CPSU 1965 - 70

First Secretary, Stavropol' Region, CPSU 1970 - 74

Deputy and member, Commission on Health, Social Security, and Sports, USSR Supreme Soviet (5th convocation) 1971 - 75

MURAKHOVSKY Vsevolod Serafimovich

Present Positions: First Deputy Chairman, USSR Council of Ministers; Chairman, USSR State Agro-Industrial Committee (Gosagroprom); Member, Presidium, USSR Council of Ministers

Date of Birth: October 20, 1926

Place of Birth: Unknown

Nationality: Ukrainian

Family Background: Unknown

Higher Education: Graduated from Stavropol' Pedagogical Institute in 1954

Career:

1944 - 50	Served in Red (after 1946, Soviet) Army
1946 -	Party member
1950 - 54	Teacher in Stavropol' Krai
1954 - 56	First Secretary, Stavropol' Gorkom, All-Union Komsomol
1956 - 59	Held Party and government posts in Stavropol' Krai
1959 - 61	Secretary, Stavropol' Gorkom, CPSU
1961 - 63	Department Chief, Stavropol' Kraikom, CPSU
1963 - 64	Deputy Chairman, Executive Committee, Stavropol' Krai Workers' Soviet
1965 - 70	First Secretary, Kislovodsk Gorkom, CPSU
1970 - 74	First Secretary, Stavropol' Gorkom, CPSU
1971 - 75	Deputy (and Member, Commission on Health, Social Security, and Sports), RSFSR Supreme Soviet (8th convocation)

MURAKHOVSKY Vsevolod Serafimovich (continued)

1974 - 75	Secretary, Stavropol' Kraikom, CPSU (responsible for ideology)
1975 - 78	First Secretary, Karachaevo-Cherkessk Obkom, CPSU
1978 - 85	First Secretary, Stavropol' Kraikom, CPSU; Member, Military Council, North Caucasian Military District
1979 -	Deputy (and Member, Commission on Science and Technology, 1979-84; Deputy Chairman, Mandate Commission, 1984-85), Council of the Union, USSR Supreme Soviet (since 10th convocation)
1981 -	Full Member, CC CPSU
1985 -	First Deputy Chairman, USSR Council of Ministers; Chairman, USSR State Agro-Industrial Committee (Gosagroprom); Chairman, Commission of Presidium of USSR Council of Ministers for Environmental Protection and the Rational Use of Natural Resources; Member, Presidium, USSR Council of Ministers
1988 -	Member, Commission on Agrarian Policy, CC CPSU
Travels Abroad:	Afghanistan (1986, 1988), Canada (1987), France (1987), FRG (1987), Great Britain (1986), Hungary (1985), Laos (1982), Mongolia (3 visits, 1986-1988), Poland (1986), Sweden (1987)
Speeches:	Topics include management of industry and agriculture, consumer goods.
Publications:	Articles in newspapers and journals on internal politics, economic management, agriculture, tasks of Gosagroprom.
Evident Patrons:	It was Gorbachev who replaced Murakhovsky as first secretary of Stavropol' Gorkom of Komsomol in 1956. In the years that followed, their paths crossed several times.

MURAKHOVSKY Vsevolod Serafimovich (continued)

Experience & Expertise:

Agricultural specialist from Stavropol'; appointed head of Gosagroprom, a post involving supervision of the entire food sector, as well as related sectors; he is thus responsible for the functions of five ministries and one state committee. Criticized for failure to carry out decisions to prevent pollution of Lake Baikal (1987).

Political Line:

In keeping with Gorbachev's campaign for increased efficiency, called for better use both of existing resources and of scientific and technological advancements; advocates increasing the number of plots available to families for private cultivation.

Awards:

Hero of Socialist Labor (1982), 2 Orders of Lenin (1982, 1986), Order of October Revolution (1976)

NIKONOV Viktor Petrovich

Present Positions: Secretary, CC CPSU; Full Member, Politburo, CC CPSU

Date of Birth: February 28, 1929

Place of Birth: Unknown

Nationality: Russian

Family Background: Peasant

Higher Education: Graduated from Azov-Black Sea Agricultural Institute, Rostov, in 1950

Career: 1950 - 52 Chief Agronomist, Andronov Machine-Tractor Station (MTS), Uzhur (Krasnoyarsk Krai)

1952 - 55 Deputy Director, Agronomist School in Uyar (Krasnoyarsk Krai)

1954 - Party member

1955 - 58 Director, Uspensky Machine-Tractor Station (MTS), Rybinsky Raion (Krasnoyarsk Krai)

1958 - 61 Deputy Chief, then Chief, Department of Agriculture, Krasnoyarsk Kraikom, CPSU

1961 Instructor, Department of Agriculture, CC CPSU

1961 - 67 Second Secretary, Tatar Obkom, CPSU

1962 - Deputy (and Member, Commission on Agriculture, 1966-70), Council of Nationalities, USSR Supreme Soviet (6th-7th convocations); Deputy (and Member, Commission on Agriculture, 1970-74, Deputy Chairman, Commission on Agriculture, 1974-84) Council of the Union, USSR Supreme Soviet (8th-10th convocations); Deputy (and Deputy Chairman, Commission on Agro-Industrial

NIKONOV Viktor Petrovich (continued)

- Complex), Council of Nationalities, USSR Supreme Soviet (11th convocation)
- 1967 - 79 First Secretary, Mari Obkom, CPSU
- 1971 - 76 Candidate Member, CC CPSU
- 1976 - Full Member, CC CPSU
- 1979 - 83 Chairman of Soyuzsel'khozkhimiya association; USSR Deputy Minister of Agriculture
- 1983 - 85 RSFSR Minister of Agriculture; Chairman, All-Russian Council of Collective Farms; Member, Russian Council of Social Welfare for Peasants; Member, Commission on Agro-Industrial Complex, Presidium, RSFSR Council of Ministers
- 1985 - Secretary, CC CPSU (responsible for agriculture)
- 1987 - Full Member, Politburo, CC CPSU
- 1988 - Deputy Chairman, Commission on Agrarian Policy, CC CPSU

Travels Abroad:

Bulgaria (1982, 1988), Czechoslovakia (2 visits, 1986), FRG (1983), GDR (1986), Guadeloupe (1976), Guinea (1980), Hungary (1985), Madagascar (1978), Poland (1987), Romania (1988), Tanzania (1974), Uruguay (1970), US (1987), Yugoslavia (1985, 1988)

Speeches:

Topics include economic reform in agriculture, plan fulfillment, chemistry, forestry.

Publications:

In Party and other newspapers on domestic policy, economic management, agriculture. Co-author of book Pod solntsem oktyabrya (Under the October Sun; 1967). Contributed to a book on the March 1965 CPSU plenum results (1975).

Evident Patrons:

Known to Gorbachev from the latter's period in charge of agriculture.

NIKONOV Viktor Petrovich (continued)

Experience & Expertise: Agricultural specialist and Party organizer. Started career in Krasnoyarsk, Chernenko's power base; later served at CC CPSU Department of Agriculture for a short time under Khrushchev, but then sent to the provinces. He enjoyed greater success in his career after Gorbachev's rise to power. The capacity for leadership he exhibited in Mari ASSR and as RSFSR minister of agriculture evidently recommended him as a candidate for the post of CC CPSU secretary for agriculture. He is responsible for supervising reform of Soviet agriculture.

Political Line: Shares Gorbachev's belief that radical reforms are needed to boost lagging agricultural production.

Awards: Order of October Revolution (1979)

PAVLOV Anatolii Safronovich

Present Positions: Chief, Department for State and Legal Policy, CC CPSU

Date of Birth: Unknown

Place of Birth: Unknown

Nationality: Unknown

Family Background: Unknown

Higher Education: Unknown

Career: 1982 (id) Lecturer on Party history at All-Union Juridical Institute for Correspondence Courses

1983 (id) Chief of a sector, Department of Administrative Organs, CC CPSU

1988 (id) Deputy Chief, Department of Administrative Organs, CC CPSU

1988 - Chief, Department for State and Legal Policy, CC CPSU

Travels Abroad: Romania (1988)

Speeches: Unknown

Publications: Book on "Party Leadership of the Local Soviets in the Post-War Years" (1982).

Evident Patrons: Probably Luk'yanov (see biography)

Experience & Expertise: Became chief of a sector of Administrative Organs Department dealing with the Soviet procuracy (id 1983). The appointment to a post in the reorganized (and renamed) Administrative Organs Department of someone of Pavlov's specialism--Soviet administration--rather than a specialist on the military or KGB appears to be a significant development.

PAVLOV Anatolii Safronovich (continued)

Political Line:

Pavlov's views appear similar to those of Luk'yanov (see biography). In his book (1982) he argued that enhancement of the role of the Soviets would increase public participation in state affairs--an idea which is today at the top of Gorbachev's political agenda.

Awards:

Unknown

1982 - 83	Deputy Chief, Department for Party Organizational Work, CC CPSU
1981 - 82	Secretary, Overdivisional Group, CPSU
1980 - 81	Deputy, USSR Supreme Soviet
1979 - 80	First Deputy, Ministry of Defense, USSR
1978 - 79	Deputy Chief, Department for Party Organizational Work, CC CPSU
1977 - 78	Deputy Chief, Department for Party Organizational Work, CC CPSU
1976 - 77	Deputy Chief, Department for Party Organizational Work, CC CPSU
1975 - 76	Deputy Chief, Department for Party Organizational Work, CC CPSU
1974 - 75	Deputy Chief, Department for Party Organizational Work, CC CPSU
1973 - 74	Deputy Chief, Department for Party Organizational Work, CC CPSU
1972 - 73	Deputy Chief, Department for Party Organizational Work, CC CPSU
1971 - 72	Deputy Chief, Department for Party Organizational Work, CC CPSU
1970 - 71	Deputy Chief, Department for Party Organizational Work, CC CPSU
1969 - 70	Deputy Chief, Department for Party Organizational Work, CC CPSU
1968 - 69	Deputy Chief, Department for Party Organizational Work, CC CPSU
1967 - 68	Deputy Chief, Department for Party Organizational Work, CC CPSU
1966 - 67	Deputy Chief, Department for Party Organizational Work, CC CPSU
1965 - 66	Deputy Chief, Department for Party Organizational Work, CC CPSU
1964 - 65	Deputy Chief, Department for Party Organizational Work, CC CPSU
1963 - 64	Deputy Chief, Department for Party Organizational Work, CC CPSU
1962 - 63	Deputy Chief, Department for Party Organizational Work, CC CPSU
1961 - 62	Deputy Chief, Department for Party Organizational Work, CC CPSU
1960 - 61	Deputy Chief, Department for Party Organizational Work, CC CPSU
1959 - 60	Deputy Chief, Department for Party Organizational Work, CC CPSU
1958 - 59	Deputy Chief, Department for Party Organizational Work, CC CPSU
1957 - 58	Deputy Chief, Department for Party Organizational Work, CC CPSU
1956 - 57	Deputy Chief, Department for Party Organizational Work, CC CPSU
1955 - 56	Deputy Chief, Department for Party Organizational Work, CC CPSU
1954 - 55	Deputy Chief, Department for Party Organizational Work, CC CPSU
1953 - 54	Deputy Chief, Department for Party Organizational Work, CC CPSU
1952 - 53	Deputy Chief, Department for Party Organizational Work, CC CPSU
1951 - 52	Deputy Chief, Department for Party Organizational Work, CC CPSU
1950 - 51	Deputy Chief, Department for Party Organizational Work, CC CPSU
1949 - 50	Deputy Chief, Department for Party Organizational Work, CC CPSU
1948 - 49	Deputy Chief, Department for Party Organizational Work, CC CPSU
1947 - 48	Deputy Chief, Department for Party Organizational Work, CC CPSU
1946 - 47	Deputy Chief, Department for Party Organizational Work, CC CPSU
1945 - 46	Deputy Chief, Department for Party Organizational Work, CC CPSU
1944 - 45	Deputy Chief, Department for Party Organizational Work, CC CPSU
1943 - 44	Deputy Chief, Department for Party Organizational Work, CC CPSU
1942 - 43	Deputy Chief, Department for Party Organizational Work, CC CPSU
1941 - 42	Deputy Chief, Department for Party Organizational Work, CC CPSU
1940 - 41	Deputy Chief, Department for Party Organizational Work, CC CPSU
1939 - 40	Deputy Chief, Department for Party Organizational Work, CC CPSU
1938 - 39	Deputy Chief, Department for Party Organizational Work, CC CPSU
1937 - 38	Deputy Chief, Department for Party Organizational Work, CC CPSU
1936 - 37	Deputy Chief, Department for Party Organizational Work, CC CPSU
1935 - 36	Deputy Chief, Department for Party Organizational Work, CC CPSU
1934 - 35	Deputy Chief, Department for Party Organizational Work, CC CPSU
1933 - 34	Deputy Chief, Department for Party Organizational Work, CC CPSU
1932 - 33	Deputy Chief, Department for Party Organizational Work, CC CPSU
1931 - 32	Deputy Chief, Department for Party Organizational Work, CC CPSU
1930 - 31	Deputy Chief, Department for Party Organizational Work, CC CPSU
1929 - 30	Deputy Chief, Department for Party Organizational Work, CC CPSU
1928 - 29	Deputy Chief, Department for Party Organizational Work, CC CPSU
1927 - 28	Deputy Chief, Department for Party Organizational Work, CC CPSU
1926 - 27	Deputy Chief, Department for Party Organizational Work, CC CPSU
1925 - 26	Deputy Chief, Department for Party Organizational Work, CC CPSU
1924 - 25	Deputy Chief, Department for Party Organizational Work, CC CPSU
1923 - 24	Deputy Chief, Department for Party Organizational Work, CC CPSU
1922 - 23	Deputy Chief, Department for Party Organizational Work, CC CPSU
1921 - 22	Deputy Chief, Department for Party Organizational Work, CC CPSU
1920 - 21	Deputy Chief, Department for Party Organizational Work, CC CPSU
1919 - 20	Deputy Chief, Department for Party Organizational Work, CC CPSU
1918 - 19	Deputy Chief, Department for Party Organizational Work, CC CPSU
1917 - 18	Deputy Chief, Department for Party Organizational Work, CC CPSU
1916 - 17	Deputy Chief, Department for Party Organizational Work, CC CPSU
1915 - 16	Deputy Chief, Department for Party Organizational Work, CC CPSU
1914 - 15	Deputy Chief, Department for Party Organizational Work, CC CPSU
1913 - 14	Deputy Chief, Department for Party Organizational Work, CC CPSU
1912 - 13	Deputy Chief, Department for Party Organizational Work, CC CPSU
1911 - 12	Deputy Chief, Department for Party Organizational Work, CC CPSU
1910 - 11	Deputy Chief, Department for Party Organizational Work, CC CPSU
1909 - 10	Deputy Chief, Department for Party Organizational Work, CC CPSU
1908 - 09	Deputy Chief, Department for Party Organizational Work, CC CPSU
1907 - 08	Deputy Chief, Department for Party Organizational Work, CC CPSU
1906 - 07	Deputy Chief, Department for Party Organizational Work, CC CPSU
1905 - 06	Deputy Chief, Department for Party Organizational Work, CC CPSU
1904 - 05	Deputy Chief, Department for Party Organizational Work, CC CPSU
1903 - 04	Deputy Chief, Department for Party Organizational Work, CC CPSU
1902 - 03	Deputy Chief, Department for Party Organizational Work, CC CPSU
1901 - 02	Deputy Chief, Department for Party Organizational Work, CC CPSU
1900 - 01	Deputy Chief, Department for Party Organizational Work, CC CPSU

PETROV Yuri Vladimirovich

Present Positions: USSR Ambassador to Cuba

Date of Birth: 1939

Place of Birth: Not known

Nationality: Russian (?)

Family Background: Not known

Higher Education: Graduated from Ural Polytechnical Institute, Sverdlovsk, in 1966; attended Higher Party School, CC CPSU, Moscow, from 1972(?) - 74

Career:

1956 - 58	Lathe Operator, Dzerzhinsky Railway Wagon Plant
1958 - 59	Construction Technician at an institute for technological design
1959 - 62	Served in Soviet Army
1962 -	Party member
1966 - 67	Deputy Shop Supervisor at a plastic materials plant, Nizhnii Tagil', Sverdlovsk Oblast
1967 - 69	Party work
1969 - 75(?)	Department Chief, then Second Secretary, Nizhnii Tagil' Gorkom, CPSU, Sverdlovsk Oblast
1975 - 77	First Secretary, Nizhnii Tagil' Gorkom, CPSU, Sverdlovsk Oblast
1975 - 80	Deputy, RSFSR Supreme Soviet
1977 - 82	Secretary, Sverdlovsk Obkom, CPSU (responsible for industrial affairs)
1982 - 85	Deputy Chief, Department for Party Organizational Work, CC CPSU

PETROV Yuri Vladimirovich (continued)

1985 - 88 First Secretary, Sverdlovsk Obkom, CPSU;
Member, Military Council, Ural Military
District

1986 - 87 Deputy, RSFSR Supreme Soviet (elected
mid-term)

1986 - Full Member, CC CPSU

1986 - Deputy (and Member, Commission for
Industry, 1986-87; Chairman, Commission
for Transport and Communications,
1987-88), Council of the Union, USSR
Supreme Soviet (elected mid-term)

1988 - USSR Ambassador to Cuba

Travels Abroad:

Belgium (1986)

Speeches:

Topics include domestic policy and
economic reform.

Publications:

In Party, state and other papers on
industrial production in Sverdlovsk
Oblast, and the process of restructuring.

Evident Patrons:

Member of "Sverdlovsk group" in Soviet
leadership (Party officials united by
similar geographic background, a common
alma mater [Ural Polytechnical Insti-
tute], and ties to former Politburo
member Andrei Kirilenko). Worked under
El'tsin (see biography) in Sverdlovsk
Party apparatus.

Awards:

Not known

PIROZHKOV Vladimir Petrovich

Present Positions:	Deputy Chairman, USSR Committee for State Security (KGB)
Date of Birth:	1924
Place of Birth:	Unknown
Nationality:	Russian
Family Background:	Unknown
Higher Education:	Graduated from Higher Party School, CC CPSU, Moscow
Career:	
1941 - 42	Deputy Chief, Political Department of a Machine-Tractor Station (MTS)
1942 - 46	Soldier in Red Army
1946 -	Party member
1946 - 50	Worked at a local radio station; First Secretary of a raikom, All-Union Komsomol
1950 - 54(?)	Department Chief, Altai Kraikom, All-Union Komsomol
1954 - 57	Secretary, then Second Secretary, Altai Kraikom, All-Union Komsomol
1957 - 61	Instructor, Altai Kraikom, CPSU; First Secretary, Zonal'noe Raikom, CPSU (Altai Krai)
1961 - 68	Chief of Department for Party Organizational Work, Altai Kraikom, CPSU; Secretary, then Second Secretary, Altai Kraikom, CPSU
1968 - 71	Worked in apparatus of USSR KGB
1971 -	Deputy Chairman, USSR KGB
1971 -	Deputy (and Member, Commission on Youth Affairs), RSFSR Supreme Soviet

PIROZHKOV Vladimir Petrovich (continued)

1984(?)-

Colonel General (KGB)

Travels Abroad:

GDR (1982)

Publications:

Chief editor of a book (in part, a collection of relevant documents) on Lenin as founder of the Cheka (1987).

Evident Patrons:

Under Andropov, nominated to post of deputy head of KGB in order to counter-balance Brezhnev appointees Tsvigun, Tsinev, and Chebrikov. In 1980, elected from the same district as Gorbachev (Altai) to RSFSR Supreme Soviet.

Experience & Expertise:

His appearances at official ceremonies, etc., indicate that within the KGB apparatus he is responsible for the Administration of Affairs Department (personnel and technical support), liaison with socialist countries, and the KGB's Judicial Bureau (Legal Council).

POLOZKOV Ivan Kuz'mich

Present Positions:	First Secretary, Krasnodar Kraikom, CPSU
Date of Birth:	1935
Place of Birth:	Unknown
Nationality:	Russian (?)
Family Background:	Unknown
Higher Education:	Graduated from Moscow All-Union Institute for Finance and Economics in 1965 (correspondence courses); graduated from Higher Party School, CC CPSU, Moscow, in 1977 (correspondence courses); studied at Academy of Social Sciences, CC CPSU, from 1978 to 1980
Career:	1954 - 57 Soldier in Soviet Army
	1957 - 69 Second Secretary, then First Secretary, Solntsevo Raikom, All-Union Komsomol, Kursk Oblast; Deputy Department Chief, Party Committee of a territorial production administration of collective and state farms; Second Secretary, Solntsevo Raikom, CPSU
	1958 - Party member
	1969 - 72 Deputy Department Chief, Kursk Obkom, CPSU
	1972 - 73 Chairman, Executive Committee, Ryl'sk Raion Workers' Soviet
	1973 - 75 First Secretary, Ryl'sk Raikom, CPSU, Kursk Oblast
	1975 - 78 Post(s) in CC CPSU apparatus
	1980 - 83 Post(s) in CC CPSU apparatus
	1983 - 84 Secretary, Krasnodar Kraikom, CPSU

POLOZKOV Ivan Kuz'mich (continued)

- 1984 - 85 Section Chief, Department for Party
Organizational Work, CC CPSU
- 1985 - First Secretary, Krasnodar Kraikom, CPSU;
Member, Military Council, North Caucasian
Military District
- 1986 - Full member, CC CPSU
- 1988 - Deputy, Council of the Union, USSR
Supreme Soviet (elected mid-term)
- 1988 - Member, Commission on Agrarian Policy, CC
CPSU

Travels Abroad:

Austria (1987)

Speeches:

On economic management, economic reform, cadres policy, agriculture, glasnost' in Krasnodar Krai; sharply criticized bureaucrats at Nineteenth Party Conference (1988).

Publications:

Articles in newspapers on internal politics and economic management in Krasnodar; co-author of book on restructuring (1987).

Evident Patrons:

Razumovsky (see biography).

Experience & Expertise:

Espoused Gorbachev's campaign for openness with particular enthusiasm; implemented policy of glasnost' in personnel matters in Krasnodar more effectively than has so far been done elsewhere.

PORTUGALOV Nikolai Sergeevich

Present Positions: Consultant, Propaganda Department, CC CPSU

Date of Birth: 1928

Place of Birth: Unknown

Nationality: Unknown

Family Background: Unknown

Higher Education: Studied international law, German language and literature, and history at Moscow State Institute for International Relations (MGIMO) from 1945 to 1950

Career: 19(?) - 72 Journalist, Special Correspondent, Novosti Press Agency (APN)

1972 - 78 Correspondent, APN, in Cologne; Correspondent, Literaturnaya gazeta, in Bonn

1978 - Commentator for International Politics

1978 - 86 Consultant, International Information Department, CC CPSU

1986 - Consultant, Propaganda Department, CC CPSU

Travels Abroad: Gabon (1962), numerous trips to FRG

Publications: Coverage of West German affairs in Literaturnaya gazeta and other newspapers; interviews and articles in West German papers and journals.

Evident Patrons: Reportedly a close friend of Falin (see biography), with whom he studied at MGIMO.

PORTUGALOV Nikolai Sergeevich (continued)

Experience & Expertise: Specialist in field of German politics. His knowledge of German is perfect; translated Boell into Russian. In 1978, became Falin's personal consultant in the International Information Department; that department was reorganized and merged into the Propaganda Department in 1986.

Director, Institute for World Economy and
 International Relations (1987), USSR
 Academy of Sciences
 October 1987
 Vice
 Director (1987)
 Director from Moscow Institute for
 Oriental Studies in 1985.
 post-graduate studies at Moscow State
 University, 1957-60; Doctor of Economic
 Sciences (1969); Professor (1971)
 Official, State Committee of USSR Academy
 of Sciences for Television and Radio
 Propaganda
 Editor, then Chief Editor, Editorial
 Board of Main Administration for Radio
 Propaganda, State Committee of USSR
 Council of Ministers for Television and
 Radio Propaganda
 Party member
 Deputy Chief Editor, Main Editorial
 Board, State Committee of USSR Academy of
 Sciences for Television and Propaganda
 Commissioner, then Deputy Editor, News and
 Affairs Department, Pravda
 Correspondent for Middle East, Pravda
 Deputy Director, Institute for World
 Economic and International Relations,
 USSR Academy of Sciences
 Corresponding Member, USSR Academy of
 Sciences

Date of Birth
 Place of Birth
 Nationality
 Higher Education
 Career
 1951 - 56
 1956 - 60
 1959 -
 1960 - 63
 1963 - 66
 1966 - 70
 1970 - 73
 1974 - 78

PRIMAKOV Evgenii Maksimovich

Present Positions: Director, Institute for World Economy and International Relations (IMEMO), USSR Academy of Sciences

Date of Birth: October 29, 1929

Place of Birth: Kiev

Nationality: Russian (?)

Higher Education: Graduated from Moscow Institute for Orientalistic Studies in 1953; post-graduate studies at Moscow State University, 1953-56; Doctor of Economic Sciences (1969); Professor (1972)

Career:

1953 - 56	Official, State Committee of USSR Council of Ministers for Television and Radio Broadcasting
1956 - 60	Editor, then Chief Editor, Editorial Board of Main Administration for Radio Broadcasting, State Committee of USSR Council of Ministers for Television and Radio Broadcasting
1959 -	Party member
1960 - 62	Deputy Chief Editor, Main Editorial Board, State Committee of USSR Council of Ministers for Television and Broadcasting
1962 - 66	Commentator, then Deputy Editor, Asia and Africa Department, <u>Pravda</u>
1966 - 70	Correspondent for Middle East, <u>Pravda</u>
1970 - 77	Deputy Director, Institute for World Economics and International Relations, USSR Academy of Sciences
1974 - 79	Corresponding Member, USSR Academy of Sciences

PRIMAKOV Evgenii Maksimovich (continued)

1977 - 85 Director, Institute for Orientalistic Studies, USSR Academy of Sciences

1979 - Full Member, USSR Academy of Sciences (Economics Department)

1981 - 85 Chairman, All-Union Association of Orientalists

1985 - Director, Institute of World Economy and International Relations, USSR Academy of Sciences (IMEMO)

1986 - Candidate Member, CC CPSU

1987 - Deputy (and Member, Commission on Foreign Affairs), Council of the Union, USSR Supreme Soviet (elected mid-term)

1988 - Academician-Secretary, Department of World Economy and International Relations, USSR Academy of Sciences

1988 - Member, Commission on International Policy, CC CPSU

Travels Abroad:

Afghanistan (1988), Austria (1987), Bulgaria (1987), GDR (1980, 1987), Great Britain (1986, 1988), Hungary (1988), Iceland (1986), India (1986, 1988), Italy (1980), Japan (1984, 1986), Switzerland (2 visits, 1985), West Berlin (1984)

Publications:

Numerous articles in Party and state press on international relations, Middle East, arms reduction. Author of books on Middle East, book on "new thinking" in foreign affairs (forthcoming, 1989).

Experience & Expertise:

Respected author on Third World, especially Middle East; Gorbachev's consultant on Middle East and Far East policy.

Political Line:

One of the architects of Gorbachev's "new thinking" in foreign affairs.

Awards:

State Prize (1980), Order of Friendship of the Peoples (1979), International Nasser Prize (1975), International Avitsenna Prize (1983)

PUGO Boris Karlovich

Present Positions: Chairman, Party Control Committee, CC CPSU

Date of Birth: February 19, 1937

Place of Birth: Moscow (?)

Nationality: Latvian

Family Background: Son of the old Latvian Bolshevik Karlis Pugo (probably imprisoned during the 1930s)

Higher Education: Graduated with degree in engineering from Riga Polytechnical Institute in 1960

Career:

1959 - 61	Engineer at Riga electric-mechanical plant
1961	Secretary, Komsomol Committee of same plant
1961 - 63	Second Secretary, then First Secretary of Proletarsky Raikom, Latvian Komsomol, City of Riga
1963 -	Party member
1963 - 68	Sector Chief, CC All-Union Komsomol
1968 - 69	Chief, Department for Organization, Riga Gorkom, Latvian CP
1969 - 70	First Secretary, CC Latvian Komsomol; Member, Buro, CC Latvian Komsomol
1969 - 71	Deputy, Latvian SSR Supreme Soviet
1970 - 74	Secretary and Member, Buro, CC All-Union Komsomol
1970 - 74	Member, CC All-Union Komsomol
1974	Inspector, Department for Organizational Party Work, CC CPSU

PUGO Boris Karlovich (continued)

1974 - 75	Chief, Department for Organizational Party Work, CC Latvian CP
1975 - 85	Deputy, Latvian SSR Supreme Soviet (9th-10th convocations)
1975 - 76	First Secretary, Riga Gorkom, Latvian CP
1976 -	Member, CC Latvian CP
1976 - 77	Candidate Member, Buro, CC Latvian CP
1976 - 77	Worked in apparatus of USSR Committee for State Security (KGB)
1977 - 80	First Deputy Chairman, KGB, Latvian SSR
1980 - 84	Chairman, KGB, Latvian SSR
1981 - 84	Candidate Member, Buro, CC Latvian CP
1984 -	Major General (KGB)
1984 - 88	First Secretary, CC Latvian CP; Member, Buro, CC Latvian CP; Member, Military Council, Baltic Military District
1984 -	Deputy (and Member, Commission on Health and Social Security, 1984-85; Chairman, Commission on Youth Affairs, since 1985) Council of Nationalities, USSR Supreme Soviet (11th convocation)
1985 - 88	Member, Presidium, Latvian SSR Supreme Soviet
1986 -	Full Member, CC CPSU
1988 -	Chairman, Party Control Committee, CC CPSU
1988 -	Member, Commission for Further Study of Materials and Documents Related to the Repressions of the Stalin Years, Politburo, CC CPSU
1988 -	Member, Commission on Party Work and Cadres Policy, CC CPSU

PUGO Boris Karlovich (continued)

Travels Abroad: Czechoslovakia (1986), Denmark (1987), Mexico (1986), Sweden (1988), Vietnam (1971)

Speeches: Topics include economic planning and plan fulfillment, social development in Latvia.

Publications: In Party and state papers on Party work, questions related to Party education, purges in Latvian Party and state apparatus.

Evident Patrons: Adopted and brought up by Arvid Pel'she (Politburo member and chairman of Party Control Committee under Brezhnev); worked in KGB under Andropov.

Experience & Expertise: Model of relatively young Party leader, with close ties to the KGB headquarters in Moscow; replaced Solomentsev as head of Party Control Committee in 1988.

Political Line: Strong supporter of Gorbachev's policies; has proven himself a political moderate and a pragmatist. Expressed approval for idea of erecting monument to victims of Stalinist repression in Latvia.

Awards: Order of Lenin (1987), Order of Red Banner of Labor, Order of Red Star, Order "Badge of Honor", medals

RAZUMOVSKY Georgii Petrovich

Present Positions: Secretary, CC CPSU; Candidate Member, Politburo, CC CPSU

Date of Birth: January 19, 1936

Place of Birth: Unknown

Nationality: Russian

Higher Education: Graduated as agronomist from Kuban' Agricultural Institute, Krasnodar, in 1958

Career: 1958 - 59 Agronomist on Kuban' Kolkhoz, Krasnodar Krai

1959 - 61 First Secretary of Vyselki Raikom, All-Union Komsomol, Krasnodar Krai

1961 - Party member

1961 - 64 Instructor, then Section Chief, Krasnodar Kraikom, CPSU

1964 - 65 Secretary, Party Committee, Korenovsk Kolkhoz-Sovkhoz Production Association, Krasnodar Krai

1965 - 67 First Secretary, Korenovsk Raikom, Krasnodar Krai, CPSU

1967 - 71 Chief, Department of Agriculture, Krasnodar Kraikom, CPSU

1971 - 73 Deputy Section Chief, then Section Chief in a department (of agriculture?), CC CPSU

1973 - 81 Chairman, Executive Committee, Krasnodar Krai Workers' Soviet

1973 - Deputy (and Member, Commission on Consumer Goods, 1974-79; Member, Mandate Commission, 1979-84; Chairman, Commission on Agro-Industrial Complex, 1984-85;

RAZUMOVSKY Georgii Petrovich (continued)

- Chairman, Commission on Legislative Proposals, since 1985), Council of the Union, USSR Supreme Soviet (8th-11th convocations; elected mid-term)
- 1981 - 83 Chief, Department of Agro-Industrial Complex, Administration of Affairs, USSR Council of Ministers
- 1983 - 85 First Secretary, Krasnodar Kraikom, CPSU; Member, Military Council, North Caucasian Military District
- 1985 - Chief, Department for Party Organizational Work, CC CPSU
- 1986 - Full Member, CC CPSU
- 1986 - Secretary, CC CPSU (responsible for cadres affairs)
- 1987 - Member, Commission for Further Study of Materials and Documents Related to the Repressions of the Stalin Years, Politburo, CC CPSU
- 1988 - Candidate Member, Politburo, CC CPSU
- 1988 - Chairman, Commission on Party Work and Cadres Policy, CC CPSU
- Travels Abroad:** Austria (1987), Belgium (1983), Bulgaria (1975, 1986), Czechoslovakia (1986), China (1987), Hungary (1985), Romania (1987), US (1977), Vietnam (1988)
- Speeches:** Topics include Party affairs (report of Mandate Commission to Twenty-seventh Party Congress and Nineteenth Party Conference), economic reform, democratization, Krasnodar Party matters. Keynote speaker at Lenin Anniversary, 1988.
- Publications:** Articles in state press on youth education, discipline, economic management, restructuring of cadres work, and plan fulfillment in Krasnodar.
- Evident Patrons:** As chief of agricultural department at Administration of Affairs of the USSR

RAZUMOVSKY Georgii Petrovich (continued)

Council of Ministers, worked closely with Gorbachev (see biography), who at that time was "senior" secretary for agriculture.

Experience & Expertise:

During his tenure as Party chief of Krasnodar Kraikom he waged a vigorous struggle against the corruption endemic in the region. Gained national prominence for promotion of glasnost in selection of cadres. Since 1985, exercises control over regional affairs, especially personnel appointments at local level; also since 1985, supervises all election campaigns.

Awards:

Order of Lenin (1986), Order of Red Banner of Labor (1981), medals

RYABOV Yakov Petrovich

Present Positions: USSR Ambassador to France

Date of Birth: March 24, 1928

Place of Birth: Ruzaevka Raion, Mordovian ASSR

Nationality: Russian

Family Background: Peasant

Higher Education: Graduated from Ural Polytechnical Institute, Sverdlovsk, in 1952 (evening courses)

Career: 1943 - 44 Lathe Operator, Ural Automobile Plant

1946 - 58 Successively Construction Technician, Construction Engineer, Construction Department Head, Deputy Shop Supervisor, and Shop Supervisor at a turbine engine plant in Sverdlovsk

1954 - Party member

1958 - 60 Secretary, Party Committee, turbine engine plant, Sverdlovsk

1960 - 63 First Secretary, Ordzhonikidze Raikom, CPSU (Sverdlovsk City)

1963 - 66 First Secretary, Sverdlovsk Gorkom, CPSU

1963 - 75 Deputy (and Member, Commission on Industry, Construction and Transport, 1963-67), RSFSR Supreme Soviet

1966 - 71 Second Secretary, Sverdlovsk Obkom, CPSU

1967 - 75 Member, Presidium, RSFSR Supreme Soviet

1971 - 76 First Secretary, Sverdlovsk Obkom, CPSU

1971 - Full Member, CC CPSU

RYABOV Yakov Petrovich (continued)

1972 -	Deputy (and Chairman, Commission on Industry, 1972-79), Council of the Union, USSR Supreme Soviet (since 8th convocation)
1976 - 79	Secretary, CC CPSU (responsible for defense industry)
1979 - 83	First Deputy Chairman, USSR State Planning Committee (Gosplan)
1983 - 84	Chairman, USSR State Committee for Foreign Economic Relations (GKES)
1984 - 86	Deputy Chairman, USSR Council of Ministers; Member, Presidium, USSR Council of Ministers
1984 - 86	Chairman, Soviet Section, Soviet-Iraqi Commission for Economic Cooperation
1986 -	USSR Ambassador to France

Travels Abroad: Algeria (1984), Belgium (1973), Bulgaria (4 visits, 1980-85), Cyprus (1978), Czechoslovakia (3 visits, 1971-85), France (1972, 1985), FRG (1985), Indonesia (1985), Iraq (2 visits, 1984), Laos (1985), Malaysia (1985), Nigeria (1983), North Korea (1986), Poland (1984), Tunisia (1983), Turkey (1984)

Speeches: Topics include domestic policy, economics, national security.

Publications: Articles in state, Party, scientific and other newspapers on economic management, supply of natural resources, labor situation, education, ideology. Author of a book on Comecon. Criticized El'tsin in interview with Western press (1988).

Evident Patrons: Protege of former Politburo member Kirilenko (retired in 1982); Ryabov's dismissal from his position of CC secretary in 1979 was considered the beginning of an attack on Kirilenko.

RYABOV Yakov Petrovich (continued)

Experience & Expertise:

Specialist in heavy industry; as deputy prime minister was responsible for foreign trade, including Soviet aid to developing countries.

Awards:

3 Orders of Lenin, Order of October Revolution (1988), 2 other orders, medal "60 Years of the Soviet Armed Forces"

RYZHKOV Nikolai Ivanovich

Present Positions: Chairman, USSR Council of Ministers; Full Member, Politburo, CC CPSU

Date of Birth: September 28, 1929

Place of Birth: Donetsk Oblast, Ukraine

Nationality: Russian (according to earlier sources, Ukrainian)

Family Background: Unknown

Higher Education: Attended Tekhnikum for Machine-Building, Kramatorsk, until 1950; graduated in 1959 from Ural Polytechnical Institute, Sverdlovsk

Career: 1950 - 59 Mining Foreman; Railroad Section Head; Shop Superintendent

1956 - Party member

1959 - 65 Smelting Foreman, then Deputy Director, S. Ordzhonikidze Heavy Machine-Building Plant (Uralmashzavod), Sverdlovsk

1965 - 70 Chief Engineer, Uralmashzavod, Sverdlovsk

1970 - 71 Director of Uralmashzavod

1971 - 75 General Director, Uralmash Production Association

1974 - 79 Deputy (and Secretary, Commission on Planning and Budget), Council of the Union, USSR Supreme Soviet

1975 - 79 USSR First Deputy Minister of Heavy and Transport Machine-Building

1979 - 84 Deputy (and Member, Commission on Industry), Council of Nationalities, USSR Supreme Soviet (10th convocation)

RYZHKOV Nikolai Ivanovich (continued)

- 1979 - 82 First Deputy Chairman, USSR State Planning Committee (Gosplan; responsible for heavy and military industry)
- 1981 - Full Member, CC CPSU
- 1982 - 85 Secretary, CC CPSU (responsible for economic questions); Chief, Economic Department, CC CPSU
- 1984 - Deputy (and Chairman, Commission on Legislative Proposals, 1985), Council of the Union, USSR Supreme Soviet (11th convocation)
- 1985 - Deputy, RSFSR Supreme Soviet
- 1985 - Full Member, Politburo, CC CPSU
- 1985 - Chairman, USSR Council of Ministers; Member, Presidium, USSR Council of Ministers

Travels Abroad:

Austria (1984, 1987), Bulgaria (6 visits, 1983-86), Cuba (1984), Czechoslovakia (1988), Finland (1987), GDR (1983, 1987), Hungary (3 visits, 1983-88), India (1987), Norway (1988), Poland (5 visits, 1983-88), Romania (1984, 1986), Sweden (1986, 1988), US (1975), Vietnam (1983, 1986)

Speeches:

Topics include restructuring of economic management, reform program, arms control, peace initiatives, democratization of Soviet society, economic planning and plan fulfillment, economic development, national economic strategy, discipline. Keynote speaker at Lenin Anniversary, 1987.

Publications:

Articles in Party and state newspapers on restructuring of economic management, plan fulfillment, and industrial production (steel, heavy machinery, drilling and pipelines, construction of nuclear power plants).

Evident Patrons:

Andropov, Kirilenko.

RYZHKOVA Nikolai Ivanovich (continued)

Experience & Expertise:

Expert in economics and heavy industry (armaments). Selection of Ryzhkov as chief administrator of the Soviet economy indicates that priority is being given to economic reforms. Earned a reputation for efficiency as manager of armaments factories in Soviet heavy industry belt of Urals; represents new generation of well-educated, professionally trained managers whose careers began to advance when Andropov became Party chief.

Political Line:

In the conflict over radical economic change, Ryzhkov takes a middle position, somewhere between Gorbachev's willingness to experiment and Ligachev's ideologically rigid attitude; he favors managerial changes over market adjustments. He is a new-style Soviet technocrat in the Gorbachev mold; analysts note his pragmatic approach and the lack of ideological content in his speeches.

Awards:

2 Orders of Lenin, Order of October Revolution, USSR State Prize (1969, 1979), 2 Orders of Red Banner of Labor (one in 1979), medals and foreign awards

SHABANOV Vitalii Mikhailovich

Present Positions: USSR Deputy Minister of Defense for Armaments

Date of Birth: January 1, 1923

Place of Birth: Lobachi, Galich Raion, Kostroma Oblast, RSFSR

Nationality: Russian

Family Background: Unknown

Higher Education: Attended Military Aviation Academy in Leningrad, 1941-45; Candidate of Technical Sciences (1964)

Career: 1943 - 45 Military probationary period in fighter regiment

1945 - 49 Test Engineer and Assistant to Chief Engineer for testing aircraft technology in a scientific research institute of USSR Air Force

1947 - Party member

1949 - 72 Successively Chief Engineer, Deputy Head of a laboratory, Chief Designer, Head of a Design Department, and Deputy Designer General in various plants of the Ministry of Radio Industry

1972 - 74 Director General of a scientific production association of the armaments industry

1974 - 78 USSR Deputy Minister of Radio Industry

1978 - USSR Deputy Minister of Defense for Armaments

1978 - 85 Deputy, RSFSR Supreme Soviet

1981 - Army General

SHABANOV Vitalii Mikhailovich (continued)

1981 - 83 Candidate Member, CC CPSU

1983 - Full Member, CC CPSU

1984 - Deputy (and Member, Commission on Youth Affairs), Council of the Union, USSR Supreme Soviet (11th convocation)

WW II Experience:

Studies and probationary period in a fighter regiment. Apparently not directly involved in war, since he received no military medals.

Travels Abroad:

Czechoslovakia (1982), Ethiopia (1987), Hungary (1987), India (1982, 1984), US (1988)

Publications:

Articles on national security, military technology and detente, Soviet military spending.

Experience & Expertise:

Armament technocrat; one of the USSR's leading armament experts. During the post-war years, involved with the development of modern war technology. At a rare press conference in 1988, claimed that Soviet military spending is decreasing.

Awards:

Hero of Socialist Labor (1981), Lenin Prize (1963), USSR State Prize (1953), Order of Lenin, Order of October Revolution, Order of Red Banner of Labor, Order of Red Banner (1983), Order of Red Star, Order "For Service to the Fatherland in the Soviet Armed Forces" (Third Class), medals and foreign awards

SHAKHNAZAROV Georgii Khosroevich

Present Positions:	Aide to General Secretary, CC CPSU
Date of Birth:	October 4, 1924
Place of Birth:	Unknown
Nationality:	Unknown
Family Background:	Unknown
Higher Education:	Doctor of Juridicial Sciences
Career: 1950s	Official at Department for Propaganda and Agitation, CC CPSU
1960s	Member, Consultant Group, Department for Liaison with Communist and Workers' Parties of Socialist Countries, CC CPSU
19(?) - 72	Executive Secretary, Party journal, <u>Problemy mira i sotsializma</u> (Prague)
1972 - 86	Deputy Chief, Department for Liaison with Communist and Workers' Parties of Socialist Countries, CC CPSU
1973 -	President, Soviet Association of Political Science (State Studies); First Vice-President, International Association of Political Science
1979 - 85	Sector Chief, Institute of State and Law, USSR Academy of Sciences
1986 - 88	First Deputy Chief, Department for Liaison with Communist and Workers' Parties of Socialist Countries, CC CPSU
1987 -	Corresponding Member, USSR Academy of Sciences (Department of Philosophy and Law)
1988 -	Deputy, Council of Nationalities, USSR Supreme Soviet (elected mid-term)

SHAKHNAZAROV Georgii Khosroevich (continued)

1988 - Aide to General Secretary, CC CPSU (on bloc relations)

Travels Abroad:

Brazil (1982), Czechoslovakia (1973, 1977), FRG (1986), GDR (5 visits, 1971-76), Italy (1969), Poland (3 visits, 1974-81), Romania (1985), US (1987, 1988), Yugoslavia (1988)

Publications:

Several books on philosophy, law, political systems, foreign affairs. Articles in newspapers and journals on political science, foreign policy, arms control, Sino-Soviet relations, reform of Soviet society, Marxism-Leninism, socialist democracy, openness and restructuring of Soviet society; discussions of Andropov's speeches and articles.

Evident Patrons:

Worked with Andropov in early 1960s.

Experience & Expertise:

Outspoken reformist; formulated new principle which the Politburo has now accepted as a basis for Soviet arms control policy: "political ends do not exist that would justify the use of means liable to lead to nuclear war."

Political Line:

Party intellectual; wrote about democratization and self-management long before Gorbachev came to power.

Awards:

USSR State Prize (1980), Order of October Revolution (1984), Czechoslovak Order (1973)

SHALAEV Stepan Alekseevich

Present Positions:	Chairman, All-Union Central Council of Trade Unions; Member, Presidium, USSR Supreme Soviet
Date of Birth:	January 5, 1929
Place of Birth:	Mordovskaya Polyana (Zubovo-Polyana Raion, Mordovian ASSR)
Nationality:	Mordovian
Family Background:	Unknown
Higher Education:	Graduated from Moscow Technical Institute for Forestry in 1951
Career: 1951 - 53	Chief engineer of an administration, Pastukhovskiy Forest, Udmurt ASSR; then chief, Technical Production Section, "Udmurtles" Combine
1954 -	Party member
1955 - 62	Director of forestry enterprises in Udmurt ASSR, Kalinin and Novgorod Oblasts
1962 - 63	Chief specialist in State Committee for Forestry and the Paper and Wood-Processing Industry, USSR Gosplan
1963 - 68	Chairman, CC, Trade Union of Workers in Forestry and the Paper and Wood-Processing Industry
1963 -	Member, All-Union Central Council of Trade Unions
1968 - 80	Secretary, All-Union Central Council of Trade Unions
1977 -	Member, Presidium, All-Union Central Council of Trade Unions

SHALAEV Stepan Alekseevich (continued)

1980 - 82 USSR Minister of Forestry and the Cellulose, Paper, and Wood-Processing Industry

1980 - Deputy, Council of Nationalities, USSR Supreme Soviet (since 10th convocation) (elected in mid-term)

1981 - 82 Candidate Member, CC CPSU

1982 - Chairman, All-Union Central Council of Trade Unions

1982 - Member, Presidium, USSR Supreme Soviet

1982 - Full Member, CC CPSU

1988 - Member, Commission on Socio-Economic Policy, CC CPSU

Travels Abroad:

Algeria (1978), Belgium (1968, 1985), Bulgaria (1982, 1984), Cuba (1984), Cyprus (1983), Czechoslovakia (3 visits, 1982-84), Finland (4 visits, 1966-84), France (1974, 1983), GDR (3 visits, 1982-86), Great Britain (1987), Greece (1975), Hungary (1983), North Korea (1988), North Vietnam (1969), Poland (3 visits, 1983-87), Romania (1987), Sweden (1983), Syria (1983), Yugoslavia (1988)

Speeches:

Has reported on trade-union affairs, plan fulfillment, and labor discipline in forestry industry, on economic reform.

Publications:

In Party and state papers on workers' benefits in USSR as compared with those in the West, plan fulfillment and economic development in forestry industry, political situation in Chile; author of book on activities of Trade-Union Council in light of XXVI CPSU Congress.

Experience & Expertise:

Demonstrated his leadership abilities in earlier career in trade-union organization. Survived all leadership reshuffles after Brezhnev's death.

Awards:

Certificate of Honor, RSFSR Supreme Soviet (1979)

SHCHERBINA Boris Evdokimovich

Present Positions: Deputy Chairman, USSR Council of Ministers; Chairman, Bureau for Fuel and Energy Complex, USSR Council of Ministers; Member, Presidium, USSR Council of Ministers

Date of Birth: October 5, 1919

Place of Birth: Debal'tsevo, Donetsk Oblast, Ukrainian SSR

Nationality: Ukrainian

Family Background: Son of a railroad worker

Higher Education: Graduated as engineer in 1942 from Institute for Railroad Engineers in Kharkov; studied at Party School of CC Ukrainian CP, Kiev, 1944-48

Career: 1939 - Party member

1942 Engineer at a railroad station

1942 Secretary, Kharkov Obkom, Ukrainian Komsomol

1942 - 43 Worked in CC Komsomol apparat (Moscow)

1943 - 44 Secretary, Kharkov Obkom, Ukrainian Komsomol

1944 - 46 Sector Chief, Kharkov Obkom, Ukrainian CP

1948 - 50 Second Secretary of a raikom in Kharkov Oblast, Ukrainian CP

1950 - 51 Secretary, Kharkov Gorkom, Ukrainian CP

1951 - 61 Secretary, then Second Secretary, Irkutsk Obkom, CPSU

1959 - 63 Deputy, RSFSR Supreme Soviet

1961 - 63 First Secretary, Tyumen' Obkom, CPSU

SHCHERBINA Boris Evdokimovich (continued)

1961 - 76	Candidate Member, CC CPSU
1962 -	Deputy (and Member, Commission on Industry, Transport, and Communications [after 1970, Commission on Transport and Communications], 1966-73), Council of the Union, USSR Supreme Soviet (6th-11th convocations)
1963 - 64	First Secretary, Tyumen' Obkom for Agriculture, CPSU
1964 - 73	First Secretary, Tyumen' Obkom, CPSU
1973 - 84	USSR Minister of Construction of Petroleum and Gas Industry Enterprises; Member, USSR Council of Ministers
1976 -	Member, CC CPSU
1984 -	Deputy Chairman, USSR Council of Ministers; Member, Presidium, USSR Council of Ministers
1986 -	Chairman, Bureau for Fuel and Energy Complex, USSR Council of Ministers
Travels Abroad:	Afghanistan (1980), Austria (1986), Belgium (1966), Hungary (1985), Iraq (1975), Poland (1984), Switzerland (1970), South Yemen (1988)
Speeches:	On nuclear plants, power engineering, economic management and plan fulfillment. Has also delivered speeches at Party and Komsomol functions.
Publications:	Articles in Party and state newspapers and economic journals on industrial plan fulfillment, energy and resources in Western Siberia, problems of forestry and agriculture in Tyumen' Oblast, and gas pipeline to Western Europe.
Evident Patrons:	Rose up through Siberian regional Party apparats of Irkutsk and Tyumen'; probably a protege of Ligachev (see biography).

SHCHERBINA Boris Evdokimovich (continued)

Experience & Expertise:

During his tenure as Party first secretary in Tyumen' Oblast, the oil and gas industry there developed by leaps and bounds, helping the USSR increase oil exports to its Western neighbors. Twice decorated for his contributions to one of the most important construction projects of current five-year plan.

Awards:

Hero of Socialist Labor (1983), 4 Orders of Lenin (1969, 1979, 1983, and one other), Order of October Revolution, 2 other medals

SHCHERBITSKY Vladimir Vasil'evich

Present Positions: First Secretary, CC Ukrainian CP; Full Member, Politburo, CC CPSU

Date of Birth: February 17, 1918

Place of Birth: Verkhnedneprovsk (now in Dnepropetrovsk Oblast)

Nationality: Ukrainian

Family Background: Blue-collar

Higher Education: Graduated from Dnepropetrovsk Chemical Technological Institute in 1941; also attended a military academy in 1941

Career: 1934 - 35 Instructor, Verkhnedneprovsk Komsomol Raikom

1941 Mechanical Engineer and Deputy Chief Engineer at an experimental factory in Dnepropetrovsk

1941 - Party member

1941 - 45 Officer in Red Army (North Caucasian Front)

1945 - 46 Technical Engineer in Dneprodzerzhinsk

1946 Chief, Scheduled Preventive Repair Bureau, Ordzhonikidze Coke-Chemical Industry Plant, Dneprodzerzhinsk

1948 Chief, Department of Organization and Instruction, Dnepropetrovsk Gorkom, Ukrainian CP

1948 - 51 Second Secretary, Dneprodzerzhinsk Gorkom, Ukrainian CP

1951 - 52 Party Organizer for CC All-Union CP(b) at F.E. Dzerzhinsky Metallurgical Plant, Dnepropetrovsk

SHCHERBITSKY Vladimir Vasil'evich (continued)

1952 - 54 Member, Central Auditing Commission,
Ukrainian CP

1952 - 54 First Secretary, Dneprodzerzhinsk Gorkom,
Ukrainian CP

1954 - 55 Second Secretary, Dnepropetrovsk Obkom,
Ukrainian CP

1954 - 56 Candidate Member, CC Ukrainian CP

1955 - 57 First Secretary, Dnepropetrovsk Obkom,
Ukrainian CP

1955 - Deputy, Ukrainian SSR Supreme Soviet
(since 4th convocation)

1956 - 61 Member, Central Auditing Commission, CPSU

1956 - Full Member, CC Ukrainian CP

1957 - 61 Secretary, CC Ukrainian CP

1957 - Full Member, Presidium (after 1966,
Politburo), CC Ukrainian CP

1958 - Deputy, Council of the Union, USSR
Supreme Soviet (since 5th convocation)

1961 - 63 Candidate Member, Presidium, CC CPSU

1961 - 63 Chairman, Ukrainian SSR Council of
Ministers

1961 - Full Member, CC CPSU

1963 - 65 First Secretary, Dnepropetrovsk Obkom for
Industry, Ukrainian CP

1965 - 71 Candidate Member, Presidium (after 1966,
Politburo), CC CPSU

1965 - 72 Chairman, Ukrainian SSR Council of
Ministers

1971 - Full Member, Politburo, CC CPSU

1972 - Member, Presidium, USSR Supreme Soviet

SHCHERBITSKY Vladimir Vasil'evich (continued)

1972 -

First Secretary, CC Ukrainian CP; Member, Presidium, Ukrainian SSR Supreme Soviet; Member, Military Council, Kiev Military District

Travels Abroad:

Algeria (1969), Bulgaria (1980, 1981), Cuba (1974), Czechoslovakia (1974, 1978), France (1965, 1967), GDR (1958), Hungary (3 visits, 1970-75), Poland (1975), Romania (1984), Turkey (1966), US (1967, 1985)

Speeches:

Topics include domestic policies, discipline and control, introduction of new technology into industry, agriculture, Party policies, ideology, and the nationalities question.

Publications:

Articles in newspapers and journals on domestic policies, economic management, nationalities question, ideology, social welfare, consumer goods production. He is the author of several books; a collection of his speeches has also been published.

Evident Patrons:

Personal friendship with Brezhnev established in Dnepropetrovsk; replaced Petr Shelest as Ukrainian Party boss (1972), thereby strengthening Brezhnev's position in Kremlin leadership; worked with Chebrikov (see biography) in Dnepropetrovsk.

Experience & Expertise:

Industrial specialist. Longest-serving member of the Politburo; one of the few representatives of the old generation who managed to survive Party purges after death of Brezhnev. His period of rule in Kiev has been particularly smooth, characterized by passive acceptance and dogmatic propagation of each official Moscow policy.

Awards:

Hero of Socialist Labor (1974, 1977), 7 Orders of Lenin (the most recent awarded in 1988), 2 Orders of October Revolution (1978, 1982), Lenin Prize (1982), medal "For Valiant Labor" (1977), Order of G. Dimitrov (Bulgaria, 1978), Order of Victorious February (Czechoslovakia, 1978)

SHEVARDNADZE Eduard Amvrosievich

Present Positions: USSR Minister of Foreign Affairs;
Full Member, Politburo, CC CPSU

Date of Birth: January 25, 1928

Place of Birth: Mamati, Lanchkhuti Raion, Georgian SSR

Nationality: Georgian

Family Background: Son of a teacher

Higher Education: Graduated in 1951 from Party School, CC Georgian CP, Tbilisi; graduated in 1960 from History Faculty, Kutaisi Pedagogical Institute

Career: 1946 - 52 Instructor; Department Chief of a raikom, Georgian Komsomol; Instructor, CC Georgian Komsomol

1948 - Party member

1952 - 53 Secretary, then Second Secretary, Kutaisi Obkom, Georgian Komsomol

1953 Instructor, Kutaisi Gorkom, Georgian CP

1953 - 56 First Secretary, Kutaisi Gorkom, Georgian Komsomol

1956 - 57 Second Secretary, CC Georgian Komsomol

1957 - 61 First Secretary, CC Georgian Komsomol

1958 - 62 Member, CC All-Union Komsomol

1958 - 64 Full Member, CC Georgian CP

1958 Member, Presidium, Soviet Committee for Solidarity with Asian and African Countries

1959 - 60 Candidate Member, Buro, CC All-Union Komsomol

SHEVARDNADZE Eduard Amvrosievich (continued)

1959 - 85	Deputy (and Chairman, Mandate Commission, 1963-67), Georgian SSR Supreme Soviet
1960 - 61	Candidate Member, Buro, CC Georgian CP
1961	Full Member, Buro, CC All-Union Komsomol
1961 - 63	First Secretary, Mtskheta Raikom, Georgian CP
1963 - 64	First Secretary, Pervomaisky Raikom, Georgian CP, Tbilisi City
1964 - 65	Georgian SSR First Deputy Minister for Maintenance of Public Order
1965 - 72	Georgian SSR Minister for Maintenance of Public Order (after 1968, Minister of Internal Affairs); MVD General, Third Rank
1966 - 86	Full Member, CC Georgian CP
1968 - 85	Member, Military Council, Transcaucasian Military District
1972	First Secretary, Tbilisi Gorkom, Georgian CP
1972 - 85	First Secretary, CC Georgian CP; Full Member, Buro, CC Georgian CP
1972 - 85	Member, Presidium, Georgian SSR Supreme Soviet
1974 -	Deputy (and Chairman, Mandate Commission, 1974-79), Council of Nationalities, USSR Supreme Soviet (since 9th convocation)
1976 -	Full Member, CC CPSU
1978 - 85	Candidate Member, Politburo, CC CPSU
1985 -	Full Member, Politburo, CC CPSU
1985 -	USSR Minister of Foreign Affairs; Member, USSR Council of Ministers
Travels Abroad:	Afghanistan (4 visits, 1987-1988), Algeria (1984), Argentina (1987),

SHEVARDNADZE Eduard Amvrosievich (continued)

Australia (1987), Austria (1974, 1986), Brazil (1980, 1987), Bulgaria (5 visits, 1974-88), Cambodia (1987), Canada (1986), Cuba (3 visits, 1985-87), Czechoslovakia (5 visits, 1981-88), Denmark (1988), Finland (1985), France (1985, 1988), FRG (1988), GDR (3 visits, 1987), Great Britain (1986, 1987), Hungary (5 visits, 1975-1988), Iceland (1986), India (3 visits, 1982-88), Indonesia (1987), Ireland (1986), Japan (1986, 1988), Laos (1987), Mexico (1986), Mongolia (1986), North Korea (1986, 1988), Philippines (1988), Poland (3 visits, 1986-88), Portugal (3 visits, 1979-1988), Romania (1986), Spain (1988), Switzerland (5 visits, 1985-88), Thailand (1987), Tunisia (1960), Uruguay (1987), US (9 visits, 1985-88), Vietnam (1987), Yugoslavia (1987)

Speeches:

Topics include all questions of foreign policy, restructuring of foreign service, nationalities question in Georgia, praise for Brezhnev, consumer goods, detente, internal security, culture, economics, fight against corruption. Keynote speaker at Lenin Anniversary, 1986.

Publications:

Articles in newspapers and journals on foreign affairs, Party work, culture, nationalities question in Georgia.

Evident Patrons:

Personal ties to Gorbachev dating back to a time 25 years ago when both occupied leading posts in the Komsomol.

Experience & Expertise:

One of the most experienced politicians in Gorbachev's leadership. His career advanced thanks to his success in stamping out bribery, blackmarketeering, and protectionism in Georgia. Very successful in implementing Gorbachev's "new thinking" in Soviet foreign affairs; gained reputation as a skillful negotiator who established good working relations with his American partners.

Awards:

Hero of Socialist Labor (1981), 6 Orders of Lenin, Order of Red Banner of Labor

SHIMKO Vladimir Ivanovich

Present Positions: Chief, Socio-Economic Policy Department, CC CPSU

Date of Birth: May 12, 1938

Place of Birth: Unknown

Nationality: Russian

Family Background: Unknown

Higher Education: Graduated from Moscow Institute for Energetics in 1960

Career:

1960 - 68	Construction Engineer at a Radio Industry plant; Engineer, then Chief of a laboratory, then Chief of a section of a scientific-research institute (presumably defense related)
1964 -	Party member
1968 - 83	Instructor, then Chief of a sector, Department of Defense Industry, CC CPSU
1983 - 87	Deputy Chief, Department of Defense Industry, CC CPSU
1987 - 88	USSR Minister of Radio Industry; Member, USSR Council of Ministers
1988 -	Deputy, Council of Nationalities, USSR Supreme Soviet (elected mid-term)
1988 -	Chief, Socio-Economic Policy Department, CC CPSU

Experience & Expertise: The appointment of Shimko to head the newly created Socio-Economic Policy Department indicates the important role which military specialists now play not only in restructuring the Soviet economy but also in supervising social affairs. In his new job, Shimko will report to the

SHMELEV Nikolai Petrovich

Present Positions: Chief, Department for Foreign Economic Problems of US Policy, United States of America and Canada Institute, USSR Academy of Sciences

Date of Birth: 1936

Place of Birth: Not known

Nationality: Russian

Higher Education: Graduated from Faculty of Economics at Moscow State University in 1958; Doctor of Economic Sciences; Professor

Career: 1958 - 61 Researcher-Analyst at Economics Institute, USSR Academy of Sciences, Moscow

1961 - 68 Researcher-Analyst at the Institute for Economics of the World Socialist System, USSR Academy of Sciences, Moscow

1968 - 70 Lecturer, Propaganda Department, CC CPSU

1970 - 83 Researcher-Analyst, then Department Chief at the Institute for Economics of the World Socialist System, USSR Academy of Sciences, Moscow

1983 - Chief, Department for Foreign Economic Problems of US Policy, United States of America and Canada Institute, USSR Academy of Sciences

Travels Abroad: US (1988)

Publications: Numerous articles and interviews in Soviet press on economic problems, restructuring of Soviet economic system; book on foreign economic relations of socialist countries (1979).

SHMELEV Nikolai Petrovich (continued)

Evident Patrons:

Worked under A. Yakovlev (see biography) in Propaganda Department, CC CPSU.

Experience & Expertise:

His articles on current problems in the Soviet economy have made him famous in both the USSR and the West. Criticized by Gorbachev for his statements on the importance of mechanisms--such as unemployment and a convertible ruble--that would help to stimulate the Soviet economy (1987).

Political Line:

One of the Soviet Union's most outspoken proponents of radical, market-oriented economic reform.

Awards:

Not known

SILAEV Ivan Stepanovich

Present Positions: Deputy Chairman, USSR Council of Ministers; Chairman, Bureau for Machine-Building, USSR Council of Ministers; Member, Presidium, USSR Council of Ministers

Date of Birth: October 21, 1930

Place of Birth: Unknown

Nationality: Russian

Family Background: Unknown

Higher Education: Graduated from Kazan' Aviation Institute in 1954

Career:

1954 - 65	Foreman; Supervisor of a technical bureau; Foreman of a mine; Deputy Production Chief of aviation plant in Gor'ky
1959 -	Party member
1965 - 71	Deputy Chief Engineer, then Chief Engineer, then Deputy Chairman, Trade Union Committee, aviation plant, Gor'ky
1971 - 74	Director, aviation plant, Gor'ky
1974 - 77	USSR Deputy Minister of Aviation Industry
1977 - 80	USSR First Deputy Minister of Aviation Industry
1980 - 81	USSR Minister of Machine-Tool and Tool-Building Industry
1981 -	Full Member, CC CPSU
1981 -	Deputy, Council of the Union, USSR Supreme Soviet (elected mid-term)
1981 - 85	USSR Minister of Aviation Industry

SILAEV Ivan Stepanovich (continued)

1985 -

Deputy Chairman, USSR Council of Ministers; Chairman, Bureau for Machine-Building, USSR Council of Ministers; Member, Presidium, USSR Council of Ministers

Travels Abroad:

Czechoslovakia (2 visits, 1986), France (1981), FRG (1988), Hungary (1986), India (1978, 1985), Romania (1988), Yugoslavia (1986, 1988)

Speeches:

Topics include restructuring of machine-building management, plan fulfillment, achievements of Marshal Ustinov (funeral oration).

Publications:

On restructuring of economic system.

Evident Patrons:

Ryzhkov (see biography).

Experience & Expertise:

Expert on Soviet aviation industry. Good contacts in Air Force; representative of Soviet military-industrial complex. Criticized by Gorbachev at June 1987 plenum. In 1988, took over Antonov's responsibilities for trade with FRG.

Awards:

Hero of Socialist Labor (1975), Lenin Prize (1972), Order of Lenin (1975), Order of October Revolution (1981)

SKIBA Ivan Ivanovich

Present Positions: Chief, Agrarian Department, CC CPSU

Date of Birth: March 8, 1937

Place of Birth: Unknown

Nationality: Ukrainian

Family Background: Unknown

Higher Education: Graduated from Odessa Agricultural Institute in 1959

Career: 1959 - Party member

1959 - 62 Assistant Professor, Odessa Agricultural Institute; Instructor, Odessa Obkom, Ukrainian Komsomol; Instructor, then Sector Chief, then Chief of Department of Agriculture, CC Ukrainian Komsomol

1962 - 68 Secretary, CC Ukrainian Komsomol (responsible for agriculture)

1968 - 70 Second Secretary, CC Ukrainian Komsomol

1970 - 72 Inspector, CC Ukrainian CP

1972 - 78 Second Secretary, Transcarpathian Obkom, Ukrainian CP

1976 - 80 Candidate Member, CC Ukrainian CP

1978 - 83 First Secretary, Ivanovo-Frankovsk Obkom, Ukrainian CP

1979 - Deputy (and Member, Commission for Youth Affairs, 1979-84; Member, Commission on Agro-Industrial Complex, since 1984), Council of the Union, USSR Supreme Soviet (since 10th convocation)

1980 - 86 Member, CC Ukrainian CP

SKIBA Ivan Ivanovich (continued)

1983 - 87 First Deputy Chief, Department of Agriculture and Food Industry, CC CPSU

1986 - Candidate Member, CC CPSU

1987 - Chief, Department of Agriculture and Food Industry, CC CPSU (since 1988, Agrarian Department)

1988 - Member, Commission on Agrarian Policy, CC CPSU

Travels Abroad:

GDR (1988), Romania (1987), Zimbabwe (1988)

Publications:

Articles in newspapers and journals on youth affairs, Party organizational work, forestry, agriculture, dying forests, pollution, private plots in agriculture; book on agriculture (1984).

Experience & Expertise:

Career in Ukrainian Party and Komsomol apparats; represents type of energetic agricultural manager in the Gorbachev mold; entrusted with supervision of agricultural reforms in 1987. Possible successor to Ukrainian Party chief Shcherbitsky.

Awards:

Order of Lenin (1987)

SKLYAROV Yuri Aleksandrovich

Present Positions: Chief, Propaganda Department, CC CPSU

Date of Birth: February 8, 1925

Place of Birth: Unknown

Nationality: Unknown

Family Background: Unknown

Higher Education: Graduated as historian from Khar'kov State University in 1951; Candidate of Historical Sciences (1955)

Career:

1943 - 45	Soldier in Red Army
1944 -	Party member
1955 - 63	Post(s) in Party apparat of Khar'kov Gorkom and Obkom, Ukrainian CP
1963 - 64	Lecturer and Secretary of Party Committee, Khar'kov State University
1964 - 69	Secretary, Khar'kov Obkom, Ukrainian CP (responsible for ideology)
1969 - 76	Deputy Chief, Propaganda Department, CC CPSU (responsible for Party press)
1976 - 82	First Deputy Chief Editor, <u>Pravda</u>
1977 -	Member of the Board, USSR Union of Journalists
1980 - 85	Deputy, RSFSR Supreme Soviet (10th convocation)
1981 -	Candidate Member, CC CPSU
1982 - 86	Chief Editor, <u>Problemy mira i sotsializma</u> , (Prague)
1986 -	Chief, Propaganda Department, CC CPSU

SKLYAROV Yuri Aleksandrovich (continued)

1986 - Deputy (and Member, Foreign Affairs Commission), Council of the Union, USSR Supreme Soviet (elected mid-term)

Travels Abroad: Algeria (1981), Bulgaria (1974, 1984), Czechoslovakia (1988), Cuba (1972), Hungary (1987), Italy (1973, 1981), Morocco (1987), North Korea (1972), Poland (1983, 1987), Spain (1981)

Speeches: Topics include Party educational work, ideology, propaganda.

Publications: Articles in Party newspapers and journals on education, propaganda, ideology; book on Party press (1976).

Evident Patrons: A. Yakovlev (see biography).

Experience & Expertise: Downgraded in 1970s, then promoted under Andropov to important post of editor of Problemy mira i sotsializma; further promoted to chief of CC CPSU Propaganda Department when Yakovlev became Kremlin's chief propagandist.

Awards: Order of Lenin

SLYUN'KOV Nikolai Nikitovich

Present Positions: Secretary, CC CPSU; Full Member, Politburo, CC CPSU

Date of Birth: April 26, 1929

Place of Birth: Gorodets, Rogachev Raion, Gomel' Oblast, Belorussian SSR

Nationality: Belorussian

Family Background: Peasant

Higher Education: Attended Tekhnikum for Automechanics in Minsk until 1950; graduated from Institute for Agricultural Mechanization, Minsk, 1962

Career: 1950 - 57 Successively Assistant to Foreman, Foreman, Senior Foreman, Deputy Shop Supervisor, and Shop Supervisor at the Lenin Tractor Plant, Minsk

1957 - 60 Deputy Chairman, then Chairman, Trade Union Committee, Lenin Tractor Plant, Minsk

1954 - Party member

1960 - 65 Director of Spare Parts Plant, Minsk

1965 - 71 Director of Lenin Tractor Plant, Minsk

1971 - 72 General Director, Production Association for Tractor Construction, Minsk

1966 - 76 Full Member, CC Belorussian CP

1966 - 70 Deputy (and Member, Commission on Industry, Transport and Communications), Council of Nationalities, USSR Supreme Soviet

1971 - 75 Deputy, Belorussian SSR Supreme Soviet

SLYUN'KOV Nikolai Nikitovich (continued)

- 1972 - 74 First Secretary, Minsk Gorkom, Belorussian CP
- 1974 - 83 Deputy Chairman, USSR State Planning Committee (Gosplan; responsible for machine-building)
- 1983 - 87 First Secretary, CC Belorussian CP; Member, Presidium, Belorussian SSR Supreme Soviet; Member, Military Council, Belorussian Military District
- 1983 - 87 Member, Presidium, USSR Supreme Soviet
- 1983 - Deputy, Council of the Union, USSR Supreme Soviet (since 10th convocation; elected mid-term)
- 1985 - Deputy, Belorussian SSR Supreme Soviet
- 1986 - Full Member, CC Belorussian CP
- 1986 - Full Member, CC CPSU
- 1986 - 87 Candidate Member, Politburo, CC CPSU
- 1987 - Secretary, CC CPSU (responsible for economic administration, Comecon)
- 1987 - 88 Chief, Economics Department, CC CPSU
- 1987 - Full Member, Politburo, CC CPSU
- 1988 - Chairman, Commission on Socio-Economic Policy, CC CPSU

Travels Abroad:

- Bulgaria (1976, 1987), Czechoslovakia (1986), Cuba (1986), Hungary (1988), Poland (1974, 1984), Portugal (1987)

Speeches:

- Topics include economic reforms and plan fulfillment, modernization of economy, machine-building, planning and labor discipline. Keynote speaker at October Revolution Anniversary, 1988.

Publications:

- Articles in Party and other papers on economic planning, role of Party in economic management, machine-building.

SLYUN'KOV Nikolai Nikitovich (continued)

Evident Patrons:

Ryzhkov (see biography); from 1979-82 both held deputy posts in the Gosplan apparat.

Experience & Expertise:

Extensive experience in industrial management and economic planning. Under Slyun'kov, Belorussian SSR led the way in a number of economic experiments that were later widely adopted. As "senior" secretary, entrusted with control of Gorbachev's economic reform program.

Awards:

Hero of Socialist Labor (1974), State Prize (1971), 2 Orders of Lenin, 2 Orders of Red Banner of Labor, medals

[Faint, mirrored text bleed-through from the reverse side of the page, including names and dates.]

SOKOLOV Efrem Evseevich

Present Positions: First Secretary, CC Belorussian CP

Date of Birth: April 25, 1926

Place of Birth: Ravyachyna, Horki Raion, Mogilev Oblast, Belorussian SSR

Nationality: Belorussian

Family Background: Not known

Higher Education: Attended Belorussian Agricultural Academy in Horki (1951-56); graduated from Higher Party School, CC CPSU, Moscow, in 1961

Career:

1945 - 50	Served in Soviet Army
1950 - 51	Peasant
1955 -	Party member
1956 - 58	Chief Agronomist, then Director of a Machine-Tractor Station (MTS), then Chief, Inspection of Agriculture, Executive Committee of Ivanovo Raion Workers' Soviet, Brest Oblast, Belorussian SSR
1958 - 59	Second Secretary, Ivanovo Raikom, Belorussian CP
1961 - 65	First Secretary, Urlyutyubsky Raikom, Kazakh CP; Secretary, Party Committee, Zhelezinka Production Administration of Collective and State Farms, Pavlodar Oblast, Kazakh SSR
1965 - 67	Chairman, Brest Oblast Committee of the Trade Union of Collective and State Farmers and Procurement Workers
1967 - 69	First Secretary, Ivanovo Raikom, Belorussian CP

SOKOLOV Efrem Evseevich (continued)

1969 - 77	Deputy Chief, then Chief, Department of Agriculture, CC Belorussian CP
1971 - 76	Candidate Member, CC Belorussian CP
1976 -	Full Member, CC Belorussian CP
1976 - 80	Deputy, Belorussian SSR Supreme Soviet
1977 - 87	First Secretary, Brest Obkom, Belorussian CP
1979 -	Deputy (and Member, Commission on Health and Social Security, until 1986; Chairman, Commission on Health and Social Security, 1986-87), Council of Nationalities, USSR Supreme Soviet
1981 - 86	Candidate Member, CC CPSU
1986 -	Full Member, CC CPSU
1987 -	First Secretary, CC Belorussian CP; Full Member, Buro, CC Belorussian CP; Member, Military Council, Belorussian Military District
1987 -	Member, Presidium, USSR Supreme Soviet
1988 -	Member, Commission on Agrarian Policy, CC CPSU
Travels Abroad:	Canada (1987), FRG (1985), Poland (1988)
Speeches:	Topics include Party organizational work in Brest, domestic policy and economic reform.
Publications:	In Party, state and other papers on questions of education, restructuring of Party work in Brest Oblast, introduction of <u>glasnost</u> in Party work in Brest Oblast (1983), economic management, agriculture.
Experience & Expertise:	Specialist in agriculture; model leader in the Gorbachev mold; was highly praised in an article in <u>Pravda</u> three months before election to post of Belorussian Party chief over heads of other local

SOKOLOV Efrem Evseevich (continued)

Party leaders.

Political Line:

Has acquired a reputation as one of strongest supporters of glasnost, modernization and stricter discipline; stressed the need for open airing of issues of public interest even before Gorbachev's rise to power.

Awards:

Hero of Socialist Labor (1986), Order of Lenin, medals

SOLOV'EV Yurii Filippovich

Present Positions: First Secretary, Leningrad Obkom, CPSU;
Candidate Member, Politburo, CC CPSU

Date of Birth: August 20, 1925

Place of Birth: Unknown

Nationality: Russian

Family Background: Unknown

Higher Education: Graduated from V. N. Obraztsov
Engineering Institute for Rail Transport,
Leningrad, in 1951

Career: 1943 - 44 Soldier in Red Army

1951 - 61 Successively Shift Leader, Construction
Section Leader, and Chief Engineer
involved in construction of Leningrad
subway (Lenmetrostroï)

1955 - Party member

1961 - 67 Chief Engineer of Construction
Administration, Leningrad subway

1967 - 73 Head of Construction Administration,
Leningrad subway (Lenmetrostroï)

1973 - 74 Deputy Chairman, Executive Committee,
Leningrad City Workers' Soviet

1974 - 75 Secretary, Leningrad Obkom, CPSU
(responsible for industry)

1975 - 80 Deputy, RSFSR Supreme Soviet; Member,
Presidium, RSFSR Supreme Soviet

1975 - 78 Second Secretary, Leningrad Obkom, CPSU

1976 - Full Member, CC CPSU

1978 - 84 First Secretary, Leningrad Gorkom, CPSU

SOLOV'EV Yurii Filippovich (continued)

- 1979 - Deputy (and Member, Commission on Public Education and Culture, 1979-84), Council of the Union, USSR Supreme Soviet
- 1984 - 85 USSR Minister for Industrial Construction
- 1985 - First Secretary, Leningrad Obkom, CPSU; Member, Military Council, Leningrad Military District
- 1986 - Candidate Member, Politburo, CC CPSU
- 1986 - Member, Presidium, USSR Supreme Soviet

Travels Abroad:

Belgium (1979), Czechoslovakia (1986), Finland (1977), France (1977), GDR (1981, 1987), Italy (1981), Libya (1987), North Korea (1986)

Speeches:

Topics include problems of restructuring of economic management, consumer goods supply, production growth.

Publications:

In Party and state newspapers on technological progress, Party organizational work and education of youth in Leningrad, support for informal groups in Leningrad.

Evident Patrons:

Probably Zaikov (see biography); when Romanov (ousted in 1985) was promoted to CC CPSU secretaryship in 1983, he brought Solov'ev to Moscow to serve under him as minister for industrial construction.

Experience & Expertise:

Improved Party organization and production efforts in Leningrad industry. Gorbachev has frequently cited the Leningrad Oblast Party organization as a model for others to follow in cadres affairs and matters of local economic management.

Political line:

Seems to be less than enthusiastic about issues of democratization and glasnost'; did not discourage strong support for Andreeva letter on the part of Leningrad Party apparatchiks.

Awards:

Order of Lenin (1985), Order of October Revolution (1975)

SOROKIN Mikhail Ivanovich

Present Positions: Chief Inspector, Main Inspectorate, USSR Ministry of Defense; USSR Deputy Minister of Defense

Date of Birth: June 1, 1922

Place of Birth: Unknown

Nationality: Russian

Family Background: Unknown

Higher Education: Attended Frunze Military Academy, Moscow, until 1949; attended Military Academy of the General Staff, Moscow, until 1964

Career:

1941	Began career in Red (after 1946, Soviet) Army
1941 - 43	Chief of a radio station, later Komsomol Organiser of a division
1943 - 45	Commander of a rifle company, then of a rifle batallion; later, Deputy Commander of a rifle regiment
1943 -	Party member
1945 - 57	Commander of a batallion, then of a regiment; later, Deputy Commander of a division
1957 - 64	Commander of a division, Transbaikal Military District
1964 - 69	Deputy Commander, Airborne Troops (VDV)
1969 - 72	First Deputy Commander, Southern Group of Forces (Hungary)
1972 - 74	Leading positions in Soviet Army
1974 - 76	First Deputy Commander, Far East Military District

SOROKIN Mikhail Ivanovich (continued)

1976 - 81 Commander, Leningrad Military District;
Chief of Leningrad Garrison

1979 - 84 Deputy (and Member, Construction and
Construction Materials Industry
Commission), Council of the Union, USSR
Supreme Soviet (10th convocation)

1981 - Army General

1981 - 86 Candidate Member, CC CPSU

1981 - 84 Leading positions in Soviet Army; Comman-
der of Soviet troops in Afghanistan (?)

1984 - 87 First Deputy Commander-in-Chief, Western
Theater of Operations (TVD)

1985 - 87 Deputy, Belorussian SSR Supreme Soviet

1987 - Chief Inspector, Main Inspectorate, USSR
Ministry of Defense; USSR Deputy Minister
of Defense

1988 - Deputy, Council of Nationalities, USSR
Supreme Soviet (elected mid-term)

WW II Experience:

Sent to serve in the Red Army in December 1941; participated in battle of Novorossiisk (Malaya zemlya).

Publications:

Articles in military newspapers on military education, national security.

Evident Patrons:

Yazov (see biography), who replaced him as First Deputy Commander of the Far East Military District in 1976.

Experience & Expertise:

In 1981-84, identified as commander of Soviet troops in Afghanistan by Western intelligence sources. Later entrusted with formation of supreme command of the Western Theater of Operations under Marshal Ogarkov.

Awards:

Not known

STASHENKOV Nikolai Alekseevich

Present Positions: First Deputy Chief, Department for Socio-Economic Policies, CC CPSU

Date of Birth: March 15, 1934

Place of Birth: Dryageli, Rudnya Raion, Smolensk Oblast, RSFSR

Nationality: Belorussian

Family Background: Unknown

Higher Education: Graduated in 1957 from the Institute of Economics in Minsk; studied at USSR Academy of Economics in Moscow, 1978-80

Career:

1957 - 64	Senior Economist, Finance Department, Vitebsk Oblast Workers' Soviet (Belorussian SSR); Chief, Planning Department, Trust for Canteens and Restaurants, then Director of a department store, Vitebsk Oblast Workers' Soviet
1960 -	Party member
1964 - 69	Chief, Trade Administration, Executive Committee, Vitebsk Oblast Workers' Soviet
1969 - 71	Deputy Chief, Department of Trade and Consumer Services, CC Belorussian CP
1971 - 78	Chief, Department of Trade and Consumer Services, CC Belorussian CP
1971 - 81	Candidate Member, CC Belorussian CP
1971 - 85	Deputy, Belorussian Supreme Soviet
1980 - 81	Belorussian SSR Minister of Trade
1981 - 86	Member, CC Belorussian CP
1981 - 83	USSR Deputy Minister of Trade; Chairman, Council for Consumer Research, USSR

STASHENKOV Nikolai Alekseevich (continued)

Ministry of Trade

- 1983 - 84 Permanent Representative of Belorussian Council of Ministers at USSR Council of Ministers
- 1984 - 85 Deputy Chief, Department for Trade and Consumer Services, CC CPSU
- 1985 - 88 Chief, Department of Trade and Consumer Services, CC CPSU
- 1986 - Candidate Member, CC CPSU
- 1986 - Deputy, RSFSR Supreme Soviet (elected mid-term)
- 1988 - First Deputy Chief, Department for Socio-Economic Policies, CC CPSU

Travels Abroad:

Czechoslovakia (1986), GDR (1984), Italy (1987)

Evident Patrons:

Slyun'kov (see biography).

Awards:

Honorary Certificate, Belorussian Supreme Soviet (1981)

SUKHORUKOV Dmitrii Semenovich

Present Positions: USSR Deputy Minister of Defense for Personnel

Date of Birth: November 2, 1922

Place of Birth: Unknown

Nationality: Russian

Family Background: Unknown

Higher Education: Attended Frunze Military Academy, Moscow, until 1958

Career:

1939	Began career in Red (after 1946, Soviet) Army
1941 - 45	Senior Adjutant and Commander of a battalion
1944 -	Party member
1945 - 59	Post(s) in army staff and leading positions in airborne troops
1959 - 69	Commander of a regiment, then Commander of a unit (Transbaikal Military District?)
1969 - 71	Deputy Commander, Airborne Troops (VDV)
1971 - 74	Commander of 11th Army in Kaliningrad, Baltic Military District
1974 - 76	First Deputy Commander, Transcaucasian Military District; Chief, Tbilisi Garrison
1976 - 79	Commander, Central Group of Forces (Czechoslovakia)
1979 - 87	Commander, Airborne Troops
1980 -	Deputy (and Member, Commission on Construction and Industry of Construction

SUKHORUKOV Dmitrii Semenovich (continued)

Materials, since 1985), RSFSR Supreme Soviet (since 10th convocation)

1982 - Army General

1987 - USSR Deputy Minister of Defense for Personnel; Chief, Main Directorate for Cadres, USSR Ministry of Defense

Speeches: On military education, national security.

Publications: Interview on restructuring in armed forces, articles on training and development of airborne troops.

Evident Patrons: Worked for a time with Yazov (see biography) when latter replaced him as commander of Central Group of Forces in 1979; also has links to Army General Sorokin (see biography).

Experience & Expertise: Best graduate student of Frunze Military Academy, 1958. Made his career in the airborne troops; as commander of airborne troops possibly involved in development of spetsnaz forces, which support Soviet military operations in Afghanistan.

Awards: Not known

TALYZIN Nikolai Vladimirovich

Present Positions: Deputy Chairman, USSR Council of Ministers; USSR Permanent Representative, Council for Mutual Economic Assistance (Comecon); Candidate Member, Politburo, CC CPSU

Date of Birth: January 28, 1929

Place of Birth: Moscow

Nationality: Russian

Family Background: Blue-collar

Higher Education: Graduated from Moscow Electrical Engineering Institute of Communications in 1955; Doctor of Technical Sciences (1970); Professor (1975)

Career: 1942 - 50 Electrical Fitter, then Electrical Engineer, then Designer

1955 - 65 Successively Engineer, Design Supervisor, Senior Scientific Associate, Deputy Chief for Scientific Questions, at Scientific Research Institute of Radio Engineering, USSR Ministry of Communications

1960 - Party member

1965 -71 USSR Deputy Minister of Communications

1971 - 75 USSR First Deputy Minister of Communications

1975 - 80 USSR Minister of Communications

1976 - 81 Candidate Member, CC CPSU

1979 - Deputy, Council of the Union, USSR Supreme Soviet (since 10th convocation)

1980 - 85 Deputy Chairman, USSR Council of Ministers; USSR Permanent Representative to Comecon; Chairman, Commission on Comecon

TALYZIN Nikolai Vladimirovich (continued)

- Affairs, Presidium, USSR Council of Ministers
- 1981 - Full Member, CC CPSU
- 1985 - 88 First Deputy Chairman, USSR Council of Ministers
- 1985 - Candidate Member, Politburo, CC CPSU
- 1985 - 88 Chairman, USSR State Planning Committee (Gosplan)
- 1986 - 88 Chairman, Commission for Improving Administration, Planning, and the Economic System, USSR Council of Ministers
- 1987 - 88 Chairman, Soviet-Chinese Commission on Economic, Trade and Scientific-Technological Cooperation
- 1988 Chairman, Bureau of the USSR Council of Ministers for Social Development
- 1988 - Deputy Chairman, USSR Council of Ministers; USSR Permanent Representative, Council for Mutual Economic Assistance (Comecon)

Travels Abroad:

Afghanistan (1979), Bulgaria (8 visits, 1974-85), Cambodia (1985, 1986), China (1986), Cuba (1984), Czechoslovakia (4 visits, 1981-84), Finland (8 visits, 1976-83), GDR (1980, 1983), Hungary (7 visits, 1981-84), Laos (1985, 1986), Malta (1981), Mozambique (1987), North Korea (1983), Poland (3 visits, 1982-85), Romania (5 visits, 1980-86), South Yemen (1987, 1988), Vietnam (4 visits, 1980-88), Yugoslavia (1973)

Speeches:

Topics include economic planning, plan fulfillment, economic management, Comecon, and scientific-technical progress.

Publications:

Articles in newspapers on economic management, consumer goods, ideology, telecommunications.

TALYZIN Nikolai Vladimirovich (continued)

Experience & Expertise: Originally a specialist in telecommunications; has done research in military sphere; was in Kabul during invasion of Afghanistan. Criticized by Gorbachev at June 1987 plenum; demoted during the leadership turnover in September 1988.

Awards: Order of Lenin, Order of October Revolution, Order of Red Banner of Labor, 2 USSR State Prizes (1968, 1975), Badge of Honor (1968), and medals

TOLSTYKH Boris Leont'evich

Present Positions: Deputy Chairman, USSR Council of Ministers; Chairman, USSR State Committee for Science and Technology

Date of Birth: 1936

Place of Birth: Unknown

Nationality: Russian

Family Background: Unknown

Higher Education: Graduated as electrical engineer from Voronezh State University in 1959; Doctor of Technical Sciences

Career: 1959 - 77 Engineer at construction bureau of "Elektronika" Factory for production of semi-conductors, Voronezh

1970 - Party member

1977 - 85 Chief Technologist, Deputy Chief Engineer, Chief Engineer, General Director, "Elektronika" Production Association, Voronezh

1979 - Deputy (and Member, Commission on Consumer Goods and Trade, 1979-84; Member, Commission on Science and Technology, 1984-87), Council of the Union, USSR Supreme Soviet (since 10th convocation)

1985 - 87 USSR Deputy Minister of Electronics Industry

1987 - Deputy Chairman, USSR Council of Ministers; Chairman, USSR State Committee for Science and Technology (GKNT); Member, Presidium, USSR Council of Ministers

TOLSTYKH Boris Leont'evich (continued)

Travels Abroad:

China (1988), Czechoslovakia (2 visits, 1988), Great Britain (1987), Finland (1987), Poland (1987)

Publications:

Articles in Party newspapers and journals on various aspects of science and technology.

Experience & Expertise:

Connected to military-industrial complex. Started career at "Elektronika" factory in Voronezh, where production was geared in part to aerospace and military needs. In 1984 succeeded in guiding the first Soviet-made videocassette recorder (Elektronika VM-12) from the drawing board into mass production. Appointed by Gorbachev to implement unified policy for science and technology.

Awards:

Hero of Socialist Labor, USSR State Prize, 2 Orders of Lenin, Order of October Revolution, Order "Badge of Honor," medals

TRET'YAK Ivan Moiseevich

Present Positions: USSR Deputy Minister of Defense;
Commander-in-Chief, USSR Air Defense Forces

Date of Birth: February 20, 1923

Place of Birth: Popovka, Khorol Raion, Poltava Oblast, Ukraine

Nationality: Ukrainian

Family Background: Peasant

Higher Education: Attended Agricultural Tekhnikum in Poltava until 1939; attended school for machine gun fighters in Astrakhan', 1939-41; attended Frunze Military Academy, Moscow, 1947-49; attended Military Academy of the General Staff, Moscow, 1957-59; attended Higher Academic Courses of Military Academy of the General Staff until 1970

Career:

1941 - 43	Commander of a company, then Deputy Commander of a rifle battalion of 32nd Rifle Division (later, 29th Guards Rifle Division)
1943 -	Party member
1943 - 44	Commander of a rifle battalion of 29th Guards Rifle Division; also Head of Military School of 29th Guards Rifle Division
1944 - 45	Commander of 87th Guards Rifle Regiment of 29th Guards Rifle Division; Major
1946 - 47	Commander of a rifle regiment, Baltic Military District
1950 - 51	Chief Officer of a department, army staff
1951 - 54	Commander of a regiment

TRET'YAK Ivan Moiseevich (continued)

1954 - 59	Commander of a division
1959 - 67	Chief of Staff, then Deputy Commander, then First Deputy Commander of an army unit; later, Commander of an army in Azerbaijan, Transcaucasian Military District; General Lieutenant
1966 - 71	Member, CC CP Azerbaijan
1967 -	Deputy, Azerbaijan SSR Supreme Soviet
1967 - 76	Commander, Belorussian Military District; Colonel General
1968 -	Deputy (and Member, Transport and Communications Commission, since 1970), Council of Nationalities, USSR Supreme Soviet (elected mid-term)
1971 - 81	Member, CC Belorussian CP
1971 - 76	Candidate Member, Buro, CC Belorussian CP
1971 - 76	Candidate Member, CC CPSU
1976	Member, Buro, CC Belorussian CP
1976 -	Member, CC CPSU
1976 - 84	Commander, Far Eastern Military District
1976 -	Army General
1984 - 86	Commander-in-Chief, Far Eastern Theater of Operations
1986 - 87	Chief Inspector, Main Inspectorate, USSR Ministry of Defense
1986 -	USSR Deputy Minister of Defense
1987 -	Commander-in-Chief, USSR Air Defense Forces
WW II Experience:	Fought with famous 29th Guards Rifle Division of 10th Guards Army on Second Baltic Front.

TRET'YAK Ivan Moiseevich (continued)

Travels Abroad:

Afghanistan (1986), Libya (1987),
Mongolia (1985)

Speeches:

Topics include military training,
national security, air defense.

Publications:

In Party and military newspapers and
journals on discipline, national
security, armaments, military history,
education and training of troops; book on
Soviet military heroes (1977).

Evident Patrons:

One of several commanders from the Far
East promoted to Moscow in past months
(see biographies of Yazov, Govorov,
Sorokin); was Yazov's superior in Far
East; Yazov praised him as one of the
best commanders he had ever met. Former
wartime commander General Andrei Stuchen-
ko spoke positively of Tret'yak in his
memoirs.

Experience & Expertise:

In June 1987 replaced A. Koldunov, who
was declared responsible for the failure
to stop Rust's flight across Soviet
territory. Known in wartime as a volatile
and temperamental character; popular for
his reckless bravery and eagerness to
undertake risk. Attained position of
commander of Belorussian Military Dist-
rict at the age of only 44. As Commander
of the Far Eastern Military District,
partly responsible for 1983 downing of
Korean airliner. Highest-ranking Soviet
army commander to have visited Afghanis-
tan on official mission during the war.

Awards:

Hero of the Soviet Union (1945), Hero of
Socialist Labor (1982), 4 Orders of Lenin
(received 2 during World War II), 3
Orders of Red Banner (received 1 during
World War II), Order of Kutuzov (Third
Class), Order of Aleksandr Nevsky, 2
Orders of Red Star, Order "For Service to
the Fatherland in the Soviet Armed For-
ces" (Third Class), medals, foreign
awards

VALJAS Vajno (Iosipovich)

Present Positions: First Secretary, CC Estonian CP

Date of Birth: March 28, 1931

Place of Birth: Emmaste, Hiiumaa Island, Estonia

Nationality: Estonian

Family Background: Son of a poor fisherman (parents died soon after the war)

Higher Education: Attended high school in Kardla until 1950; graduated from History and Philosophy Department at Tartu State University in 1955; Candidate of Historical Sciences (1973)

Career:

1948 -	Komsomol member
1949 - 50	Chief, Department of Agitation and Propaganda, Hiiumaa Uezdkom, Estonian Komsomol
1951 - 52	Secretary, Komsomol Committee, Tartu State University
1952 - 53	Secretary, Tartu Obkom, Estonian Komsomol (responsible for propaganda and agitation)
1952 -	Party member
1953 - 55	First Secretary, Tartu Gorkom, Estonian Komsomol
1955 - 61	First Secretary, CC Estonian Komsomol
1956 - 61	Candidate Member, Buro, CC Estonian CP
1959 - 67	Deputy (and Member, Mandate Commission, 1959-61; Chairman, Mandate Commission, 1961-63), Estonian SSR Supreme Soviet
1959 - 61	Candidate Member, Buro, CC All-Union Komsomol

VALJAS Vajno (Iosipovich) (continued)

1961 - 71	First Secretary, Tallinn Gorkom, Estonian CP
1961 - 62	Full Member, Buro, CC Estonian CP
1962 - 64	Full Member, Buro for Industry, CC Estonian CP
1963 - 67	Chairman, Estonian SSR Supreme Soviet
1964 - 80	Full Member, Buro, CC Estonian CP
1966 - 74	Deputy (and Member, Commission on Youth Affairs, 1970-74), Council of Nationalities, USSR Supreme Soviet (7th-8th convocations)
1971 - 80	Secretary, CC Estonian CP (responsible for ideology)
1980	Deputy, Estonian SSR Supreme Soviet
1980	Worked in apparatus of USSR Foreign Ministry
1980 - 86	USSR Ambassador to Venezuela and Non-Resident Ambassador to Trinidad and Tobago
1986 - 88	USSR Ambassador to Nicaragua
1988 -	First Secretary, CC Estonian CP; Member, Military Council, Baltic Military District
1988 -	Full Member, Buro, CC Estonian CP
1988 -	Member, CC Estonian CP
1988 -	Member, Commission on International Policy, CC CPSU

Travels Abroad:

Denmark (1960), Finland (1977), FRG (1972), US (1959)

Speeches:

Topics include ideological questions, attack on "bourgeois elements" in Estonia, world communist movement, foreign policy, Estonian proposals for greater autonomy, criticism of El'tsin.

VALJAS Vajno (Iosipovich) (continued)

Publications:

Articles in Party and state papers on Party work, questions related to Komsomol education, criticism of western propaganda, criticism of religion.

Evident Patrons:

One of General Secretary Gorbachev's proteges. Served with Shevardnadze (see biography) in Buro, CC All-Union Komsomol in 1960s.

Experience & Expertise:

Became Komsomol apparatchik while in high school; spent entire Party career in Estonia; switched to diplomatic work in 1980. Played significant role in multilateral efforts at negotiating peace in Nicaragua; brought back by Gorbachev to implement reform, democratization and glasnost in Estonia.

Political Line:

As young Komsomol leader, fiercely attacked "bourgeois elements" and "kulaks" in Estonia (1958); followed Suslov's line while occupying post of chief ideologist in the Estonian leadership in 1970s. Rumored to have been dismissed in 1980 after disagreements about the Kremlin's hard-line attitude toward Estonian intellectuals. As Estonian Party first secretary, supports demands for economic and cultural autonomy for Estonia.

Awards:

Order of Lenin (1965), 3 Orders of Red Banner of Labor (one in 1971), Order of Friendship of the Peoples (1981), Liberator Order (Venezuela), Hungarian Order, Certificate of Honor, Presidium, Estonian SSR Supreme Soviet (1980), medals

VEDERNIKOV Gennadii Georgievich

Present Positions: Deputy Chairman, USSR Council of Ministers; Member, Presidium, USSR Council of Ministers

Date of Birth: August 5, 1937

Place of Birth: Unknown

Nationality: Russian

Family Background: Unknown

Higher Education: Graduated from Siberian Metallurgical Institute in 1960; graduated from Moscow Academy of Social Sciences, CC CPSU, in 1982 (correspondence courses)

Career:

1960 - 70	Successively Foreman, Senior Foreman, Shop Superintendent at metallurgical plant, Chelyabinsk
1965 -	Party member
1970 - 73	Second Secretary, Metallurgy Raikom, CPSU (Chelyabinsk City)
1973 - 78	Department Chief and Deputy Chief Engineer, then Chief Engineer and Deputy Director of metallurgical plant, Chelyabinsk
1978 - 81	Second Secretary, then First Secretary, Chelyabinsk Gorkom, CPSU
1980 - 85	Deputy, RSFSR Supreme Soviet (10th convocation)
1981 - 83	Secretary, Chelyabinsk Obkom, CPSU (responsible for industry)
1983 - 84	Inspector, CC CPSU
1984 - 86	First Secretary, Chelyabinsk Obkom, CPSU; Member, Military Council, Ural Military District

VEDERNIKOV Gennadii Georgievich (continued)

1984 - Deputy (Member, Commission on Industry, 1984-86), Council of the Union, USSR Supreme Soviet

1986 - Full Member, CC CPSU

1986 - Deputy Chairman, USSR Council of Ministers (responsible for heavy industry); Member, Presidium, USSR Supreme Soviet

Travels Abroad: Bulgaria (1987), FRG (1985), Romania (2 visits, 1988)

Speeches: Topics include restructuring of economic system, heavy industry.

Publications: Articles in Party and state newspapers on economic management, plan fulfillment, Party affairs in Chelyabinsk.

Experience & Expertise: Made his career during the Brezhnev era in the industrial region of Chelyabinsk; one of the younger technocrats in Ryzhkov's cabinet.

Awards: Order of Lenin (1987)

VLASOV Al'bert Ivanovich

Present Positions: Chairman, Board of Press Agency Novosti (APN)

Date of Birth: July 26, 1930

Place of Birth: Moscow

Nationality: Russian

Family Background: Not known

Higher Education: Graduated from Moscow Institute for Orientalistic Studies and from Academy of Social Sciences, CC CPSU (dissertation on "The Doctrine and Methods of US Bourgeois Propaganda"); Doctor of Historical Sciences (1973)

Career: 1955 - 64 Editor, Board of Foreign Information Information, TASS; subsequently TASS correspondent in China and Burma, Chief Editor, Board of Foreign Information, TASS

1964 - 71 Held post in apparatus, CC CPSU (presumably in Department for Liaison with Communist and Workers' Parties of Socialist Countries, CC CPSU)

1970 - 76 Member, Editorial Board, journal SShA

1971 - 76 First Deputy Chairman, Board of Press Agency Novosti (APN)

1976 - 80 Counsellor, USSR Embassy, Sweden

1980 - 85 Chief of a sector, Department for International Information, CC CPSU

1985 - 86 Deputy Chief, International Information Department, CC CPSU

1986 Deputy Chief, Propaganda Department, CC CPSU

VLASOV Al'bert Ivanovich (continued)

1986 - 88 First Deputy Chief, Propaganda Department, CC CPSU (responsible for foreign propaganda)

1988 - Chairman, APN

Travels Abroad:

GDR (1987), Iceland (1986), India (1986), US (1988)

Speeches:

Topics include foreign propaganda, arms control.

Publications:

Articles in Party and government newspapers on USSR-US relations in the post-war era, criticism of US foreign policy in the Pacific (1983); author of several books on US propaganda methods (1969 and 1982).

Evident Patrons:

Belongs to group of Party officials who are regarded as proteges of Andropov; promoted to post of first deputy chief of Propaganda Department after Yakovlev (see biography) took over as Central Committee secretary for propaganda.

Experience & Expertise:

Made career in Soviet propaganda sector; presumably worked under Andropov in CC CPSU Department on bloc relations; remained in close contact with Andropov as first deputy head of APN and diplomat in Sweden; during Andropov's tenure as head of KGB, APN was regarded as branch of the security police.

VLASOV Aleksandr Vladimirovich

Present Positions: Chairman, RSFSR Council of Ministers;
Candidate Member, Politburo, CC CPSU

Date of Birth: January 20, 1932

Place of Birth: Babushkin, Buryatskaya ASSR

Nationality: Russian

Higher Education: Graduated from Institute for Mining and Metallurgy (Irkutsk) in 1954

Career: 1954 Shift Foreman, Cheremkhovo Coal-Mining Trust, East Siberian Coal-Mining Combine, USSR Ministry of the Coal Industry

1954 - 60 Held responsible posts in Komsomol

1956 - Party member

1957 - 60 Secretary, Irkutsk Obkom, All-Union Komsomol

1960 - 61 First Secretary, Irkutsk Obkom, All-Union Komsomol

1961 - 64 First Secretary, Zima Raikom (Irkutsk Oblast), CPSU; Second Secretary, Irkutsk Obkom (1963-64, Irkutsk Obkom for Industry), CPSU

1964 - 65 First Deputy Chairman, Executive Committee, Irkutsk Oblast Workers' Soviet

1965 Secretary, Yakut Obkom (Yakut ASSR), CPSU (responsible for industry)

1965 - 72 Second Secretary, Yakut Obkom (Yakut ASSR), CPSU

1971 - 75 Deputy (and Member, Commission on Planning and Budget), RSFSR Supreme Soviet

1972 - 75 Inspector, CC CPSU

VLASOV Aleksandr Vladimirovich (continued)

1975 - 84 First Secretary, Chechen-Ingush Obkom
(Chechen-Ingush ASSR), CPSU

1975 - 86 Member, Military Council, North Caucasian
Military District

1976 - 81 Candidate Member, CC CPSU

1977 - Deputy (and Chairman, 1979-86, Commission
on Industry), Council of Nationalities,
USSR Supreme Soviet (elected mid-term)

1981 - Full Member, CC CPSU

1984 - 86 First Secretary, Rostov Obkom, CPSU

1986 - 88 USSR Minister of Internal Affairs;
Colonel General (1987)

1988 - Candidate Member, Politburo, CC CPSU

1988 - Chairman, RSFSR Council of Ministers

1988 - Member, Commission on Socio-Economic
Policy, CC CPSU

Travels Abroad: Angola (1979), Bulgaria (1986), Cuba
(1988), Ethiopia (1983), FRG (1984), GDR
(1987), Iraq (1976), Mozambique (1978),
North Korea (1987)

Speeches: Topics include implementation of Party
policies and struggle against corruption.

Publications: On shake-up in MVD apparatus, industrial
projects in East Siberia, professional
and ideological education of younger
generation; book on militia (1987).

Evident Patrons: Worked with Ageev (see biography) in
Irkutsk; later worked with Gorbachev (see
biography) in the Northern Caucasus.

Experience & Expertise: Specialist in industrial management.
Encouraged development of region around
Lake Baikal. Promoted to Moscow after
having conducted an effective campaign
against graft in the Northern Caucasus.

Awards: Order of Lenin (1982)

VOLODIN Boris Mikhailovich

Present Positions: First Secretary, Rostov Obkom, CPSU

Date of Birth: 1931

Place of Birth: Unknown

Nationality: Russian

Family Background: White-collar

Higher Education: Graduated from Stavropol' Agriculture Institute in 1953; Candidate of Economic Sciences (1969)

Career: 1953 - 55 Livestock Specialist at a Machine-Tractor Station (MTS) in Stavropol' Krai

1955 - Party member

1955 - 58 Chief Technician of a farm in Stavropol' Krai

1958 - 68 Chairman, "Twenty-second CPSU Congress" Kolkhoz, Zelenchukskaya Raion, Karachaevo-Cherkessk Autonomous Oblast (Stavropol' Krai)

1962 - 66 Deputy, Council of Nationalities, USSR Supreme Soviet (6th convocation)

1968 - 71 Chief, Administration of Agriculture, Executive Committee, Karachaevo-Cherkessk Oblast Workers' Soviet

1971- 74 Director, "Mikhailovskoe" Experimental Farm, (run by scientific research institute), Shpakovskoe Raion (Stavropol' Krai)

1974 Deputy Chief, Department of Agriculture, Stavropol' Kraikom, CPSU

1974 - 75 First Secretary, Predgorny Raion, CPSU (Stavropol' Krai)

VOLODIN Boris Mikhailovich (continued)

- 1975 - 82 Chief, Department of Agriculture, Stavropol' Kraikom, CPSU
- 1982 - 84 Secretary, Stavropol' Kraikom, CPSU (responsible for agriculture)
- 1984 - 86 Chairman, Executive Committee, Rostov Oblast Workers' Soviet
- 1985 - 87 Deputy (and Member, Commission on Agro-Industrial Complex), RSFSR Supreme Soviet
- 1986 - First Secretary, Rostov Obkom, CPSU; Member, Military Council, North Caucasian Military District
- 1986 - Full Member, CC CPSU
- 1987 - Deputy (and Member, Commission on Agro-Industrial Complex), USSR Supreme Soviet (elected mid-term)
- 1988 - Member, Commission on Agrarian Policy, CC CPSU

Speeches:

Topics include corruption in Rostov Oblast (1986), economic reform, Party elections, criticism of press (1988), attack on journal Ogonek (Nineteenth Party Conference), social rights of kolkhoz peasants (1964).

Publications:

On economic reform, agriculture in Stavropol' Krai, corruption in Rostov Oblast.

Experience & Expertise:

Specialist on agriculture from Stavropol' Party apparatus; received official praise from Khrushchev for his proposals for kolkhoz reorganization (1964). Along with A. Vlasov (see biography), fought against corruption in Rostov Oblast in 1980s.

Political Line:

Openly criticized for being a "captive of stagnation" (1988); his attacks on press at Nineteenth Party Conference place him in camp of conservatives in CC CPSU.

Awards:

Hero of Socialist Labor (1966)

VOL'SKY Arkadii Ivanovich

Present Positions: Representative of CC CPSU and Presidium, USSR Supreme Soviet in Nagorno-Karabakh

Date of Birth: May 15, 1932

Place of Birth: Unknown

Nationality: Russian (?)

Family Background: Unknown

Higher Education: Graduated from Moscow Steel Institute in 1955

Career: 1955 - 64 Successively Master, Senior Master, Production Section Chief, Shop Superintendent at Likhachev Automobile Plant, Moscow

1958 - Party member

1964 - 69 Secretary, Party Committee, Likhachev Automobile Plant, Moscow

1969 - 77 Worked in the CC CPSU apparatus

1977 - 81 Deputy Chief, Department of Machine-Building, CC CPSU

1981 - 83 First Deputy Chief, Department of Machine-Building, CC CPSU

1983 - 85 Aide to General Secretary, CC CPSU (Andropov, Chernenko)

1983 - 85 Deputy, RSFSR Supreme Soviet (elected mid-term)

1984 - Deputy (and Member, Commission on Industry, since 1985), Council of Nationalities, USSR Supreme Soviet (11th convocation; elected mid-term)

VOL'SKY Arkadii Ivanovich (continued)

1985 - 88 Chief, Department of Machine-Building, CC CPSU

1986 - Full Member, CC CPSU

1988 - Representative of CC CPSU and Presidium, USSR Supreme Soviet, in Nagorno-Karabakh

Travels Abroad:

Czechoslovakia (1969), GDR (1982), Hungary (1979, 1988), Poland (1978), Sweden (1986)

Publications:

Articles in Party newspapers on questions of production growth at a Moscow automobile plant and on economic reform in the machine-building sector.

Evident Patrons:

Promoted by Andropov, who appointed Vol'sky his economic adviser.

Experience & Expertise:

Considered a strong supporter of Gorbachev's new economic policy. Sent as special representative to troubled area of Nagorno-Karabakh in July 1988 to help local authorities implement decisions made by Moscow.

Awards:

USSR State Prize (1971)

VORONIN Lev Alekseevich

Present Positions: Deputy Chairman, USSR Council of Ministers; Chairman, USSR State Committee for Material and Technical Supply (Gossnab); Member, Presidium, USSR Council of Ministers

Date of Birth: February 22, 1928

Place of Birth: Perm'

Nationality: Russian

Family Background: Unknown

Higher Education: Graduated from Ural Polytechnical Institute in Sverdlovsk in 1949

Career:

1949 - 59	Successively Foreman, Mine Foreman, Deputy Shop Supervisor, Shop Supervisor at machine-building plants, Sverdlovsk Oblast
1953 -	Party member
1959 - 63	Chief Engineer at armament plants in Kamensk-Uralsk and Sverdlovsk
1963 - 65	Head of an administration, Central Ural RSFSR Sovnarkhoz
1965 - 68	Director of Krasnogorsk Mechanic Plant, Moscow Oblast
1968 - 72	Chief of Planning and Production Administration, USSR Ministry of Defense Industry
1972 - 79	Deputy Minister, USSR Defense Industry
1979 - 80	First Deputy Minister, USSR Defense Industry
1980 - 85	First Deputy Chairman, USSR State Planning Committee (Gosplan)

VORONIN Lev Alekseevich (continued)

1981 - Deputy (and Member, Commission for Power, 1982-85), Council of Nationalities, USSR Supreme Soviet (elected mid-term)

1981 - Full Member, CC CPSU

1985 - Deputy Chairman, USSR Council of Ministers; Chairman, USSR State Committee for Material and Technical Supply (Gosstab); Member, Presidium, USSR Council of Ministers

Travels Abroad:

Bulgaria (1987), GDR (1986), Poland (1986, 1988), Vietnam (1987)

Speeches:

On economic management, industrial-technological progress.

Publications:

Topics include economic reform, management, consumer goods industry.

Evident Patrons:

He is among the members of the "Sverdlovsk group" who were promoted first by Kirilenko (retired 1982) and more recently by Ryzhkov (see biography).

Experience & Expertise:

Representative of Soviet military-industrial complex in Ryzhkov's cabinet. Criticized by Gorbachev at June 1987 plenum.

Awards:

Order of Lenin (1988), Lenin Prize, Order of Red Banner, Order "Badge of Honor", medals

VORONOV Yuri Petrovich

Present Positions: Chief Editor, Literaturnaya gazeta

Date of Birth: January 17, 1929

Place of Birth: Leningrad

Nationality: Russian

Family Background: Unknown

Higher Education: Graduated from A. A. Zhdanov University, Leningrad, in 1952 (studied journalism at Philology Faculty)

Career: 1942 - Komsomol member

1951 - Party member

1952 - 55 Secretary, Leningrad Obkom, All-Union Komsomol; Editor, Komsomol journal Smena

1955 - 59 Deputy Chief Editor, Komsomol'skaya pravda

1958 - 66 Member, CC All-Union Komsomol

1959 - 65 Chief Editor, Komsomol'skaya pravda

1959 - 65 Member, Buro, All-Union Komsomol

1966 - 73 Executive Secretary, Editorial Board, Pravda

1973 - 82 Chief, Pravda newspaper headquarters, GDR, West Berlin

1982 - 85 Secretary of Board, USSR Writers' Union

1985 - 86 Chief Editor, Znamya

1986 - 88 Chief, Department of Culture, CC CPSU

1986 - Deputy (and Member, Commission on Public Education and Culture), Council of Nationalities, USSR Council of Ministers

VORONOV Yurii Petrovich (continued)

1988 - Chief Editor, Literaturnaya gazeta

WW II Experience: As teenager helped to defend Leningrad and participated in breaking of Leningrad blockade.

Travels Abroad: Afghanistan (1960), Albania (1959), Austria (1984), Burma (1960), Bulgaria (1984), Cuba (1987), FRG (1958), GDR (1988), India (1960), Indonesia (1960), Poland (3 visits, 1961-1987), US (1958)

Speeches: On restructuring in Soviet culture.

Publications: Several collections of poems (translated into foreign languages), memoirs of Leningrad blockade, book about Khrushchev's visit to Southeast Asia (1960).

Evident Patrons: Close friend of Khrushchev's son-in-law Adzhubei; owes promotion to CC apparat to A. Yakovlev (see biography).

Experience & Expertise: Authoritative figure in Komsomol leadership under Adzhubei; downgraded after fall of Khrushchev. Avoided Party politics throughout Brezhnev period; became successful poet. His promotion to chief of Department of Culture indicated change in Kremlin's attitude toward culture.

Awards: Order of Lenin (1962), Order of Red Banner of Labor (1984), Order "Badge of Honor," State Prize (1985), medal "For Defense of Leningrad" (1943), Order of Banner of Labor (GDR; First Class), V. V. Vorovsky Prize (1962), medal "For Valiant Labor" (1960)

VORONTSOV Yulii Mikhailovich

Present Positions: USSR First Deputy Minister of Foreign Affairs; USSR Ambassador to Afghanistan

Date of Birth: October 7, 1929

Place of Birth: Leningrad

Nationality: Russian

Family Background: Not known

Higher Education: Graduated from Moscow State Institute of International Relations (MGIMO) in 1952

Career: 1952 - 54 Referent, Second European Department (Australia, Canada, Ireland, Malta, New Zealand, United Kingdom), USSR Ministry of Foreign Affairs

1954 - 58 Official at Permanent USSR Representation at UN (New York)

1956 - Party member

1958 - 63 Second Secretary, First Secretary, then Counselor, Department of International Organizations, USSR Ministry of Foreign Affairs

1963 - 65 Counselor, Permanent USSR Representation at UN (New York)

1965 - 66 Deputy Chief, Department of International Organizations, USSR Ministry of Foreign Affairs

1966 - 70 Counselor, USSR Embassy to US

1970 - 77 Minister-Counselor and Charge d'affaires ad interim, USSR Embassy to US

1977 Deputy Chief, Administration for Foreign Policy Planning, USSR Ministry of Foreign Affairs

VORONTSOV Yulii Mikhailovich (continued)

1977 - 83 USSR Ambassador to India
1981 - Full Member, CC CPSU
1983 - 86 USSR Ambassador to France
1986 - USSR First Deputy Minister of Foreign
 Affairs (responsible for global policy,
 arms control, Middle East)
1988 - USSR Ambassador to Afghanistan

Travels Abroad:

Afghanistan (1987), Algeria (1987, 1988),
Egypt (1987), Ethiopia (1987, 1987),
France (1986, 1987), FRG (1987), Great
Britain (1987), India (3 visits,
1986-88), Iran (4 visits, 1987-88), Iraq
(4 visits, 1987-88), Italy (1987, 1988),
Jordania (1987), Kuwait (1987), Libya
(1987), Pakistan (1988), Poland (1986),
Romania (1988), US (1986), Switzerland
(several visits in 1987), Syria (3
visits, 1987-88), Turkey (1988), North
Yemen (1986), South Yemen (1986),
Yugoslavia (4 visits, 1977-78)

Speeches:

Topics include restructuring in USSR
Foreign Ministry (1988), arms control.

Publications:

Topics include arms control, Afghanistan
conflict, Soviet policy in Middle East.

Evident Patrons:

Worked for a long time under Dobrynin.

Experience & Expertise:

One of few genuine generalists of Soviet
diplomacy, having since served in
Washington, New York, India, France, and
now Afghanistan. In 1977, he led the
Soviet delegation at the first Helsinki
follow-up conference in Belgrade where he
rebutted Western attacks on Soviet adher-
ence of human rights provision of
Helsinki accords. In 1985, he secretly
met with the Israeli Ambassador to France
to discuss possible restoration of
Soviet-Israeli diplomatic ties. In 1987,
he became the chief Soviet negotiator at
the Geneva disarmaments talks on inter-
mediate and strategic nuclear weapons and

VOROTNIKOV Vitalii Ivanovich

Present Positions: Chairman, Presidium, RSFSR Supreme Soviet; Full Member, Politburo, CC CPSU

Date of Birth: January 20, 1926

Place of Birth: Voronezh

Nationality: Russian

Family Background: Unknown

Higher Education: Graduated from Voronezh Tekhnikum in 1947; graduated from S. P. Korolev Aviation Institute in Kuibyshev

Career: 1942 - 44 Apprentice Fitter at locomotive repair works in Voronezh

1947 - Party member

1947 - 55 Successively Foreman, Technician, Shop Supervisor, Chief Supervisor at Machine-Building Plant, Kuibyshev

1955 - 60 Secretary, Party Committee of Machine-Building Plant, Kuibyshev

1960 - 61 Chief, Industry Department, Kuibyshev Obkom, CPSU

1961 - 63 Secretary, Kuibyshev Obkom, CPSU (responsible for industry)

1963 - 64 Second Secretary, Kuibyshev Obkom for Industry, CPSU

1963 - 71 Deputy (and Member, Commission for Industry and Construction), RSFSR Supreme Soviet

1965 - 67 Second Secretary, Kuibyshev Obkom, CPSU

1967 - 71 Chairman, Executive Committee, Kuibyshev Oblast Workers' Soviet

VOROTNIKOV Vitalii Ivanovich (continued)

- 1970 - Deputy (and Member, Commission on Health and Social Security, 1970-74; Member, Commission on Legislative Proposals, 1974-79), Council of the Union, USSR Supreme Soviet (since 8th convocation)
- 1971 - 75 First Secretary, Voronezh Obkom, CPSU
- 1971 - Full Member, CC CPSU
- 1975 - 79 First Deputy Chairman, RSFSR Council of Ministers
- 1979 - 82 USSR Ambassador to Cuba
- 1982 - 83 First Secretary, Krasnodar Kraikom, CPSU
- 1983 - 88 Chairman, RSFSR Council of Ministers
- 1983 Candidate Member, Politburo, CC CPSU
- 1983 - Full Member, Politburo, CC CPSU
- 1983 - Deputy, RSFSR Supreme Soviet
- 1988 - Chairman, Presidium, RSFSR Council of Ministers
- 1988 - Deputy Chairman, Presidium, USSR Supreme Soviet

Travels Abroad:

Canada (1985), Czechoslovakia (1987), FRG (1977, 1988), Mongolia (1986), Romania (1984), Vietnam (1985), Yugoslavia (1985, 1988)

Speeches:

Topics include RSFSR politics, support for perestroika and democratization, consumer goods, foreign policy, Soviet-Angolan friendship, CPSU relations with Cuba, economic planning.

Publications:

Articles in newspapers and journals on RSFSR politics, economic management, culture, Party policy in Voronezh.

Experience & Expertise:

Extensive industrial background. Suffered career setback in 1979 when transferred to Cuba; brought back to Moscow by Andropov. During a reshuffle in October

VOROTNIKOV Vitalii Ivanovich (continued)

1988, appointed president of the Russian republic.

Political Line:

Described as orthodox Party apparatchik who favors safe, middle-of-the-road positions.

Awards:

Hero of Socialist Labor (1986), Order of Lenin (1986), Order of October Revolution (1976), medals

Accompanied wife training school during the war; graduated in 1946 from the Leningrad Pedagogical Institute in Voronezh, as a teacher. Graduated from Academy of Social Sciences, CCPSU, in 1960; Doctor of Historical Sciences (1967); Professor (1969). Studied at Columbia University as exchange student in 1958.

Arrived in the Red Army (1942) as a cadet at Infantry school, later, commander of a platoon and a company.

Party member.

Worked in apparatus of Voronezh, Dzerzhinsk.

Department Chief at Voronezh, Dzerzhinsk; Deputy Party Committee Chief.

Deputy Department Chief, then Department Chief, Voronezh, Dzerzhinsk.

Deputy Chief, Department of Science and Culture, CCPSU.

Worked in apparatus of CCPSU.

Instructor, Department of Propaganda and Agitation, CCPSU.

Class:

1941 - 42

1948 -

1948 - 49

1948 - 50

1950 - 51

1951 - 52

1952 - 53

1953 - 54

1954 - 55

YAKOVLEV Aleksandr Nikolaevich

Present Positions: Secretary, CC CPSU; Full Member, Politburo, CC CPSU

Date of Birth: December 2, 1923

Place of Birth: Yaroslavl' Oblast

Nationality: Russian

Family Background: Peasant

Higher Education: Attended rifle training school during the war; graduated in 1946 from K.D. Ushinsky Pedagogical Institute in Yaroslavl' as teacher; graduated from Academy of Social Sciences, CC CPSU, in 1960; Doctor of Historical Sciences (1967); Professor (1969); studied at Columbia University as exchange student in 1959

Career:

1941 - 43	Served in the Red Army (first as a cadet at infantry school; later, Commander of a platoon and a company)
1944 -	Party member
1946 - 48	Worked in apparat of Yaroslavl' Obkom, CPSU
1948 - 50	Department Chief at Yaroslavl' Oblast newspaper <u>Severnyi rabochii</u> ; Chief Lecturer at Party School, Yaroslavl' Oblast
1950 - 53	Deputy Department Chief, then Department Chief, Yaroslavl' Obkom, CPSU
1953 - 56	Deputy Chief, Department of Science and Culture, CC CPSU
1960 - 62	Worked in apparat of CC CPSU
1962 - 64	Instructor, Department of Propaganda and Agitation, CC CPSU

YAKOVLEV Aleksandr Nikolaevich (continued)

1964 - 65 Chief, Radio and TV Broadcasting Sector,
Propaganda Department, CC CPSU

1966 - 73 Member, editorial staff, journal
Kommunist

1965 - 73 First Deputy Chief and Acting Chief,
Propaganda Department, CC CPSU

1971 - 76 Member, Central Auditing Commission, CPSU

1973 - 83 USSR Ambassador to Canada

1983 - 85 Director, Institute of World Economics
and International Relations (IMEMO), USSR
Academy of Sciences

1984 - Deputy (and Member, Commission on Foreign
Affairs), Council of Nationalities, USSR
Supreme Soviet (11th convocation);
Member, Committee, USSR Parliamentary
Group

1984 - Corresponding Member, USSR Academy of
Sciences (Economics Department)

1985 - 86 Chief, Propaganda Department, CC CPSU

1985 - Chairman, Soviet Section, Soviet-
Czechoslovak Friendship Society

1986 - Full Member, CC CPSU

1986 - Secretary, CC CPSU (responsible for
propaganda, culture; foreign affairs,
since 1988)

1987 Candidate Member, Politburo, CC CPSU

1987 - Full Member, Politburo, CC CPSU

1987 - Member, Chairman (since 1988) Commission
for Further Study of Materials and
Documents Related to the Repressions of
the Stalin Years, Politburo, CC CPSU

1988 - Chairman, Commission on International
Policy, CC CPSU

YAKOVLEV Aleksandr Nikolaevich (continued)

WW II Experience:

Fought in Red Army; lost a leg as a result of serious wounds.

Travels Abroad:

Belgium (1984), Bulgaria (1968), Czechoslovakia (1968, 1985, 1988), FRG (1970), GDR (2 visits, 1987), Great Britain (3 visits, 1982-1987), Hungary (1969, 1988), Iceland (1986), Mongolia (1988), Poland (1986, 1987), Spain (1987), Switzerland (1985), US (1959, 1987, 1988)

Speeches:

Topics include ideology, democratization of Soviet society, culture, agriculture, nationalities issues, economic reform, legal reform, glasnost, tasks of press under policy of restructuring.

Publications:

In Party and other papers on Soviet propaganda, culture, development of Soviet sociological science, sociological development of working class, ideology, attack on Russian nationalism. Author of books on Marxist-Leninist ideology.

Evident Patrons:

Gorbachev (see biography).

Experience & Expertise:

Became Komsomol member in the 1930s in Yaroslavl' when Andropov was Komsomol chief there; occupied rather important positions in the CC CPSU propaganda apparatus under Khrushchev and Brezhnev; fell out of favor in 1973, reportedly as a result of his attack on Russian nationalism. Known for his harsh anti-US views; emerged in 1985-86 as one of Gorbachev's key spokesmen on ideological questions. Since 1987, has exercised ultimate control over Soviet press, television, literature, and culture. Responsible for formulation and implementation of Party policy on glasnost, democratization, and other controversial issues.

Political Line:

Dedicated reformer; has played leading role in recent liberalization of Soviet culture.

Awards:

Order of Red Banner of Labor (1962),
Order of Friendship of the Peoples (1983)

YAKOVLEV Egor Vladimirovich

Present Positions: Chief Editor, Moskovskie novosti

Date of Birth: 1930

Place of Birth: Unknown

Nationality: Russian

Family Background: Son of an NKVD official

Higher Education: Graduated from Historical Archive Institute, Moscow, in 1955

Career: 1955 - 72 Literary Journalist, then Executive Secretary of newspaper Moskovskaya pravda; Department Head, then Deputy Editor of newspaper Leninskoe znamya; Deputy Editor, newspaper Sovetskaya Rossiya; Member, Editorial Collegium, newspaper Pravda; Chief Editor, Party journal Zhurnalist

1972 Deputy Chief, Administration of Soviet Exhibitions Abroad, USSR Chamber of Commerce and Industry

1972 - 73 Consultant, then First Deputy Executive Secretary, journal Problemy mira i sotsializma (Prague)

1973 - 75 Editorial Section Chief, Problemy mira i sotsializma (Prague)

1975 - 84 Special Correspondent for Izvestia

1984 - 85 Editor, Communist Education Section, Izvestia

1985 - 86 Correspondent for Izvestia in Czechoslovakia

1986 - Chief Editor of Moskovskie novosti; Deputy Chairman, Board of Novosti Press Agency (APN)

YAKOVLEV Egor Vladimirovich (continued)

1987 - Member, Central Auditing Commission, USSR Union of Journalists

Travels Abroad:

Austria (1987), US (1987)

Publications:

Articles in newspapers and journals on Gorbachev's new policy of perestroika, Party history, Lenin's life, Soviet morality, corruption and discipline; interviews with several Western newspapers.

Experience & Expertise:

Belongs to group of "liberal intellectuals" in the Party; regarded as a well-educated journalist, knowledgeable not only about life in the Soviet Union but also about developments in other socialist countries. Transformed Moskovskie novosti into one of the most liberal newspapers ever published in the Soviet Union.

Political Line:

Leading proponent of openness in the Soviet press; believes Moskovskie novosti should accurately reflect Soviet public opinion without considering any subject taboo.

Awards:

Prize of USSR Union of Journalists (1979)

YAZOV Dmitrii Timofeevich

Present Positions: USSR Minister of Defense; Candidate Member, Politburo, CC CPSU; Army General

Date of Birth: November 8, 1923

Place of Birth: Yazovo, Okoneshnikovo Raion, Omsk Oblast, RSFSR

Nationality: Russian

Family Background: Peasant (father died during period of collectivization)

Higher Education: Attended Military School for the Artillery (now, Higher Officers' School of RSFSR Supreme Soviet), Moscow, 1941-42; attended Frunze Military Academy, Moscow, until 1956; attended Military Academy of the General Staff, Moscow, 1965-1967

Career: 1942 - 45 Commander of a platoon, Deputy Commander of a company of 483rd Rifle Regiment, Volkhovo Front (lieutenant); Commander of 9th Company of 483rd Rifle Regiment, Leningrad Front

1944 - Party member

1945 - 48 Commander of a platoon

1948 - 58 Commander of a battalion, then of a regiment

1958 - 61 Post(s) in staff of Leningrad Military District; Lieutenant Colonel (1959)

1961 - 63 Commander of a regiment, Leningrad Military District

1963 - 65 Post(s) in staff of Leningrad Military District; Colonel (1965)

1967 - 71 Commander of a division, Transbaikal Military District; General Major (1969)

YAZOV Dmitrii Timofeevich (continued)

1971	Chief of Staff of an army
1972 - 74	Commander of an army in Azerbaijan, Transcaucasian Military District; General Lieutenant (1973)
1974 - 76	Post in Main Directorate for Cadres, USSR Ministry of Defense
1976 - 79	First Deputy Commander, Far Eastern Military District; Colonel General (1976)
1979 - 80	Commander, Central Group of Forces (Czechoslovakia)
1979 -	Deputy (and Member, Energy Commission, 1982-87), Council of Nationalities, USSR Supreme Soviet (10th-11th convocations)
1980 - 84	Commander, Central Asian Military District; Army General (1984)
1981 - 84	Member, Buro, CC Kazakh CP
1981 - 87	Candidate Member, CC CPSU
1981 - 86	Member, CC Kazakh CP
1984 - 86	Commander, Far Eastern Military District
1986 - 87	USSR Deputy Minister of Defense for Personnel; Chief, Main Directorate for Cadres, USSR Ministry of Defense
1987 -	USSR Minister of Defense
1987 -	Candidate Member, Politburo, CC CPSU
1987 -	Member, CC CPSU

WW II Experience:

Fought on Volkhovo and Leningrad Fronts; badly wounded in 1942.

Travels Abroad:

Bulgaria (2 visits, 1988), Czechoslovakia (1987, 1988), GDR (4 visits, 1987-88), India (1988), North Korea (1985), Poland (3 visits, 1987-1988), Romania (1987), Switzerland (1988), Yugoslavia (1988)

YAZOV Dmitrii Timofeevich (continued)

Speeches:

On process of perestroika in armed forces, discipline, national security, leading role of the Party; has attacked liberal press (Ogonek) for spreading pacifist views.

Publications:

Articles in newspapers and periodicals on national security, military training, glasnost' in army affairs, strengthening of discipline; has criticized prevalence of corruption in the army.

Evident Patrons:

Impressed Gorbachev during tour of Soviet Far East in summer 1986; worked with L. Zaikov (see biography) in Leningrad military-industrial complex. In an article, praised Army General I. Tret'yak (see biography) as one of the best military commanders he had ever met.

Experience & Expertise:

As commander of Central Asian Military District, involved in war operations in Afghanistan; introduced new techniques for combined-arms small unit operations, developed training programs to modernize Soviet army. Promoted by Gorbachev to post of deputy defense minister for personnel in order to carry out perestroika in the armed forces. As defense minister, replaced S. Sokolov, who was declared responsible for the failure to stop Rust's flight over Soviet territory; promoted to post of defense minister over the heads of several more senior military officers.

Political Line:

Supports arms limitation drive; uneasy about greater outspokenness of Soviet press under glasnost'.

Awards:

Certificate of Honor, Presidium, Azerbaijan SSR Supreme Soviet (1973), Certificate of Honor, Presidium, Kazakh SSR Supreme Soviet (1983), Order of Lenin, Medals

ZAGLADIN Vadim Valentinovich

Present Positions: Adviser to Chairman, Presidium, USSR Supreme Soviet

Date of Birth: June 23, 1927

Place of Birth: Unknown

Nationality: Russian

Family Background: Unknown

Higher Education: Graduated from World History Faculty of Moscow Institute of International Relations in 1949 (history and diplomacy); completed postgraduate studies in 1952; Candidate of Historical Sciences (1953); Doctor of Philosophical Sciences; Professor (1973)

Career: 1952 - 54 Instructor, later Senior Instructor, Moscow Institute of International Relations

1954 - 57 Held editorial posts with newspapers Trud, Krasnaya zvezda, journal Sovetsky Artist and foreign affairs weekly Novoe vremya (New Times)

1955 - Party member

1957 - 60 Executive Editorial Secretary, Novoe vremya (New Times)

1961 - 64 Held editorial post(s), Problemy mira i sotsializma (Problems of Peace and Socialism; English edition: World Marxist Review)

1964 - 67 Lecturer, then Chief, Consultant Group, International Department, CC CPSU

1967 - 75 Deputy Chief, International Department, CC CPSU

1970 - 73 Member, Editorial Collegium, SShA (USA)

ZAGLADIN Vadim Valentinovich (continued)

- 1971 - 76 Member, Central Auditing Commission, CPSU
- 1972 - Member, Editorial Collegium, Voprosy istorii
- 1975 - 88 First Deputy Chief, International Department, CC CPSU
- 1976 - 81 Candidate Member, CC CPSU
- 1979 - Deputy (and Deputy Chairman, 1979-84; Secretary, since 1984, Foreign Affairs Commission), Council of the Union, USSR Supreme Soviet (since 10th convocation); Deputy Chairman, USSR Parliamentary Group
- 1981 - Full Member, CC CPSU
- 1988 - Adviser to Chairman, Presidium, USSR Supreme Soviet (on foreign policy)

Travels Abroad:

Numerous visits to Western countries such as Austria, Belgium, Denmark, France, FRG, Great Britain, Greece, Italy, Netherlands, Portugal, Spain, Sweden, Switzerland since 1968; also several visits to Socialist countries such as Bulgaria, Czechoslovakia, GDR, Hungary, Poland since 1972, Cuba (1987), Nicaragua (1987); visited Japan (1979, 1984).

Publications:

Articles in newspapers and journals on Communist movement, ideology; author of several books on international relations.

Experience & Expertise:

Authoritative spokesman for Soviet policy on East-West relations; specialist for relations with Western Europe and West European Communist Parties; was one of Brezhnev's speech-writers and foreign policy advisor of Andropov, Chernenko, and Gorbachev; speaks English, French, German, Czech, and Italian.

Awards:

2 Orders of Lenin (1977, 1982), Order of Red Banner of Labor (1987).

ZAIKOV Lev Nikolaevich

Present Positions: First Secretary, Moscow Gorkom, CPSU;
Secretary, CC CPSU; Full Member,
Politburo, CC CPSU

Date of Birth: April 3, 1923

Place of Birth: Tula

Nationality: Russian

Family Background: Unknown

Higher Education: Graduated from Engineering-Economics
Institute, Leningrad in 1963

Career: 1940 - 44 Apprenticeship, then Fitter in Leningrad
1944 - 61 Successively Shop Foreman, Deputy Plant
Foreman, then Production Chief at
(military-related) scientific production
associations in Saratov, Moscow and
Leningrad
1957 - Party member
1961 - 76 Director (1961-71), then Director General
of a (military-related) technical
production association (1971-74); later,
Director General of a (military-related)
scientific production association in
Leningrad
1972 - 77 Member, All-Union Central Trade-Union
Council
1976 - 83 Chairman, Executive Committee, Leningrad
City Workers' Soviet
1975 - 80 Deputy, RSFSR Supreme Soviet (9th
convocation)
1979 - Deputy (and Member, 1979-84, Commission
on Foreign Affairs), Council of the
Union, USSR Supreme Soviet (since 10th
convocation)

ZAIKOV Lev Nikolaevich (continued)

- 1979 - 84 Member, Committee, USSR Parliamentary Group, USSR Supreme Soviet
- 1981 - Full Member, CC CPSU
- 1983 - 85 First Secretary, Leningrad Obkom, CPSU; Member, Military Council, Leningrad Military District
- 1984 - 86 Member, Presidium, USSR Supreme Soviet
- 1985 - Secretary, CC CPSU (responsible for military-industrial complex)
- 1986 - Full Member, Politburo, CC CPSU
- 1987 - First Secretary, Moscow Gorkom, CPSU; Member, Military Council, Moscow Military District
- 1988 - Member, Presidium, USSR Supreme Soviet

Travels Abroad:

Bulgaria (1988), Cyprus (1987), Czechoslovakia (1987, 1988), Ethiopia (1987), Finland (1984, 1988), France (1981), GDR (1985), Italy (1979, 1986), Poland (1987, 1988), Romania (1986), US (1977)

Speeches:

Topics include Party affairs, reform, construction, restructuring of economic system, industry, plan fulfillment.

Publications:

Articles in state and Party newspapers on economic reform, plan fulfillment, environmental protection, and historical and economic role of Leningrad.

Experience & Expertise:

One of most powerful officials in Party apparatus; supports policy of promoting scientific and technological progress. An arms specialist, he worked many years in scientific production associations, primarily in Leningrad. Became Party chief in Leningrad after Romanov's promotion to Moscow (1983). Under Gorbachev, replaced Romanov as CPSU CC "senior" secretary responsible for defense industry. Later, became Moscow Party chief after El'tsin

ZAIKOV Lev Nikolaevich (continued)

Political Line:

was ousted; pledged to give top priority to improving living standards in Moscow.

Awards:

Committed to reform program, but believes that role played by the press should be more restricted.

Hero of Socialist Labor (1971), 2 Orders of Lenin (1971, 1983), USSR State Prize (1975), and medals

1983
1982
1981
1980

Travel Awards

Speeches

Publications

Experiences & Experiences

[Faint, mirrored text bleed-through from the reverse side of the page, including phrases like "Political Line", "Awards", and "Hero of Socialist Labor"]

ZAITSEV Mikhail Mitrofanovich

Present Positions: Commander, Southern Theater of Operations

Date of Birth: November 22, 1923

Place of Birth: Not known

Nationality: Russian

Family Background: Unknown

Higher Education: Graduated from Moscow Military Academy of Tank Troops in 1954; and from Military Academy of the General Staff, Moscow, in 1965

Career:

1942 - 45	Assistant to chief of staff of a brigade; Assistant to Chief of Department, staff of a tank corps
1943 -	Party member
1945 - 57	Deputy Commander of a division
1957 - 59	Deputy Chief of Staff, then Chief of Staff of a division
1959 - 65	Deputy Commander, Rogachev Guards Motorized Rifle Division, Belorussian Military District
1965 - 68	Commander of Rogachev Guards Motorized Rifle Division, Belorussian Military District
1968 - 69	Chief of Staff of an army unit, Belorussian Military District
1969 - 72	Commander of an army unit, Belorussian Military District
1971 - 81	Full Member, CC Belorussian CP
1971 - 80	Deputy, Belorussian SSR Supreme Soviet

ZAITSEV Mikhail Mitrofanovich (continued)

1972 - 76 First Deputy Commander, Belorussian Military District

1976 - 80 Commander, Belorussian Military District

1976 - 81 Full Member, Buro, CC Belorussian CP

1979 - Deputy (and Member, Commission on Planning and Budget, until 1984; Member, Commission on Foreign Affairs, since 1988), Council of Nationalities, USSR Supreme Soviet

1980 - Army General

1980 - 85 Commander-in-Chief, Group of Soviet Troops in Germany

1981 - Full Member, CC CPSU

1985 - Commander, Southern Theater of Operations

1986 - Full Member, CC CP Azerbaijan CP

1986 - Full Member, CC Azerbaijan CP

WW II Experience:

Fought in Third Tank Army; as commander of tank company took part in battle of Kiev (1943)

Travels Abroad:

Not known

Speeches:

On national security, ideology.

Publications:

Topics include national security, war memoirs, modernization of Soviet Army, military training.

Evident Patron:

Was member of General Tret'yak's (see biography) command in Belorussian Military District in 1970s.

Experience & Expertise:

His appointment to post of Commander-in-Chief of GSFG in 1980 was seen as intended to increase pressure on the Polish government during the Polish crisis; as commander of Southern Theater of Operations heads forces of the Turkestan and Central Asian Military District as well

ZAITSEV Mikhail Mitrofanovich (continued)

as Soviet troops in Afghanistan; his recent nomination to one of the USSR Supreme Soviet's Commissions on Foreign Affairs may indicate his increased role in time of Soviet pullout from Afghanistan.

Political Line:

Epitomizes a generation of Soviet military commanders whose view of modern warfare was shaped by their wartime experiences.

Awards:

Hero of the Soviet Union (1983)