The work of the USSR State Planning Committee as the art of the possible. Conversation between Alexey Safronov and Vladimir Kossov



The interview with Vladimir Viktorovich Kossov took place on January 9, 2020 and was devoted to the peculiarities of the work of the USSR State Planning Committee. It contains references to anot interview that I conducted earlier as part of collecting materials about Automated system planned calculations of the USSR State Planning Committee (ASPR). This interview in form abridged published in No. 133 of the stock" magazine "Inviolable" https://www.nlobooks.ru/magazine s/neprikosnovennyy\_zapas/133\_nz <u>5 2020/article/23005/</u> The text of the previous interview link is Βv available https://yadi.sk/i/Upf\_W6NDwu <u>so</u>

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# Vladimir Viktorovich Kossov was born in 1935.

In 1958 he graduated from the Timiryazev Academy with a degree in scientific agronomist economist".

Until 1948, the Timiryazev Academy was headed by Vasily Sergeevich Nemchinov, who retained ties with it even after his removal from the post of rector. In his laboratory on the application of statistical and mathematical methods in economics, V.V. After graduating from the institute, Kossov began working as a laboratory assistant, then as a junior researcher.

In 1960, the laboratory became the Laboratory of Economic and Mathematical Research, on the basis of which the Central Economic and Mathematical Institute (CEMI) appeared in 1963. Kossov worked at CEMI until 1966, rising from junior researcher to head of the laboratory.

In 1963 he defended his Ph.D. thesis in economics (topic "Reporting inter-sectoral balance of an economic region").

In 1965 he joined the CPSU.

In 1965-66. worked as a consultant to the UN Economic Commission for Africa.

In 1966, Vladimir Kossov moved to the State Planning Committee to the position of deputy head of the department for the implementation of economic and mathematical methods. After the reorganization of the department, he became deputy head of the consolidated department of the USSR State Planning Committee. At the same time, he held the position of senior economic adviser from the USSR at the UN Economic Commission for Europe, and led teaching work (professor at the USSR Academy of National Economy, lecturer at the USSR State Planning Committee). In 1968, Kossov, as part of a group of scientists, became a laureate of the USSR State Prize for a series of works on input-output balances. In the same year, he defended his doctoral dissertation in economics (topic "Inter-industry models: issues of methodology and practice of construction").

When the consolidated department was divided into a consolidated department of annual and five-year plans and a consolidated department of long-term plans, he became deputy head of the department of five-year plans, and after another change in the structure of the State Planning Committee in 1981 - deputy head of the department of prospects for economic and social development.

In October 1981, Vladimir Kossov became a member of the board and a member of the USSR State Planning Committee, and in November 1981 he was appointed head of the Main Computer Center of the USSR State Planning Committee instead of Nikolai Pavlovich Lebedinsky.

In March 1984, he was appointed head of the Main Directorate of Information under the Council of Ministers of the USSR with the release of the head of the Main Computing Center of the State Planning Committee of the USSR. At his new place of work, he participated in the creation of the automated interdepartmental system "Kontur", with the help of which information was quickly collected and provided to the country's top leadership for making management decisions, including in emergency situations. The system was used to organize work to eliminate the consequences of the accident at the Chernobyl nuclear power plant in 1986 and the earthquake in Armenia in 1988.

In 1994-2000, Vladimir Kossov was Deputy Minister of Economy of the Russian Federation, and since 2000, he has been a professor at the Higher School of Economics.

### What was the job

Alexey Safronov: What exactly did you do while working in the consolidated

department? What tasks did you face?

Vladimir Kossov: I was responsible for the digital part in the consolidated department

five-year plans, which were developed in two stages. At first

The outlines of the plan were outlined and recorded in the Control Figures. They

determined the "face" of the five-year plan and constituted the essence of the document "Basic

directions of development of the national economy of the USSR" for the next five-year period,

which were approved by each congress of the CPSU. It should be said that the numbers

main directions related to the USSR and the Union republics, in

which had their own communist parties. Based on those approved by the CPSU Congress main directions, a five-year plan was developed, which was called "oncoming" by analogy with the first five-year plans. Five-year development plan went from enterprises to ministries, which represented their projects to the USSR State Planning Committee. The five-year plan compiled by the USSR State Planning Committee was submitted to the Supreme Soviet of the USSR, which approved it.

Let's return to the main directions. This document contained text part, "prayer" - this was done by my colleague, Fyodor Ivanovich Kotov (nickname FIC), a most colorful personality. The favorite joke in the State Planning Committee was like, "Don't forget to correct the exit numbers." I was responsible for the numbers. Which rates of growth? What capital investments? What are the production volumes in in kind according to the main indicators, specified by the interval called "forks".

What can I boast about in this regard? Introduced the word into the Russian language "biotechnology". I was an adviser from the USSR to the Economic Commission UN on Europe, in the materials for the next meeting there was once the word "biotechnology" with reference to the Financial Times. We have this newspaper Gosplan was getting. I went up to the 11th floor to the library, and in the room where there was link, this word was not there. Therefore, when I arrived in Geneva, I asked: "Well, how can that be?" But I couldn't read the source, I couldn't understand what it was such. There was a commotion. They later explained to me that "you are from Zurich I read the publication, but I should have read London..." Then I got the "pravdists" explained that they put special marks on newspapers - circles, squares, indicating the place of publication. Nevermind.

Returning home, I called the Academy of Sciences - the reception vice President Ovchinnikov Yuri Antonovich, and said that I would like to talk to him. Since biotechnology has appeared, it means that I need it in "Main directions" should also be included.

He was terribly surprised, then he told me what he felt It's always difficult to find contacts with officials, but here is an official, and even

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quite high-ranking, calls him and wants something. He took me to Pushchino to the Academic Center. Ovchinnikov is a bright personality, not without reason Now the institute is named after him1.

Thanks to this visit, I clearly understood what biotechnology is. at the level of chatter, but at the level of serious science. Then I wrote a text about biotechnology. This is perhaps the most striking example of what had to be do.

And my job is the meaning of the plan indicators, the numbers. In the State Planning Committee of the USSR the plan is approved by the board for each department and only after that plan forms were printed containing its indicators which were updated to the performers. My work included, among other things, receiving from industry representatives departments of plan indicators. They came with proposals: "Let's we'll write as much and as much," and I either agreed with them or not.

Well, if you agreed, there were no questions; if you disagreed, you went with disagreements to the corresponding deputy chairman of the State Planning Committee, and even if he does not have agreed, then the final authority was Baibakov himself.

Oddly enough, most of the questions were related to rural farming. It was a "sacred cow", and for me, perhaps due to education received, there were a lot of all sorts of, mostly ideological, questions. The main one is that you need to invest money first of all in the arrangement of the life in the countryside, and only then into production. Five-year plan indicators were the result, the price for which was capital investment.

## How decisions were made at Gosplan

V.K.: How was the work organized? Head of the chemical department industry, which was then rapidly developing, was V. Bibishev, She's very smart. He has one deputy - Kozlov was responsible for production (mineral fertilizers in tons of active substance, etc.) and other Deputy - Barsky, was responsible for capital construction - commissioning new

<sup>1</sup>Institute of Bioorganic Chemistry named after. Academicians M. M. Shemyakin and Yu. A. Ovchinnikov

capacity. He was a great and loud debater. And here I am with Barsky adjusted the volumes of capacity commissioning in connection with capital investments, allocated to the chemical industry, and then with Kozlov - volumes production by industry.

Let me explain using the example of chemists as the most complex industry. IN Timiryazevka took a course in organic chemistry, but by the time described, she has already gone far ahead. And here I am somehow sitting, painting felt-tip pens acetylene chemistry processes. V. Bibishev, the boss, comes in Department of Chemistry: "What are you doing?" And on my desk there are "Fundamentals of Chemical technology", a thick book. I say: "Here I am now with chemistry I understand acetylene." He says: "Are you crazy, or what? Why do you need it necessary?" I say: "You understand, your main specialists are coming, They'll swear with some kind of acrylonitrile, and I – what? What should I do, "smart eyes", what do I understand? This is the first time I've heard this word, it's everything to me I'm fed up, I decided to figure it all out so that it doesn't bother me hanged." And he said to me: "Why? I don't know everything! Why do you need all this? necessary?". He was very surprised at the levels at which the work was going on.

The chief specialist is the main "workhorse" in the State Planning Committee. This the person who kept the "line" of the plan: in each form of the plan there were some. There is one chief specialist for phosphate fertilizers, potassium - second, nitrogen - third, because these are whole directions in the chemical industry, huge factories. What's happened "drew a line"? Let's say the nitrogen specialist was responsible for all nitrogen fertilizers, potassium worker - for potash, which was produced in two places in the Urals and in Belarus. The chief specialist knew all the factories and mines. Normal the chief specialist in the USSR State Planning Committee knew every plant that produces the products he planned, visited them regularly, knew managers and plant capabilities. Kozlov gave me the total production volumes for the industry, but if We didn't agree on something, then the chief specialist came. AND each, naturally, "pressed" with the details of his sub-sector.

What else did I do to be on the safe side? On the 11th floor we had wonderful library, I learned about the West there. How's it going there? AND Oddly enough, CIA materials helped me. I took a closed one there "octahedron" document: materials on the analysis of the Soviet Union, I met a lot of my acquaintances there who had gone "over the hill" among the authors, and I read their assessments of what is happening here. What seemed to me from there controversial, I double-checked it with our main specialists. I needed understand the numbers.

At the congress, a commission headed by Mikhail worked in the Kremlin Sergeevich Smirtyukov 2, manager of the affairs of the USSR Council of Ministers, and Boris Ivanovich Gostev 3, head of the department of planning and financial bodies of the Central Committee CPSU. They were the bosses. I was on this commission from the State Planning Committee. From SCNT (State Committee for Science and Technology) from Gossnab ("lines" of the State Planning Committee, as it were stretched like an accordion) from the Council of Ministers (lawyer - drafting decisions), from apparatus of the CPSU Central Committee (communication with it). There was no one from the ministries. My the job was to be a "goalkeeper" - to fight back. Because those proposals who were rejected during the development of the plan, who came party leaders tried to promote them as delegates to the congress. IN The commission had a rule: the answer must be given within 24 hours. My task bring forward incoming proposals to change the draft basic referrals to the head of the department who prepared them. Since I accepted the design departments of the five-year plan, then this is strongly simplified things. I don't remember a time when I came across a question that we didn't sorted it out before.

<sup>2</sup> Mikhail Sergeevich Smirtyukov (1909-2004) - worked in the apparatus of the Council of People's Commissars of the USSR (then the Council of Ministers of the USSR) from 1930 to 1989, since 1964 he was the manager of the affairs of the Council of Ministers of the USSR.

<sup>3</sup> Boris Ivanovich Gostev (1927-2015) - from 1963, deputy, then head of the department of planning and financial bodies of the CPSU Central Committee, from 1982, deputy, then head of the Economic Department of the CPSU Central Committee, in 1085-1989. Minister of Finance of the USSR.

By the way, one of the questions is the bridge across the Lena River, which is now gathered to build. Then it didn't pass because there wasn't enough cargo flow. And the railway did not go to Yakutia for the same reason. There was freight traffic by train to the port of Osetrovo, and further, when high water, then down the Lena. We had a standard: the hardware is justified then, when the cargo flow is "no less than..." Single-track – "from and to", double-track – "from and before." We didn't have this project back then, under the USSR! Not enough million tons. And I'm very interested in how it was justified now.

A.S.: Maybe the standard was lowered?

V.K.: I don't know. I once asked the Yakut secretary of the regional committee of the CPSU in industry: "Explain why you need the railway?" He

says: "Ride to Moscow for the congress in a saloon car." I am not lying! I got this answer.

Another argument: the Kyrgyz asked to build a Sports Palace. Which

is there an "explosion of sports" in Kyrgyzstan? It turned out - to hold congresses. Conventions nowhere to spend! The Kazakhs built it, and they had to build it. I

I say: "Where are you holding your congresses now?" They answer me: "In the opera house theater." This is me showing their level of argumentation. This is not slander. I am this heard with my own ears.

I am not saying that the State Planning Committee did not make decisions "out of the blue." It was. But not because Baibakov was a fool - he was a smart man - but because it was ordered. For example, 27.2% of capital investments in agriculture farming instead of 18%4. But, if there was even the slightest possibility, then everything was shortchanged.

**A.S.:** They gave you proposals, and you critically evaluated them. Means Is this an assessment that was carried out by key experts in the industry? departments, was not critical enough?

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<sup>4</sup> For more information about this, see V.V. Kossov. Revival of the interindustry balance in the USSR // Economic Science of Modern Russia. 2014. No. 2 (65). pp. 103–110.; Kossov V.V. On planning the social and economic development of Russia - a platform for the consolidation of society. Conclusions from the experience of the USSR State Planning Committee // Economic Science of Modern Russia. 2013. No. 3 (62). pp. 101–121.

V.K.: I want everything to be extremely clear. This is, if you want, a bargain in the literal sense of the word. If a person has risen to the rank of chief specialist, he was good at his job. I haven't encountered any exceptions. Another thing is that he, in the power of education, knew everything that was in the USSR, but little knew what was "behind hillock." Firstly, due to ignorance of languages, and secondly, due to closed nature sources. Why did I read this? Because I had permission. Magazine The Economist had an octahedron, and for me it was a reference book. Canadian Mining Journal was my "handbook" on mining industry of the Soviet Union. And so on. I had the opportunity read it because there were smart librarians and I had clearance. But I could read it. Not everyone could read it. Ordering a translation is terrible thing. Therefore, I honestly say: I was heavily insured and CIA materials, and all the others. Moreover, I tried to find sources that would describe the weaknesses of the Soviet economy. What now called vulnerabilities. I consciously sought out vulnerability. And How I could, I tried all the time to "pick on the brains" of the bosses. They had their own sources of information, but I also considered it my duty to inform about this.

A.S.: Was it not the case that industry experts, due to close contact with factories, began to move to the positions of managers of these factories? That is, to speak not from the point of view of the State Planning Committee?

V.K.: I understand, I'll give you an example. I was the "pimp", our main one a tool for compiling designs by industry - balance sheets, of which it is clear whether the country is provided with this product or not. Every five years Each annual plan made a balance of rolled ferrous metals, which was always not enough for AvtoVAZ. There was always enough for Izh, but for AvtoVAZ was not enough. Why?

A.S.: Because AvtoVAZ will still "knock out".

V.K.: Exactly! They'll buy it for him. Everyone knew the "rules of the game." "AvtoVAZ" They won't leave you without a rental. For reasons of efficiency, it would be necessary be given to AvtoVAZ first, and the real rules of the game were that

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they gave it to everyone else, and the "imbalances" were pinned on AvtoVAZ. Or at corresponding leader in another industry. Yes, it was like that.

A.S.: But this is still a team game.

V.K.: Team play. Everyone played this game.

A.S.: And I'm asking about the situation when you are arguing with a specialist, for example, if the specialist defends capital investments. Yours The task is to understand whether such a volume of money is really needed. So you Do you suspect that he is asking for more than he needs?

V.K.: Naturally.

A.S.: He does this because he acts as a representative

factories?

V.K.: The cost of an error is very asymmetrical. If he makes a big mistake on the other side, God bless him, but if it's on the lesser side, there won't be a plant. Everyone is getting drunk, but where? it will puncture.

A.S.: Was it more reinsurance or was it still factory lobbying?

V.K.: I think it's more about reinsurance. Because exactly

calculate... This is - today - hundreds of millions of dollars. IN ten million dollars doesn't mean anything to this amount. Two hundred or two hundred ten million dollars? Find a smart guy who will say How many! And the decisive question is the prices of equipment. Very "floating". Equipment is not sold like bread in a store. Everything technological equipment is made to order. The biggest problem is how much factories loaded. If the factories are busy, the price will be the same. If the factories are not loaded, the price will be different.

A.S.: Is the price for equipment not fixed?

V.K.: No. Full custom tailoring!

A.S.: Because each time these are unique installations?

V.K.: Because they need to be designed! No, there is serial equipment – fans, air conditioners, etc. But technological equipment is always individual. I will explain. Re-equipped the light industry. The step between the columns of buildings built in the first The five-year plan in the USSR factories was 4 meters. New powerful equipment in these the building does not fit. It requires a column spacing of 6 meters. Here's your task: What should I do, push the walls? Why, when technical re-equipment, is it easier to build a new workshop? Although, in fact, if for 100% take the workshop, 60% is construction work. Equipment – 40% will be provided. But I can't fit the equipment into a 4-meter grid of columns. If I I want to make a modern enterprise - I need a step between the columns 6 meters. This is new construction.

A.S.: How to make a decision in such a situation? By force of will?

V.K.: No, this was all discussed. The next question arises: who

will it physically build? In fact, in the USSR large objects they built not always where needed, but where possible. For example, the most powerful the trusts were hydraulic construction trusts. And we already knew: when they finish construction of another hydroelectric power station, we must have the next large one somewhere construction site Your humble servant, many years later, working in the Ministry economy of the Russian Federation, pulled as best he could - this was the early 90s construction of the Severomuisky tunnel5. Stretched it out, gave money only for salary deliberately. Also because I didn't have a new one large construction project. It could have been completed faster. But then it was necessary let people go. And I clearly knew: if you dissolve a strong trust, then "with ends."

A.S.: This initiative means that after one big construction project it is necessary is it necessary to have the next one – did it come from the trusts themselves or "from above"?

V.K.: From knowledge of life. And they themselves wanted to survive, and the leadership understood.

<sup>5</sup> The longest railway tunnel in Russia, length 15,343 m. Before the opening of the tunnel, trains on the BAM followed a 64 km long bypass line consisting of steep serpentines, which limited the speed and length of trains, requiring high costs for maintaining the track and ensuring traffic safety . The tunnel was built intermittently for 26 years and was opened on December 5, 2003. In the period from 1977 to 1991, 13,057 linear meters were completed, in 1991-2001 - 2,216 linear meters. On August 20, 2019, work began on the construction of the second Severomuysk tunnel.

A.S.: I heard the opinion that the Buran program was launched when the lunar program was closed, precisely for this reason - to preserve cooperation.

V.K.: Perhaps. From my point of view, this is an example of absolutely stupid solutions. 100% There was no need to do it in principle. I have practiced construction of factories. These factories did something when there was a shortage of goods either directly for the population, or some kind of raw material for industry. Us There was an acute shortage of commercial goods. There were "holes". When we did the five-year plan, They drew the salary fund, drew the turnover, but then it's not enough fantasies of what to offer with the money that was planned to be paid to people. That's what held us back - we didn't have enough imagination! I already said last time: The Tolyatti plant is a classic answer to this problem <sup>6</sup>. Had make mass production of passenger cars to fill turnover.

**A.S.:** Let's go back to your example with a column spacing of 4 or 6 meters. How was this problem solved?

**V.K.:** It all started with Baibakov coming from the Politburo and He said that they decided there. In the overwhelming majority of cases, we are already only worked out how to do this.

**A.S.:** But in the development process, there are always different ways to do it. How was the path chosen? In your example, either new workshops are needed, or old equipment, or option 3 – we need to somehow tell manufacturers to They made new equipment so that it would fit.

**V.K.:** When we talked about factories, we spoke already understanding what there is equipment. The design involved clarifications, but in principle it was It's clear what opportunities there are. I'll give you an example: nitrogen industry. The basis of the nitrogen industry is

production of ammonia from natural gas. Traditionally, the plant where

<sup>6</sup> The previous interview with V.V. is mentioned. Kossov, the text of which is available at the link https://yadi.sk/i/Upf\_W6NDwuDJSQ

there was old Soviet technology - it was a huge enterprise. Energy-intensive. Ammonia is obtained from gas, spending a huge amount energy. Westerners came up with a fundamentally new technology that has become energy surplus: the plant produces ammonia and also emits a lot of heat. It was necessary to use the energy. The first thing is did - looked in all available ways, which are the most advanced solutions – it doesn't matter whether it's here or "over the hill". And these are the ones They tried to buy advanced solutions, and if that didn't work, they "rip them off." Buy is if the best solution is "over the hill." Rare cases when the decision was our own. Example: continuous filling plants become. The Tula invention provides steel savings of approximately 10%. At hundreds of millions of tons of steel produced by each country - these are huge money. This is our invention, but we didn't have the character to do it business and sell to other countries.

A.S.: What does it mean "lack of character"? This example is continuous casting of steel - often comes up when people talk about The Soviet economy, for some reason, rejected technological progress. So what does "lack of character" mean?

V.K.: I'll explain now. We produced titanium in the USSR. We have titanium submarines, airplanes. Titanium was produced in the country in three times times more than the entire West combined. Accordingly, we had big waste. The waste generated after working with titanium is The Finns were happy to buy. This waste could be melted down and save on titanium, which is a very expensive production. Couldn't build one furnace to melt everything at home, and not sell it "over the hill"! All of me supported by the State Planning Committee. And I couldn't break through it! In order to build stove, it had to be designed - the first task. Institute which is designing furnaces - I think it's TsNIIMET - he has a plan Booked to capacity for two years in advance. They agreed to start furnace design in two to three years. The furnace will be designed in 2-3 years,

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It will take a year to build it, well, in 5 years we will get it. The character was not enough to say: "So, guys: we're throwing half of TsNIIMET's plan to hell.

First you design a stove for me, and then you do whatever you want." human There was no one who could make such a decision in the Soviet Union.

I didn't discuss this topic with Nikolai Konstantinovich, I don't want to lie, but I discussed it with his deputy, who was in charge of metallurgy. He raised question, went to Baibakov... We couldn't include the design of the furnace in plan for the institute! Here's the specific answer. And we've already figured out how much money all-all-all. They couldn't include it in the plan. This is a most complex structure, it It's just called a "stove", it's not a gas burner. She was then 300 million cost rubles. A lot of money.

A.S.: But I myself have seen many orders from the State Planning Committee on partial changes plans.

V.K.: We called it the "Decembrist movement" - because took place in December, during the work of the Supreme Soviet of the USSR.

A.S.: What I mean is that in some cases the plan completely changed, but here, when there is obvious benefit, change the plan of some institution that was designing, couldn't you?

V.K.: They couldn't.

A.S.: Why?

V.K.: I don't know.

A.S.: Returning to the example about 6 meters and 4 meters. Or we give capital investments for new construction, we install more productive equipment, or we are not starting new construction, but we have less productive equipment. How was the decision made?

V.K.: New construction, by definition, is more expensive than reconstruction because the share of equipment in capital investments is 40% of construction. That's why studied 2 questions: first - do you have money? Second - who will build? That, oh What are we talking about - these were all large objects. Zhivopyrka with three Painters won't do it. This should be a construction trust, and more than one.

All these trusts knew. They were all over the place.

A.S.: Was this discussed in the State Planning Committee?

V.K.: Yes, with the construction department. My good friends were there

who knew all the contractors.

A.S.: People from the construction department, you are from the consolidated department and apparently there should have been more people from the department in your example of light industry because it is their object?

V.K.: Definitely. This is how K. Shteiman handled capital investments.

A.S.: And you discussed and chose some kind of solution?

V.K.: Yes.

On the role of the planner's personal qualities

A.S.: You said that when you came to the Academy of Sciences to figure out what This is biotechnology, they were surprised. And when people from the chemical department industry saw that you studied the chemistry diagrams of acetylene, too were surprised. That is, when an official in the consolidated department, according to his internal needs, studies something, digs deep - was the situation uncharacteristic?

V.K.: I am still a Doctor of Science, laureate of the USSR State Prize for scientific work, and not just an official.

A.S.: This is exactly what I'm leading to. Was this interesting for you? felt it was important. But you couldn't replace everyone. I'm leading the point is that the quality of the plan depends very much on personal relationships of each individual person.

V.K.: This is always the case in any case. There is no other way.

A.S.: That is, it is critically important to select people for whom it is need to?

V.K.: Yes.

A.S.: How much of this initiative and meticulousness do you think? Is it possible to educate with ideology? Focus people's attention on what Are they doing something very important?

V.K.: I was lucky in this sense. I went through the V.S. school. Nemchinov.
School of accuracy in working with numbers, love of working with numbers, the desire to get to the bottom of things, find flaws, etc., etc. I have with during my student years it worked out well, and I liked the numbers work. Then, when I got to the State Planning Committee, it fell on prepared ground.
I came with a well-developed culture of working with numbers and training.
Why didn't Gosplan hire a person who didn't have 3 years of experience? work? For this reason.

**A.S.:** But still, it's the ideological component: we are very involved important matter, so they must work carefully and carefully?

V.K.: We cultivated this. When at the State Planning Board introduced a new candidate to the leadership team, and everyone was inclined to thoughts that we need to accept him, Nikolai Konstantinovich Baibakov to him always addressed with the following parting words: "Go, work, don't let anyone down." yourself, not us." These were his final words addressed to everyone: are like that. And, as I understand it, Joseph raised him in the same way Vissarionovich Stalin.

**A.S.:** What you are saying is the specialist's work culture. And now in any organization they try to have it. I'm talking about something else. Are you in at the beginning they said a little ironically about the text part of the "Basic directions", that they were called "prayers", and there was a joke, don't forget change the exit numbers. From this I understand that it was ironic attitude to the official ideology that "we are building communism." A Why?

**V.K.:** Of course. The main valor was to recruit "prayers" as cheap as possible – in terms of costs. It was just floating around

air: so that they sound good and cost little. So that they can be

really do it.

A.S.: Still, stories about the fact that we are moving towards communism, Gosplan - this is the heart of a planned economy, he should think about it first

- was not perceived as motivation?

**V.K.:** They didn't even talk about it. No, they talked about it at the party meeting. But everyone understood that a ritual is a ritual.

A.S.: That is, that we need to work better for the sake of "global there was no proletariat?

V.K.: No, it wasn't. The motive to work honestly was, rather, corporate. Not ideological.

A.S.: Why?

V.K.: It went without saying: you are a professional, you must do work well. Nothing else came to mind.

A.S.: You are professionals. You try to do a good job. But

even from this joke - "don't forget to change the number of the convention" - one feels that

you understand: no fundamental changes, one five-year period

the other does not carry.

**V.K.:** Perhaps the closest thing to me is the example of agriculture.

explain. Stalin "ruined" rural life with collectivization, with

Khrushchev wanted to win back this case. There were, for example, Tatyana Zaslavskaya and also sociologists who had a fairly clear idea of what and how to do

do, but that's not what was done. We decided that the most important thing is to give to rural farming more money. Not what we thought - I, including that money

less is needed, but we were absolutely convinced that they should be spent according to to another. And they weren't allowed to spend it any other way. That's what it's all about. Not allowed, first of all, by the Central Committee of the CPSU. And my colleagues from the agriculture department The farms of the USSR State Planning Committee followed more closely the line of the agricultural department of the Central Committee.

CPSU. And these were always the most heated debates. I already told you about dispute "palaces for cows or housing for people?"7.

A.S.: In the Central Committee of the CPSU it was some kind of dogma, but there was no one to explain it to them was?

V.K.: I tried several times. It's useless. They saw that the defense gets whatever it asks for - and they decided to put themselves in the same situation position: that they be given as much as they asked for. The defencists had such slang, priority supply orders had a red stripe, and so they boasted: "We have an outfit with a red stripe, plus a ballerina from Bolshoi Theater". This was their pride. What can they do along with red stripe, i.e. priority supply, also knock out the ballerina. Farmers thought: are we worse, or what? We have two ballerinas!

A.S.: But with their joint efforts they destroyed the economy! V.K.: Of course.

A.S.: But they didn't understand this?

V.K.: No!

A.S.: We again come to the point that the cost of error is high.

V.K.: Of course. Huge! Baibakov tried very hard on this matter smooth out

About the deficit

A.S.: Using the logic of the conversation, we approach the two most famous "pain points" of the planned economy. You already talked a little about one They said it was a shortage problem. Why did the deficit persist all the time?

V.K.: Elementary, Watson. Let's start with the theory. What is the price?

A.S.: If we start from Marxist theory, then the price is

monetary expression of socially necessary costs.

V.K.: In general, yes. And it's simpler - this is what the 2 parties agreed on -

seller and buyer. I don't take a mathematical definition of what it is

<sup>7</sup> The previous interview with V.V. is mentioned. Kossov, the text of which is available at the link https://yadi.sk/i/Upf\_W6NDwuDJSQ

partial derivative of the objective function with respect to resources, that's okay. And nothing We haven't come up with a better one yet. Now we said: these are all bourgeois prejudices. We will set a price. They set a price. One benefits no other. What will the one who does not benefit from this do? Leave. The shortage is guaranteed.

A.S.: This is the case if his price is not purely accounting parameter. If that same "primazine"8 works. But you can build incentives when the manufacturer is rewarded for fulfilling the plan, and not for sales.

V.K.: That's right. In the Soviet Union, how long did I work in Gosplan, none of the industry experts are with me for budget money talked. Never. They talked to me about the amount of capital investments - they said they talked about the volume of contracted construction and installation work. About input capacity - they said. I knew what existed theoretically the state budget is in the Ministry of Finance. But I, being responsible for the material production of the Soviet Union, never in my life from any side of this didn't touch the problem. She didn't mean anything to me.

A.S.: That is, you did not interact with the Ministry of Finance at all?

V.K.: Almost yes. We went to all sorts of "parties" with them - on writing speeches, for example. That's why I knew a lot of people from there like that way. When I worked at the Ministry of Economics, I worked very closely with The Ministry of Finance interacted when the budget was being formed. And when in The State Planning Committee worked only according to the text of the main directions. I walked them visa to the Minister of Finance.

A.S.: Was drawing up financial plans not important to you?

V.K.: Absolutely.

A.S.: If money is not a limiting factor, then how

Does a fixed non-equilibrium price interfere with production? If there's a plan

<sup>8 &</sup>quot;Primazine" is the principle of material interest, which, according to V.V. Kossov, began to be developed in the late 50s, linking part of employee remuneration to sales volume.

you need to make, say, one hundred units in a year to get a bonus, then what the difference is at what price they are sold?

**V.K.:** So he will fight back, how can he not understand a simple thing? Fight off plan is the general line of behavior of "everyone and everyone." Exactly because of this reason. He will find a hundred thousand arguments why he cannot increase the plan.

**A.S.:** A lot of things were produced, but the shortage is remembered in context of consumer goods. If we recognize this as a problem, then we We can set the price higher to allow for the production of consumer goods profitable, or, if we don't want to touch prices, we can plan tasks monitor more closely.

**V.K.:** There are always limits. There's only one way to solve this problem take off. This is an open commodity market. No super cars and supercomputers will not solve this problem.

A.S.: As far as I understand, the problem of shortages in consumer goods in the period of your work in the State Planning Committee was realized. How did they try to solve it?

**V.K.:** First, we tried to increase capacity. Second - labels.

A.S.: What is this?

**V.K.:** New name for old products and, accordingly, increased

the price for them. Nikolai Konstantinovich directly called on N.N. Mirotvortseva,

his deputy, who oversaw light industry, new

stick labels. Secondly, we reduced, say, the weight and volume of condensed milk in a jar, and the price for the product remained the same. Baibakov specifically instructed my

to the chief V.P. Vorobyov, a great smart and charming person,

organize a study of hidden inflation. All this has been described

reported by A.N. Kosygin. There was a huge scandal, but nowhere

released. The State Planning Committee itself described that the situation is very bad and acute, and

it leads to such bad forms as hidden inflation. All of them

were described and reported. The price rose not nominally, but by

reduction of useful content. I said that in the late 50s

They didn't know where to put the butter. Then the famous one appeared

book "Cooking", recipes were written on how to cook with butter oil The matter ended with "Peasant" oil 9, which to this day for sale. It's even worse now due to the use of palm oil.

**A.S.:** Why was it not possible to increase capacity to such volumes? production so that there is no need to resort to such tricks?

V.K.: I already talked about this. Let's take any Western countries -States, Switzerland, and look at the structure of consumer spending. It's different now, but when I worked at the USSR State Planning Committee, I noticed that in In America, 20% of a family's expenditure structure consists of housing payments, cars and food - each 20%, then there was 10% for healthcare - and so on. If we "put" expenses next to each other Soviet families, then we will see: housing costs - 5% (instead of 20%), food costs – 40%, consumer goods costs – etc. Of the fact that 15% housing costs are not enough, they were hung on cars and consumer goods. Accordingly, this meant increased, abnormal demand for these positions.

**A.S.:** But if you set a goal, work for several five-year plans, then You can overwhelm everyone with this consumer goods.

V.K.: No. It is forbidden.

**A.S.:** Why?

V.K.: I already said. I already explained that when we started a new five-year plan, they considered what kind of GDP we want, what growth rates. If GDP is such and such, growth rate is such and such, which means that our population's income should be something like this. Based on income at a certain rate. Then we considered commodity resources. And between both, a terrible hole appeared. Once this hole was filled with AvtoVAZ; you don't have enough anymore fantasy - name the products you can offer. This is us on ourselves experienced. Lacks imagination. Read any Western magazines produce in those quantities. In proportion to the growth of GDP, the

<sup>9 &</sup>quot;Peasant" butter has a lower percentage of fat content compared to "traditional" butter - 72.5% versus 82.5%.

income, and the size of this 15% not collected for housing increases. Is not

an arithmetic error is a hole, a gaping one at that.

**A.S.:** Then the next question is how did the State Planning Committee deal with the fact that called "shadow economy?" Because if there is a gap, then

a "shadow economy" also emerges.

V.K.: What about working with her? She asked us, or what?

A.S.: Well, maybe you somehow took it into account, assessed it?

V.K.: We certainly appreciated it. When estimating national income.

A.S.: How exactly?

V.K.: I won't answer this question: I didn't do this. This is for me

I didn't care, honestly. It was at the Central Statistical Bureau that the calculations were made for the shadow economy, on household products, there are a number of articles there.

A.S.: And somewhere else in the State Planning Committee they somehow used knowledge about the "shadow" economy"?

V.K.: Where a strong "black market" arose, they tried something

build.

A.S.: So this was a signal for you of unsatisfied demand?

V.K.: Of course.

A.S.: Where did you get this knowledge? Just from life, or were

any services?

V.K.: "I won't answer this question. I just didn't think about it. If

this trade turnover - looked at the consumption structure in Western countries.

What they have, what we have, is much less.

A.S.: That is, the consumption structure was oriented towards the Western one?

V.K.: Yes. We looked at the consumption structure.

A.S.: Under Kosygin, VNIIKS was opened - Institute of Market Research

demand - which, it seems, should be doing this. He didn't help

suggest what should be done?

V.K.: He was doing something else. I knew about him, but why give me a hint? To me it wasn't interesting. There were Western magazines. I sat and read regularly Economist, CIA reviews.

A.S.: They always give the example of fashion as something with which the planned the economy is doing poorly because there are so many styles, they They are constantly changing and it is difficult to adapt. There were some attempts "be on time"?

V.K.: I have already spoken about planned cretinism. I believe: what we Now we are discussing - this is not a task of the plan at all, it is an autopilot. This is necessary create an auto-tuning system that will eliminate this problem altogether10. Is not plan task.

A.S.: But I'm interested in how it actually worked. How in

in the real conditions of the Soviet Union in the 70s, how did they work with this?

V.K.: With what?

A.S.: Well, for example, there is the problem of styles.

V.K.: What do styles have to do with it? It is important to me that you have fabrics!

A.S.: But the deficit is not only absolute, when there is no

matter? It happens when people come, they don't need just any pants, but...

let's say jeans. There is a fashion for jeans. And people start spending

money.

V.K.: Firstly, when fashion arises, we are talking about such

scanty quantities and resources that can always be bought. Not at all

question. We bought bologna and solved the problem with bologna11.

A.S.: That is, when you talk about deficit, you mean

Is the deficit absolute?

V.K.: Of course. And big. When does the country need to do this?

<sup>10</sup> Views of V.V. Kossov's views on how a planned system could work are set out in his book

<sup>&</sup>quot;Fundamentals of Socialist Economics" M.: Znanie, 1989. https://yadi.sk/d/IXSrYDsiYEM1Fg

<sup>11 &</sup>quot;In Italy, Kosygin drew attention to the newly appeared convenient and light raincoats "Bologna". He asked Klavdia Andreevna to buy such raincoats for him, as well as for the whole family. And soon a plant for the production of waterproof fabric "Bologna" was purchased. Soviet fashionistas and fashionistas received a technologically new addition to their wardrobes, and we were not the only owners of fashionable raincoats." Gvishiani A.D. The Kosygin phenomenon. – M.: Cultural Foundation "Ekaterina", 2004. P. 96

A.S.: Then these are the most pressing issues of deficit - it was a deficit what goods?

V.K.: Meat and housing. Constantly discussed. Milk. Then he became butter. But after.

A.S.: I see. That is, this is in large volumes?

V.K.: Yes. At one time there were shoes. Then we figured out what we needed produce three pairs for each person, so that everyone has three in their wardrobe couples - and everything worked out.

A.S.: Where did you get information about what was missing?"

IN TO! Every industry worker knew this firsthand, especially "commodities". Everyone knew where things were "burning."

A.S.: I ask because you know Mises' criticism socialism - that there is no feedback. Ludwig Mises back in the 30s criticized socialism, saying: "Since you don't have free prices, you don't have feedback. If there is no feedback, it means you just don't know what do".

V.K.: And without prices there is feedback. What do prices have to do with it? Reverse Communication and prices are two different things.

A.S.: You say that at a given growth rate you received a certain the amount of cash income of the population, and was it a tight link?

V.K.: Two-thirds of the national income was the income of the population. AND It is already known what kind of trade turnover is needed. The structure of the commodity is known masses as they are. It changes - depending on how it changes income per capita. The higher the per capita income, the lower the share consumer goods and a larger share of durable goods. I drew these curves based on the sample: you have a national income so-and-so, you extrapolated, got the consumption structure - it should be so much housing costs, 20% or more even, at these percentages you need so many meters, but how many meters can you give? That's it provide for ten meters, but you can provide for two. A.S.: Then we must abandon some other program. Make fewer submarines.

V.K.: Not always possible. Even if you refuse to build. Problem growing deficit is such that one "revolutionary" step will not to correct. The best solution is calm laminar development, do everything on time. Any attempts to overtake someone on something, to make more - "we'll catch up later", you end up falling behind. This needs to be clear understand: better than the laminar flow along which Switzerland develops, impossible to come up with. All attempts to forcefully overtake someone by in any direction end with you starting to lag behind significantly in to others.

A.S.: Because of imbalances?

V.K.: Well, of course. It's like old cars. Tires patched quickly They're driving fast - they've broken down again! Cleaning carburetors - something else is not withstands. And others, meanwhile, are quietly driving a good car.

#### On the purpose of the Soviet economy

A.S.: Leonid Sergeevich Grebnev, who worked at the Main Computing Center of the State Planning Committee, in at the end of 2019 published an article: "The Soviet economy: view from State Planning Committee of the USSR". And there he has an interesting quote about you: "The first a series of real calculations were carried out according to the 9th five-year plan, the most the deputy head of the consolidated

department of Narkhozplan, Doctor of Economic Sciences, state laureate Prize Vladimir Viktorovich Kossov, in fact, real optimization, according to a target function known only to him, and even then - hardly explicitly -It was he who did it." That is, Grebnev says that you were the only one a person in the Soviet Union who knew the objective function of the Soviet economy.

V.K.: I think this is too much, because I have to come here right away add Yakov Urinson, the late Valera Dolgov, Felix Naumovich Klotsvog, Yuri Vasilyevich Yaremenko - this is the minimum. And that's not all list.

A.S.: But what did you include in the target development function? economy?

V.K.: The objective function in the form as in the linear problem programming - of course, no one did this. The objective function was for me and for all my colleagues - the limits of the possible, as in diplomacy. Let me explain with an example, with these 27% and 18% shares of agriculture in capital investments. This was exactly the case. I was getting ready for the five-year plan, always, I looked at American data and thought: what happens? U Our investment in communications for five years is less than theirs for one year. At that the state of communication is completely different. It's not a mistake. This fundamentally different things. I went to the signalmen and invited them. I say: "What are they doing? They are whistling around us! Where are we? There's more there was not enough copper wire, thanks to the late Minister of Communications N.V. Talyzin - he was an outstanding minister of communications. Then I don't know from him what a chairman of the State Planning Committee he turned out to be, and he was the Minister of Communications legendary! Talyzin, we must give him credit for coming up with: capital investments in communications, including telephone installation, include investments in building. And he said to each regional committee chairman: "Do you want a phone? You build the building, and I'll give you the communication stuff." The move is brilliant. How As soon as this decision has been made, the signalmen are making capital investments for the construction of the building didn't spend it. Here's the solution. And then we, having carefully discussed everything, set money for communication. Why was 18% determined as the share of rural investments? This is the result of calculation using the balanced model development of all sectors of the economy. That's how it was.

I adjusted the target function to the consumption structure, I have there was an indicator of distortions12. With the help of this theory I had a hypothetical

<sup>12</sup> Since 1981, the USSR Academy of Sciences began to award a prize named after Academician V.S. Nemchinov. The first to receive it was the director of CEMI, Academician N.P. Fedorenko. The second in 1984 was V.V. Kossov for the series of works "Planning the pace, proportions and structure of social production",

model, which, taking into account the knowledge that I had at that time, should There will be national economic proportions by the end of the five-year plan. And I saw what they were formed after the fact. The result was "deltas". That's when the "delta" was connection".

A.S.: When you determined for yourself what the structure should be,

Have you looked at developed Western countries?

V.K.: Of course.

A.S.: That is, in a sense, the "target function" was

approaching the structure of industries to the West?

V.K.: I just studied the structure of the economies of different countries. How it changes the structure of industries, this is described in the articles, there are no questions there.

A.S.: "And there were no fears that the structure in the West could be suboptimal?

V.K.: I looked at more than one country. In one country you can do something you want to reward.

A.S.: But it was still a kind of "orientation to the West"?

V.K.: There are general trends in changes in the structure of countries' economies.

How is GDP (in our country at that time it was "national income" - national income) per capita is changing.

A.S.: Then we will always be a little behind these

changes.

V.K.: Well, not as much! We can get ahead somewhere. We're somewhere

We'll go ahead and fall behind somewhere.

About scientific and technological progress

A.S.: Since we are talking about structural development: after all

technical progress planned? When the future is formed

basic proportions.

"Food program", "On patterns in the development of certain industries", "Indicators of growth and economic development", "On rates in a developed socialist society", "Replica to G. Minasyan's article "Toward the measurement and analysis of structural dynamics"";.

V.K.: This is not what we did. There was a whole committee - GKNT13. Is not

work of the State Planning Committee

A.S.: And in your unit?

**V.K.:** In my part, technical progress is the construction of factories and purchasing equipment that matches this progress.

A.S.: And they told you what equipment would be produced?

V.K.: Yes.

**A.S.:** And the situation when we have cars and equipment for decades were released and not filmed, has it happened?

V.K.: Quite often.

**A.S.:** Why did this happen?

**V.K.:** Because reliable, well-functioning production, and as soon as you When you start releasing something new, the headache starts.

A.S.: Did the State Planning Committee try to fight?

V.K.: This is very difficult. This is exactly why I couldn't achieve

construction of a furnace for processing titanium waste. Exactly along this

reason. This is impossible! The habit of making junk - you'll make it with junk

plan. They paid for the plan, not for what you did. Later, when she appeared

pure products, in Kosygin's times - this changed a little. New

- this is a terrible headache: new materials, new paints, new

shapes, will/won't work... they were afraid of it like the plague!

**A.S.:** They tried to somehow award bonuses for the release of new products,

to stimulate her?

V.K.: Of course! But what is a half-liter premium against "reprimanded" for not fulfilling the plan? You're weighed down! And a reprimand is the minimum you'll get.

<sup>13</sup> State Committee of the USSR Council of Ministers for Science and Technology. Created in 1948 with the task of determining the main directions of development of science and technology, planning and organizing the development of the most important scientific and technical problems of national importance, organizing the implementation of discoveries, inventions and the results of exploratory research into production. In the 70s, among other areas of activity, he oversaw the development of Comprehensive Programs for Scientific and Technological Progress of the USSR for a twenty-year period.

Theoretically, a planned alternative to the market is possible, but practically not. A.S.: The Kosygin reform was perceived as progressive,

good start?

V.K.: It depends on who.

A.S.: In the State Planning Committee.

**V.K.:** In the State Planning Committee - for such seasoned representatives of the "Stalinist" schools, this, of course, was an "encroachment on sacred places." Gosplan talks about this they didn't talk big, they tried not to discuss, but I understood perfectly well that it was a split. And then they did everything to "quietly strangle" her. But this

It was not done by the State Planning Committee, but, first of all, by the Central Committee.

A.S.: I read that it increased imbalances.

V.K.: This is all too much. She couldn't strengthen anything. She brought in disorder in the minds. In some it caused frustration, in others it gave birth to hope. It was called the "libermanization of the Soviet economy" after Evsey Lieberman, Kharkov professor. The reform came into conflict with organization of life in the Soviet Union under the leadership of the CPSU. Reform, essentially caused obvious antagonism between the omnipotent party elites and people. Incompatible. "Or either". You can't be "half-pregnant"

**A.S.:** Either a purely management vertical, as it was, or completely Are we moving to the market?

V.K.: Yes. And half like this, half like that - nothing will happen.

A.S.: It was immediately realized that "half-hearted" solutions are not do they work?

V.K.: I don't know, I can't answer this question.

**A.S.:** You say that a split has occurred in the State Planning Committee. So there Were there any ideological groups? Which ones?

V.K.: I didn't get involved in this. I was involved in the implementation of economic mathematical methods. It was good for me to work at Gosplan because that they trusted me as a specialist. When I returned 15 years later

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The Ministry of Economics, which consisted mainly of state planners, then was accepted like family. It took me 15-20 minutes to get up to speed affairs. As if the decade and a half spent in other walls didn't existed. Therefore, I had specific business relationships based on each specific issue. And they talked to me about this topic.

**A.S.:** But you say that the old Gosplan people were against it. And the new ones Gosplanovtsy?

**V.K.:** Firstly, there were few of them, especially when I arrived. When I came, the very beginning - the majority, who went through the "Stalinist" school, was against it.

**A.S.:** And "against" - they understood that the vertical was management breaks?

V.K.: Yes. The usual way of life is broken.

**A.S.:** Still, this is not the same thing. It's one thing - it breaks controllability, the other is the way of life.

V.K.: To hell with this controllability! Familiar system

values change: they knew how to work with the plant so that it would do what what is needed, but the reform brought great confusion into this matter. Already definitely It became impossible to predict what the plant would do. Appeared uncertainty. Their competencies as specialists have become devalued.

A.S.: How was it necessary to work with the plant before the reform?

**V.K.:** Very simple. There are capacities, load, coefficient use of materials. Everything is very simple.

**A.S.:** That is, the focus is purely on natural technological indicators?

**V.K.:** Of course. It's clear that there must be a workforce and production.

If you organize a third shift, you have to pay extra for the third shift. If

It's really fast and furious, then we need beds where people can sleep. It was necessary to talk about people

think. And normal plant directors did not need to explain this - for

It was an obvious thing for them.

A.S.: And after the reform, what changed?

V.K.: You can't say "after the reform." The reform has been crushed!

A.S.: I'll ask you differently. What did they want to achieve with it? Why does she even did you need it?

V.K.: Why was it needed? I'll answer. Mobilization economy – Stalinist - its capabilities died with the end of World War II, because those who fought demanded their lives. This could only be ensured market economy. A market economy excludes unity of command of any party - no matter what it is called - "United Russia" or "CPSU" - it does not matter. Naturally, no one I didn't want to give up power. And off we go.

A.S.: A market-type economy, as I understand you, is needed in order to so that a simple person can satisfy any "wants"? He's through non-market mechanisms cannot convey their "want" to the conditional The State Planning Committee, which will include its "wish list" in the conditional plan?

V.K.: Maybe. This is a closed distributor system.

A.S.: Why couldn't it be extended to the whole country?

V.K.: This is a very complex system. It's possible, but it's difficult. At all You can have an economy without money. People get everything locked up distributor You are assigned to this, I am assigned to that, and so on.

A.S.: What about taking into account my needs?

V.K.: No problem. You come and take what you need.

A.S.: But they didn't go in this direction?

V.K.: It was, there were closed distributors.

A.S.: But in small volumes.

V.K.: Well, depending on how you look at it. I myself was a member of them as an official corresponding rank. They were very dosed, and not only in

Russia, this happened in any country. That's why I say: you can come up with an economy in which there is no money at all. Not a cent. It's possible - it's a system distributors. Then a person earns not a salary, but as if levels are drawn, and he sees the trajectory of his movement from one distributor to another. Not more salary, but he will strive for to another distributor. It is possible to build such a system, but it extremely difficult to manage. I doubt that it is technically possible implement.

A.S.: So, everything depends on the complexity of implementation?

**V.K.:** Yes. At one time I figured: even if according to my favorite interindustry model calculate the plan in 10-digit nomenclature classifier of industrial products, on a computer with a capacity of 1 million operations per second would take a fantastic amount of time. This an unsolvable task.

A.S.: Continuing the theme of reforms. First reform working groups appeared even before perestroika, in 1983, when Andropov arrived. IN The State Planning Committee created some kind of separate group, headed by S.A. Sitaryan. He writes in his memoirs that they had almost a "closed headquarters" in the State Planning Committee, where Andropov personally sent him, what he picked up there themselves reformers, and this isolated group in the State Planning Committee was preparing reforms14.

V.K.: I was well acquainted with Sitaryan, but had nothing to do with this.

**A.S.:** All these groups wrote about approximately the same thing - what is needed move towards the market.

V.K.: Of course, everyone understood this.

A.S.: Why did such a consensus already exist then?

V.K.: There is no other option.

A.S.: You can try to move towards your system

distributors.

**V.K.:** Well, this is purely theoretical. It is technically impossible to implement.

A.S.: And if it doesn't exist, then we get a limited set of benefits?

<sup>14</sup> Sitaryan S. A. Lessons of the future. M.: Economic newspaper. 2010.

V.K.: And then the errors begin. I already said that it is not allowed

solve by calculation. And what will you do about it?

**A.S.:** As far as I understand, the State Planning Committee solved this problem in practice by keeping some large proportions and giving away the rest.

V.K.: This should have been done from the very beginning. Did not do. Too much

got involved in details and minded their own business.

A.S.: How to find what to "keep" and what to "let go"?

V.K.: And now – what? Now, in my opinion, it's even worse.

A.S.: It depends on what industries.

V.K.: Where is better?

A.S.: In agriculture, for example. We became grain exporters.

We have a lot of it now. We now have a problem at the ports - how to take it out.

## Lobbying limits to scientific planning

**A.S.:** If you had the opportunity, what would you improve in your work? State Planning Committee of the 70s?

V.K.: Impossible. Gosplan was a body, it performed the role which was given to him. He could do "worse - better", but could not change nothing radical. I say this with confidence, because even when I worked in the State Planning Committee and Nikolai Konstantinovich Baibakov did not work in Gosplan, we worked on Vladimirov Passage15, I at Kontur, and he at another place. And he tells me: "I understand that you (his inner circle) could have complaints against me. You always told me important and necessary things, and I couldn't do anything." He added that: "Alexey Kosygin and I there were comrades. How many times has this happened: I told him: "Alexey, let me go The Politburo will raise this issue, and you support me." One of the questions I I told you about meat. And so he says: "I raise the question, and he is silent. He listens to his "comrades."

<sup>15</sup> Was renamed Nikolsky Lane.

As I understand it, Kosygin was terribly jealous of Brezhnev's entourage. You see, Baibakov couldn't! Which was supported by Kosygin. This is what, what he told me.

A.S.: Because of this, there was the notorious "planning from what has been achieved" - plan, like last year, "plus 2%"?

V.K.: Actually, not quite like that. This is the growth rate of each last year's industries divided by GDP growth rates, obtain for each industry coefficients. This means that if, say, GDP or there "national income" is growing by 2%, then, for example, the chemical industry should grow by 4%, heavy engineering also by 4%, and, for example, agricultural farming - only 0.5%. This is not impromptu, it's all written in my articles. This is a consequence of structural changes in the economy, which I was studying.

A.S.: So, it was not "from what was achieved", but meaningful?

V.K.: Meaningful, of course. If you set 2% for GDP (national income),

then in industries these will be completely different numbers.

A.S.: Now, of course, I will reproduce a certain "stamp".

V.K.: This is due to misunderstanding. Let's say in the electric power industry it will be a rate roughly comparable to the rate of economic growth, maybe a little more. In chemistry and mechanical engineering there will be 2 times more - and so on. By different industries.

A.S.: As for the overall growth of the industry, it's approximately clear. After this comes the territorial moment. How and where to stir?

V.K.: I told you. Solving the problem of development and placement enterprises across the territory of the USSR were put on stream. When We were talking about large factories.

A.S.: Were there any "interventions" due to the fact that the local did the managers want a plant for themselves?

V.K.: Yes!

A.S.: How was this problem solved?

V.K.: Brilliant! This is how I decided: I told you that if you need five factories were to be built, there were at least fifteen options. How only someone's proposal was rejected (costs higher than others), the next morning they sent new standards.

A.S.: That is, they recalculated their odds overnight so that did the project take place on paper?

V.K.: Firstly, they sat and waited for the results to come. How

As soon as their plant took off from the calculation, the messenger immediately reported that it had taken off, they

edits were made immediately. Well, not right the next morning, they are through GIPR (

State Institute for Design of Industry Enterprises)

developed design documentation for construction (reconstruction,

expansion, enterprises). These institutes prepared information on

solving problems regarding the location of enterprises. Heads of regions

contacted them, they changed the data and reported it to the USSR State Planning Committee.

They acted very quickly because the decision was in the interests of everyone.

A.S.: Who is the messenger? It turns out they had "their own" in the State Planning Committee People?"

V.K.: And they were in the State Planning Committee. "You tell me!" But what? He reported secretary of the regional committee. The secretary of the regional committee is the one who worked for him. Those reported to the design institute. The design institute made changes to

documentation, reported this to us at the Main Computer Center of the USSR State Planning Committee, where they were made these calculations.

A.S.: But did you manage to get everything done overnight?

V.K.: Understand: in order to make a decision, no one does anything once thought. Dozens of options were considered.

A.S.: In general, how strong were regional leaders? AND could they defend their positions?

V.K.: Very differently.

A.S.: And there were examples when a clearly strange decision was made from because someone "on the spot" really wanted it?

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V.K.: As much as you want. Well, the famous Krasnodar cases -"Sochi case", and then - a whole epic. Then all the big bosses were restricted from traveling abroad, vacationing in the Soviet Union. There were two places to stay – Sochi and the North Caucasus. When the great chief came there, the local secretary accompanied him everywhere. Therefore, "manna from heaven" is more often in total "crumbled" over the Krasnodar and Stavropol territories. M.S. Gorbachev came to work at the CPSU Central Committee from the post of first secretary Stavropol region.

Taking into account the needs of citizens

A.S.: Regional leaders - understandable. Ordinary citizen How far could the Soviet Union convey its needs? On what channels does he could you do this?

V.K.: When the draft of the main directions was underway, before it was submitted to Congress of the CPSU, it was published and its "nationwide" discussion". By virtue of my official duties, I was responsible for this matter. We received bags of letters every day. Each letter was considered sent to the appropriate department, if there is something interesting there, then we were immediately included in the text of the main directions.

A.S.: Did it help improve them somehow?

V.K.: Of course. The mood of the people.

A.S.: It happened that they suggested something to you that before that you yourself not taken into account at all?

V.K.: The clue was the frequency itself. If something is set on fire

in unprintable words - it means that there is a "burning" here, it must be "put out." The first thing is

what needs to be done is to cut off the bad. To improve something on average, you can

"build up the best", or you can remove the bad. Too bad must be removed

first of all.

A.S.: And everyone in the State Planning Committee was doing this?

V.K.: It was official work - discussion of the text of the main directions. They were published, people discussed them at meetings, some read. It was openly published. But what?

A.S.: How much could they influence the goals?

V.K.: I say again: of course, they squeezed the essence out of the discussion. This is exactly what our department did. Accordingly, my comrades "caught" interesting thoughts in all directions or, conversely, something that they curse. We tried our best.

A.S.: So, you were actually the "voice of the people"?

V.K.: We worked with this "voice", but how! Mail bags each

day!

A.S.: But for everyone else you became this "voice"? Same

how much power is needed?

V.K.: This is serious work. About six months. Well, exactly 4 months.

A.S.: The main directions - I saw them - they are very

high-level. What about something more substantive?

V.K.: This is the plan. Five Year Plan.

A.S.: How much did the common worker influence him?

V.K.: Why should a worker go there? It's none of his business anymore. His business is suggest "where to march", which constitutes the essence of the Basic directions.

A.S.: Well, suddenly, "they forgot, they deprived us, it's really necessary." It turns out that they could you speak out on the main areas once every 5 years?

V.K.: Of course. And then everything came to fruition.

### In what direction should we develop?

A.S.: The last "philosophical" question: if at the Gosplan level it was difficult to do something, then more generally what would you do at the beginning 70s, if you had power in the USSR in order to improve situation? V.K.: I think I can answer. I would "steer" towards Switzerland.

A.S.: What do you mean?

V.K.: Toward direct democracy. Because, sorry, it's small an excursion into Russian history. Well, it's easy for you to understand, since you are historical graduated from the faculty. The spontaneous desire of the Russian people - it was desire for will. Berdyaev wrote about the "natural anarchism" of the Russian people. Will and freedom are different things. Will is much more "anarchic" thing. Will does not fit into representative democracy. Will is when "I decide." You, me and so on. And we don't choose someone who is for us will decide. This is the first thing. Now - where is this implemented? IN Switzerland. What system of power? Any question is more or less important decided by a referendum at the appropriate level. Starting with the swing Should I build in the yard or not? The inhabitants of this yard gather and accept solution: build a swing in the yard. Should I miss something on the street or not? Street residents gather and resolve this issue. Should be given to women Swiss women, the right to vote - or not? A referendum is being held. On one decided "no need", many years later they decided "should" in 2008. I really I'm not talking about any money matters. Everything is decided by referendums. Between The authorities work with them. That is, it is not the government that decides what to do; it is not to build build, what to build and how to build. Those who are directly affected decide. If there is no land in Switzerland to build landfills, then there will be no landfills. Places No. This is how they organize waste recycling so that there are no landfills. All decided in referendums. The country from the point of view of everyday life is very regulated and therefore boring, one of the most boring countries in the world, because everything is regulated there.

The President takes office on January 1 and leaves it on December 31. Everyone knows when he will be president. 7 or 5 years ahead. Lenin, When I wrote the first Constitution, I laid this principle in it. A country, which managed, having almost no natural resources - there is water and hydropower - to have a standard of living significantly higher than in Russia. Not

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having nothing! 61% mountains. Moreover, the funny thing is that we are at the end of the 19th century and Now in relation to GDP per capita in Switzerland we occupy close positions.

A.S.: That is, to direct democracy?

V.K.: Yes. Toward direct democracy.

A.S.: "Thank you, it's a pity that it didn't work out."

V.K.: In principle, all is not lost. I want to say about direct connections, in direct democracy this is the basis. This is the "chain mail idea": why is it can neither be torn nor broken. Chainmail idea: each ring is associated with a few more. Everyone is a connection. Neighbors, hobbies, other interests. How The more rings connecting people into different systems, the stronger the system. This is important to understand. My good friend A.Ya. Livshits, known for the slogan "We must share," he headed the department of political economy in Stankine, then became head of the Analytical Center of the Administration President (B.N. Yeltsin). And one day he calls me: "They offer me to become Minister of Finance of the Russian Federation." I say: "Sasha, you're crazy got off? What kind of minister are you? Any clerk at the Ministry of Finance will tell you nothing will hang. You don't know this matter, you will destroy yourself!" But he's still he went. He's younger than me, but he's no longer 16. I think he went overboard. Volodya Panskov, my good friend, worked a lot as a minister in the Ministry of Finance, told me that when an ambulance with an ulcer took him to hospital, then he, being a minister, signed in his hospital bed operational documents.

In fact, people who were not prepared by their previous life for their position, greatly interfere with their position. They can't say anything essence, therefore their actions mainly result in self-affirmation through prohibitions. Since he is forced to listen to someone with experience, then In order not to become dependent on advisers, I am forced to alternate between them.

<sup>16</sup> Alexander Yakovlevich Livshits worked as Minister of Finance for only six months: from August 14, 1996 to March 17, 1997. He died in 2013 at the age of 66 from acute heart failure.

He will listen to this one, then another. As a result, if you draw a graph of it politics is such a curve with unimaginable turns and zigzags. To me ok – I haven't worked with those. I worked with professionals. I'm in this I mean, I was very lucky.

A.S.: In general, were there any real progress towards democracy? Was democracy generally discussed at that time?

V.K.: When to discuss? The Constituent Assembly was dispersed.

A.S.: When life got better after the war, when Khrushchev came.

V.K.: Khrushchev condemned the personality cult of I.V. Stalin. The biggest the difficulty of establishing democracy is that it deprives or severely limits the power of the current authorities. Previous or the current ones - they will resist to the end, in my sense there are no illusions.

A.S.: There were no ideological people who thought more about the people, what about power?

V.K.: Messianism is generally characteristic of Russians. There will be one like that Human. But I also know something else: that under no circumstances should you to organize a revolution. This is another loss of millions of lives. A Russia has already crossed the line when it could be reborn.

A.S.: Thank you.