

CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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SECURITY INFORMATION

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THE SOURCE EVALUATIONS IN THIS REPORT ARE DEFINITIVE.
THE APPRAISAL OF CONTENT IS TENTATIVE.
(FOR KEY SEE REVERSE)

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1. Turbomotorny zavod, paragraph 4, should read turbomotornyy zavod.
2. Dispecher, paragraph 17, should read dispetcher.
3. Sturmovshchina, paragraph 19, should read shturmovshchina.
4. Otdel Tekhnicheskoi Kontroli, paragraph 21, should read Otdel Tekhnicheskogo Kontrolya.
5. Mitingi, paragraph 39, should read mitingy.
6. Pervy otdel, paragraph 64, should read pervyy otdel.
7. Otdel naimov i uvolnenii, paragraph 65, should read otdel naimov i uvolneniy.
8. Starshi prepodavatel, paragraph 78, should read starshiy prepodavatel.
9. Remeslenniye uchilishchi, paragraph 96, should read remeslennyye uchilishchya.

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Comment

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Zhukin, paragraph 11, has been previously referred to as Shchukin.

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PLACE OF EMPLOYMENT

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2. Plant No. 659 produced large generators, transformers and other electrical equipment. Most products were manufactured individually and not on an assembly line basis. Approximately 3,000 persons were employed

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at the plant [redacted] in 1946. The number of 50X1-HUM
employees increased during the following six years, probably 50X1-HUM
5,000 at the time of my departure. 50X1-HUM

3.

4.

Sotsgorodok was neither a suburb of Sverdlovsk nor an independent workers' settlement but an integral part of the city itself. [redacted] 50X1-HUM
[redacted] The inhabitants of 50X1-HUM
Sotsgorodok were mainly employees of Plant No. 659, Plant No. 76
(a so-called turbomotorny zavod). Zavod No. 8 and numerous smaller enterprises in the area. [redacted] there were about 50X1-HUM
40,000 to 50,000 inhabitants of Sotsgorodok. [redacted]
[redacted] the population of Sverdlovsk 50X1-HUM
in 1951 was approximately 600,000. Incidentally, this figure was 50X1-HUM
never mentioned in the press and was in general kept secret.

5.

6.

MANAGEMENT AT PLANT No. 659

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Planning Procedures

7. Plant No. 659 was supervised by the Ministry of the Electrical Industry. [redacted] KABANOV was Minister of the Electrical Industry until about 1949 when he was replaced by YEFREMOV. 50X1-HUM
8. The ministry drew up the yearly production plans for Plant No. 659. These plans were established in consultation with the plant director and the chief engineer. However, it should be stressed that the production plans drawn up by the ministry were not subject to any alterations at the plant level. Any deviations from the plan which occurred as a result of, for example, the failure of outside agencies to deliver necessary raw materials had to be thoroughly justified and cleared with the ministry. Working relationships between plant and industry were facilitated by frequent trips to Moscow on the part of the director and his chief engineer. Ministry officials also held inspections at the plant four or five times a year. The minister himself put in an appearance once or twice a year.

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9. [] the ministry also established the quarterly production plans as the plant was required to submit plan fulfillment reports every three months to the ministry. On the other hand, the drawing up of monthly production plans was the responsibility of the plant management. These monthly plans were developed by the chief engineer in consultation with the director. The plant's Party secretary was also consulted on this matter.
10. The plant's planning department (planovoye otdeleniye) evidently drew up monthly plans for individual shops and departments. At any rate, it was clear that a shop chief received a written order each month from the planning department which stipulated exactly what his shop had to produce in the coming month. The primary task of the planning office of the plant was to check up on the fulfillment of production plans by the various production shops and offices. More important, it aided a shop chief in overcoming production difficulties when plan fulfillment was in jeopardy. Most of this work was done by telephone. The planning official called up a shop chief and asked him how far he was along in his plan, whether he was faced with any problems and whether he would meet his monthly production goals. The planning department had no officials assigned permanently to the production shops nor did it dispatch inspectors throughout the plant to check on the progress toward plan fulfillment.
11. Plant No. 659 always fulfilled or overfulfilled production plans between [] the middle of 1950. Then a breakdown occurred when the plant was overloaded with orders for large electrical machinery. This part of the plan was only fulfilled by 65 per cent. [] it was about this time that the plant director, ABAKUMOV, was transferred to a post of far lesser importance with a small plant in the Ukraine. He was reputedly demoted because the plant failed to fulfill its production plans. He was succeeded by ZHUKIN. 50X1-HUM
12. There was a certain tendency to falsify plan fulfillment reports at Plant No. 659. These reports were not out-and-out lies but were written up to give a better picture of the state of affairs than was actually the case. Two types of plan fulfillment were recognized in the USSR. A plan could be fulfilled according to the total monetary value of production. It could also be fulfilled according to assortment (nomenklatura); that is, every article of production was manufactured in the quantities called for in the original plan. This was considered true plan fulfillment. It was a common practice to facilitate matters by fulfilling production plans only according to total production value and not according to assortment. The plant used materials on hand to make products which were easier to produce and which had a relatively high book value in rubles instead of producing, as foreseen in the plan, articles which were more difficult to manufacture.
13. [] the Soviet planning system impaired production efficiency at Plant No. 659. This was most evident in the procurement of raw materials or semifinished products, by far the most serious production problem at this enterprise. According to a regulation which governed operations at Plant 659, no more than a 45-day supply of raw materials could be kept on hand. And even this amount of raw materials was seldom available. Forty-five days is an extremely short time for material reserves in such an electrical plant. (In Germany, [] generally maintain reserves sufficient for six months' operations.) 50X1-HUM
14. Furthermore, the planning system was very inelastic. An annual plan normally could not be altered, in regard to either production goals or supplies. This feature complicated procurement procedures

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as it was difficult to obtain raw materials or semifinished products which had not been provided for in the plant's annual plan. When the need for a particular material arose which had not been foreseen, the plant attempted to procure this material by direct negotiations with the enterprise producing it. This was difficult as other enterprises were also limited in their operations by annual plans. This manner of procurement was also not entirely legal. As a result, only small quantities of materials could be obtained through these channels.

15. The procurement of materials outside of the plan depended considerably upon the initiative of the individual shop chief and plant director as well as their personal contacts in the supplier industry. In a word, it depended on blat(pull).
16. As a result of these policies and procedures preventing the accumulation of sufficient material reserves, complete or partial work stoppages were a frequent occurrence in the workshops. The production cycle followed an erratic course.
17. To illustrate this point, [redacted] practically no work was done in a workshop during the first ten days of each month. Some key parts or supplies were always missing. In view of this situation, a shop chief had to reconsider what raw materials he needed for the coming month's operations and had to attempt to acquire these materials in one way or another. He was aided in this task by his dispecher (one was assigned to each shop) whose main job was just that. All of this meant a considerable and unnecessary waste of man-hours.
18. When a shop found itself behind in its production schedule on about the 20th of the month and the raw materials were finally on hand, then all available human reserves were committed to fulfill the plan by the appointed date. Workers put in a 12-hour instead of an eight-hour day. And during the last three or four days of each month the shop worked around the clock. Luckily for the workers, they were generally given time off at the beginning of the month for some of the overtime hours which they were required to put in at the end of a month.
19. No special measures such as shop meetings or the use of shock brigades were taken towards the end of the month to bring about plan fulfillment. Such steps were unnecessary as the workers and employees were accustomed to this production cycle. In fact, there is even a special Russian word - sturmovshchina - to describe this speed-up at the end of a month.
20. Soviet planning procedures also hindered personal initiative. The whole system was handled very bureaucratically, was built on an almost military chain of command. Everyone waited for an order from his superior before he did anything. Personal initiative was extremely limited. There were only a few people in the plant who were truly interested in fulfilling the plan and they were not always able to sway the broad masses of the workers. These were top officials who had material interests at stake. They received bonuses when plans were completed on schedule.
21. There was a technical control department (OTK - Otdel Tekhnicheskoi Kontroli) in every Soviet plant, which operated independently of the plant director. An OTK reported directly to some outside agency on the ministerial level. The OTK at Plant No. 659 checked each finished product to determine if it conformed with the predetermined specifications (tekhusloviya). Specifications were drawn up for every piece of mechanical or technical equipment produced in a plant. Products were rejected when they failed to measure up to standard.

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22. There was an OTK representative, generally an engineer, assigned to each shop in our plant. Inspectors under him carried out the actual examination of finished products. As on the plant level, this OTK representative was not subordinate to the shop chief but reported directly to the plant OTK.
23. The OTK was supposed to function independently of the plant director and to act as a neutral observer in maintaining the quality of production. In practice the OTK at Plant No. 659 made every effort not to cause the plant director any difficulty. OTK officials frequently looked the other way when a faulty product came up for inspection. The department made sure that final products were more or less in order but that was about all. It is possible that OTK officials were on friendly terms with the plant director or received monetary considerations for their "services." 50X1-HUM
24. [] no inspection commissions which were sent to Plant No. 659 by ministries other than the Ministry of Electrical Industry for the purpose of checking on plan fulfillment, quality of production or financial administration. The only ministerial commissions which appeared [] were those sent three or four times a year by the supervising ministry. 50X1-HUM

Party Membership and Activities

25. Only a very small percentage of the workers and employees at Plant No. 659 were Party members; perhaps only 2 per cent to 3 per cent. Probably about 50 per cent of the Party members were employees (sluzhashchiye) and 50 per cent were workers. This ratio is explained by the fact that all leading managerial personnel had to be Party members.
26. It was an unwritten law that only Party members could occupy positions from shop chief on up. All shop chiefs and department chiefs were Party members. No person who was not a member of the Party would have been chosen for such a post unless he were the only one who had the necessary technical qualifications. Party membership was an absolute prerequisite for the positions of chief engineer, assistant chief engineer and plant director.
27. These requirements meant that Party members were given preferential treatment in regard to professional advancement. Furthermore, a Party member would always be given the nod over a non-Party member in competing for a promotion, other qualifications being equal. And Party members in some cases were advanced ahead of non-Party members who were more qualified professionally. 50X1-HUM
28. [] this type of preferential treatment had certain negative effects on productive efficiency at the plant. For example, [] a Soviet engineer [] who was an ex-50X1-HUM capable designer but had little to say in favor of communism. 50X1-HUM Nobody prevented him from working at the plant because of his lack of sympathy with the regime. However, he undoubtedly would have occupied a leading position in this ministry as an adviser on the construction of electrical machinery if he had been a member of the Party. Any advance in his career was blocked because he was not particularly in favor of the regime and because his application for Party membership had been rejected. Although [] had a number of inventions to his credit, he had received practically nothing from the Soviet Government in recognition of these efforts. He certainly would have received the Stalin Prize if he had been a Party member and in sympathy with the government. 50X1-HUM
29. [] most Party members at Plant No. 659 were convinced communists. There might have been a few opportunists who simply

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joined the Party to further their careers but they were in the minority. After all, being a member meant that one had to devote an enormous amount of free time to Party activities. Few Party members were ever able to enjoy a free night at home.

30. [redacted] no tension or rivalry between Party members and non-Party members. [redacted] the latter regarded Party members with a certain degree of respect. They recognized that members of the Party had to sacrifice much of their free time and outside interests. 50X1-HUM
31. The Party organization at Plant No. 659 was represented by a committee headed by a secretary. The secretary was the leading Party official in the plant and therefore was one of the most influential individuals there. In addition to directing internal Party affairs, he participated in all important production conferences held by the plant director. He was consulted by the plant director on all important decisions concerning plan fulfillment. The two individuals who occupied the post of Party secretary during my employment there were both engineers. The Party secretary's deputy was also an engineer.
32. The Party was represented in each shop or department by a Party organizer, or partorg. These functionaries reported directly to the Party secretary. The position of Party organizer was a part-time job. Perhaps this explains why most Party organizers were employees and not workers. Employees had more time for such activities. 50X1-HUM
33. [redacted] the plant Party committee consisted of the secretary, his deputy and the ten or so Party organizers. [redacted] it is noteworthy that not a single worker was a member of the Party hierarchy. 50X1-HUM 50X1-HUM
34. There also was a Party office, or partkabinet, at the plant. In fact, the term "partkabinet" was popularly used by Soviet workers to refer to the Party leadership. However, the term actually referred only to the rooms housing the Party officials. The office consisted of a reading room, stocked with propaganda material, and a conference room where workers and employees were allowed to discuss their problems with Party officials. Four people were employed there on a full-time basis, including the Party secretary, his deputy and two female stenographers.
35. [redacted] it was the primary task of the Party organization to aid and support the plant management in fulfilling production plans. This meant that the Party organization intervened in technical matters. (It should be kept in mind that the Party secretary was an engineer himself.) 50X1-HUM
36. As mentioned above, the Party secretary was consulted by the director on all important decisions concerning plan fulfillment. The Party committee intervened in some personnel matters. It sometimes suggested new forms of organization or arranged for the transfer of workers from one shop to another in order to overcome production bottlenecks. The Party Committee, through the Party organizers in the individual shops, kept its eye out for production problems such as shortages of raw materials and personnel. The committee received such reports from the Party organizers and presented these problems to the plant director for solution.
37. This intervention in production matters certainly produced no negative results. Energetic action by the Party sometimes solved production problems or halted the progress of others which could

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have become more serious. In general, this intervention had a favorable effect on plant operations.

38. The dissemination of political propaganda, the political guidance of plant personnel was a second major function of the Party Committee. It sponsored political meetings which were held on the occasion of major holidays and important political developments. Five or six of these meetings were held in the course of a year. Perhaps two were held on a plant-wide basis while the remainder were held in shifts in the individual shops and departments. Attendance at political meetings was compulsory [redacted] in 1947. In later years, the workers and employees were not forced to attend them.

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39. These assemblies were referred to as "mitingi" when convoked on a plant-wide basis. "Mitingi" were customarily held at 1700 hours. As employees worked until 1800 hours and workers only until 1700 hours, the former constituted most of the people who attended them. Political meetings held on the shop level were simply called "sobraniya." Political meetings were held on a shop basis in order to save time and to simplify their organization. The political "sobraniya" were usually held during the lunch hour and were brief--20 to 30 minutes long. The time was made up by overtime or by cutting the length of the lunch hour.

40. The first meeting [redacted] at Plant No. 659 was held in 1947 to protest against death sentences imposed on 25 Greek communists. A petition on this theme was circulated throughout the plant following the meeting. Later meetings inaugurated petition campaigns in connection with the Stockholm appeal and another "peace" drive. Other meetings protested against American "aggression" in Korea and the use of bacteriological warfare there.

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41. Party organizers conducted the political meetings which were held on the shop level. In particular, a partorg determined beforehand who would take part in the discussions and what would be said. Before a meeting, he called together his men who were to lead the discussion--they were always the same people--and informed them of the subject to be discussed, what they should say and when they should speak. The entire discussion was organized in this way. [redacted]

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42. [redacted] these tactics were well known to the rest of the workers. It would have been impossible to develop a discussion any other way because of the passivity of the average worker. And furthermore, what could the average worker say at one of these meetings? He could not challenge the validity of what the speaker said and probably saw no sense in simply agreeing with him.

43. There was also a network of agitators at Plant No. 659. Most of these agitators were young people--mainly Party candidates and a few Komsomol members. Two or three agitators were assigned to each shop. They worked together with the partorg in a shop and were subordinate to him. The agitators were responsible for carrying out various propaganda drives, particularly in support of May Day celebrations, the October Revolution anniversary and the various elections which were held almost every year. An agitator called on the workers and their families in his section before each election and impressed them with the necessity of voting. They also held short political talks during the lunch hour (usually every two weeks) on current political events. They received printed material for these talks from the partkabinet--usually the Agitator's Notebook or a recent Pravda editorial.

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44. Printed propaganda was distributed only in the form of so-called wall newspapers. The distribution of pamphlets and leaflets was probably hindered by a paper shortage.
45. The Party committee conducted courses on Marxism-Leninism and Stalin's History of the All-Union Communist Party. These courses lasted from four to six months with classes meeting once a week in the evening. They were primarily attended by Party candidates, Komsomol members and others who wished to further their careers by acquiring the necessary knowledge of Party dogma. Attendance at these courses was completely voluntary. No pressure was necessary as the successful completion of such courses was a prerequisite for certain higher positions in the plant.
46. It was also necessary to attend the more advanced courses at the Sverdlovsk evening school for Marxism-Leninism in order to qualify for leading managerial positions. The course of studies at this Party-sponsored university lasted two years. Classes there were held after working hours, two or three times a week.
47. [redacted] no difference between the treatment of propaganda themes by plant propagandists and the treatment given these same themes by the Soviet press and radio. Central Party organs determined not only the subjects of plant meetings but also the texts of the talks which were given by local propagandists. So-called "self-criticism" published in wall newspapers was the only information which was not in conformity with the central press. The "self-criticism" was sometimes very hard on the individuals under attack.
48. The Soviet workers reacted to these various propaganda meetings much like a herd of sheep being driven into a pen. When the order came down to attend the meeting, they went along without any apparent thought of distaste or enthusiasm. Once there, they showed little interest in the proceedings. Everyone knew what was going to be said: attacks on the West and appeals to double their efforts at the workbench. Some fell asleep, talked during the meetings or simply walked out. A speaker's remarks were certainly not greeted with wide-awake attention on the part of the audience.
49. These propaganda measures served the primary purpose of reminding the Soviet workers time and time again of the basic tenets of Party doctrine. So in this respect, it is difficult to judge whether the political talks were successful or not. The propagandists were not trying to indoctrinate but rather to remind the workers, just as a priest in a church uses the Holy Scriptures over and over again in delivery his weekly sermons. [redacted] with the exception of closed Party meetings, [redacted] free to attend all of the shop meetings, political demonstrations and political lectures which were held at the plant. The only limitation was the lack of interest [redacted]
50. Another "political" function of a Party organizer was to observe the political reliability and sympathies of the workers and employees in his shop. People were judged by opinions expressed in chance conversations and by their attitudes toward work. [redacted] every Party organizer was an out-and-out [redacted] was undoubtedly expected to keep an eye out for such matters.
51. [redacted], the plant trade union committee was primarily responsible for encouraging the development of socialist competitions and the assumption of socialist pledges. These questions were generally discussed at meetings convoked by the trade union committee. It is possible that the Party committee sometimes had a voice in these matters. But if so, that was the exception rather than the rule.

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52.

Trade Union Activities

53. In contrast to the Party committee, the plant trade union committee (zavkom) was predominantly staffed by workers. [redacted] not believe that any of its members, even the secretary, were full-time trade union functionaries. The trade union was also represented in every shop or department by a two- or three-man committee. 50X1-HUM
54. [redacted] the zavkom was elected by the members of the various shop committees. [redacted] the shop committees themselves were chosen by the workers in direct, secret elections. A worker received a ballot at election time which contained the names of quite a few candidates. He crossed out the names of those whom he did not wish to vote for and placed his folded ballot in a ballot box. Elections were held each year. 50X1-HUM 50X1-HUM
55. Almost all workers and employees at Plant No. 659 were trade union members. Trade union membership carried with it certain advantages, particularly in reference to vacations at rest homes (sometimes financed by the trade union) and wage payments during periods of sickness (subsidized in part by the trade union). The trade union and not the plant paid for wages of workers and employees during annual leave.
56. Workers and employees who were allowed to spend subsidized vacations at trade union recreation homes were selected by the zavkom on the basis of work performance, political activities and contribution to welfare activities. Only a relatively small number were able to spend their vacations at these rest homes as they were limited in capacity. Perhaps only ten or 12 workers and employees were able to visit a rest home in Crimea or in other well-known resort areas in the course of a year. The plant also owned several rest homes in the Sverdlovsk area. Competition for assignments there was not so keen.
57. One of the primary tasks of the zavkom was to act as a sort of welfare agency for workers and employees. The zavkom was responsible for seeing that housing conditions were relatively sanitary and satisfactory. It collected private contributions from plant personnel for workers and employees who were seriously ill. And, as noted above, it subsidized the vacations of some workers.
58. Its second major task was to introduce production improvement measures and to mobilize the workers in support of production plans. Each shop held a meeting once a month for the purpose of announcing production goals for the coming month. The shop trade union representative or perhaps the shop chief himself discussed individual assignments, the importance of particular projects, the need of improving the quality of work and the necessity of conserving raw materials and semifinished projects.
59. Socialist pledges (obligations) were also announced, discussed and approved by the assembled workers at these meetings. Socialist pledges were undertaken either by individuals, by a group of workers or by an entire shop or section. These pledges generally called for the completion of production plans ahead of schedule. Similar were the socialist competitions which were normally conducted between two enterprises. Each plant tried to outdo the other in overfulfilling its production plan.

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60. These various forms of socialist competition and pledges were not taken very seriously. They often represented just a scrap of paper. It was certainly true at Plant No. 659 that at least one-half of these pledges were never fulfilled. 50X1-HUM

61. The zavkom acted as a grievance committee for plant personnel. A worker who felt that he had been treated unjustly was entitled to lodge a complaint with the committee. The zavkom was often effective in correcting injustices brought to its attention, at least in those cases where there was a legal foundation for such action. In a case [] several workers in my shop were assigned to a project which could prove injurious to their health. However, they were not granted additional annual leave for unhealthy or dangerous work as is required by Soviet law. They submitted a complaint to the zavkom and the zavkom organized an inspection committee to study the case. It was determined by this committee that the workers were justified in their demands and the plant management had to grant them the additional leave.

62. The zavkom played a secondary role in comparison with the plant's Party committee. In general, the Party committee was responsible for political tutelage within the plant while the zavkom handled the workers' daily problems of making a living.

MVD-MGB Activities

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63. It was only in the last two or three years that the term "MGB" came into use by Soviet workers and employees at Plant No. 659. Most of them continued to refer to all secret police as the "MVD" simply because it was the older of the two agencies. They seemed to make no precise distinction between the two. And although [] 50X1-HUM the MGB assumed additional responsibilities in 1949 or 1950 [] no corresponding changes within Plant No. 659. For these reasons [] refer to all police agencies at the plant as the "MVD."
64. Like all other plants in the Soviet Union, Plant No. 659 had a first department (pervy otzel) which was responsible for the safekeeping of classified documents. The section was not responsible for any other security measures within the plant. [] Only 50X1-HUM the plant director, commercial director, personnel chief and Party secretary had direct access to the safe room of the first department where classified documents were kept. Other plant personnel who were authorized to withdraw documents from this section were waited on in a small anteroom next to the safe room.
65. The personnel department at the plant was known as otdel naimov i uvolnenii. The chief of this department received orders from both the plant director and a higher MVD office. The personnel chief was a senior lieutenant in the MVD. While on duty, he wore a Soviet army officer's uniform and a visor cap with green band. The Soviet employees referred to this man as an MVD officer. He was transferred in the winter of 1951-52 and was replaced by a civilian employee. The civilian was apparently not an MVD official as he had previously been employed as a shop chief in the plant.
66. The personnel department dealt with all personnel matters. It considered employment applications and requests for job releases. It also dealt with personal complaints and requests (regarding housing, for example) which were too serious to be handled by the zavkom.
67. But the personnel department was also responsible for maintenance of security within the plant. It issued all identification cards

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and gave permission for visitors to enter the plant grounds. In fact, the plant guard detachment took orders from the personnel chief. It is noteworthy that once a month the chief of the personnel section made a detailed inspection of the plant facilities. He was accompanied on these tours by two or three MVD officers from outside the plant.

[] the inspections were held for the purpose of determining the enforcement of security regulations. The personnel department was undoubtedly responsible for assembling and maintaining dossiers on 50X1-HUM plant personnel, although these dossiers were kept in the safe room of the first department. And finally, the personnel chief had some connections with the fire department.

68. There was a network of informers at Plant No. 659. In every shop and section, two or three Party members (including the partorg) reported on the political reliability of their fellow workers and 50X1-HUM employees. [] these informers reported directly to the Party secretary and that the Party secretary and personnel chief cooperated closely in such matters.

69. [] political surveillance was relatively lax 50X1-HUM
[] A person would not be in disgrace for any petty statement which could be interpreted as a sign of disloyalty or dissatisfaction. In fact, many workers were quite open in their complaints about certain working conditions. Perhaps this situation is explained by the location of Sverdlovsk. That is, the Urals area was considered a place of partial exile. The authorities there were not so sensitive about such matters.

70. At any rate, the average worker or employee was apparently not bothered much by the presence of Party or MVD informers. But persons opposed to the regime were, of course, very cautious in making any statements critical of the Soviet Union. On the several occasions when such individuals were discussing politically sensitive subjects with me, they always opened the door first to make sure that no one was eavesdropping.

Classification of Industry in the USSR

71. There were three categories of industry in the USSR. [] 50X1-HUM
[] the first category included the armaments industry, coal mining, ferrous and non-ferrous metal industries, heavy machine building and large construction projects. The third category included the food processing, clothing and other goods industries; probably all republic and union-republic economic ministries. In the second category were found all other industries; for example, the electrical industry, light machine building and the chemical industry. Although the exact breakdown is not clear [] these 50X1-HUM
categories existed; the armaments industry was found in the first category; the Ministry of the Electrical Industry (supervising Plant No. 659) was in the second category; and the consumer goods industry was in the third.

72. Industries were placed in these categories in accordance with their importance (Category One being the most important and Category Three the least important) and were given corresponding privileges in respect to wages, assignment of personnel, housing, rationing of consumer goods (prior to the currency reform) and in other ways.

LABOR and WORKING CONDITIONS AT PLANT No. 659

Salaries and Wages

73. Workers were assigned to eight job categories (naryady). A specific

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hourly wage was established for each job classification.

a worker in Group VI received 3.03 rubles per hour (assuming that he fulfilled performance norms by 100 per cent)

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74. Included in Group I and Group II were apprentices ("ucheniki") with no previous knowledge of a trade. Unskilled workers were in Group III. Graduates of a two-year trade school were placed in Group IV. They started on the job in this class. In Group V were workers only slightly more advanced than those in Group IV. Group VI included workers who had advanced from the previous class by passing an examination. Most workers were in Group V and VI. In Group VII were workers who had advanced from Group VI by passing an examination. At the most, 10 per cent of all workers were in this class. And Group VIII included workers who had advanced from Group VII by passing an examination. Workers in this class, the top category, were very rare.

75. listed below the average monthly wages and salaries of Soviet workers and employees at Plant No. 659:

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Janitor or charwoman.....	250 to 300 rubles.
Only women took this job.	
Plant guard	450 to 480 rubles.
Stevedore	600 rubles.
Beginning machinist	650 rubles.
Average machinist	800 to 900 rubles.
Better-than-average machinist	1,200 rubles.
The best paid received.....	1,500- 1,800 rubles.
Brigadier	800- 1,000 rubles.
Typist	500 rubles.
Stenographer	800 to 900 rubles.
A good stenographer was hard to find. The combined skills deserved this salary.	
Draftsman	500 rubles.
Bookkeeper	500 rubles.
Accountant	800 to 900 rubles.
Foreman	700 to 900 rubles plus bonus.
A bonus sometimes amounted to one-half of monthly salary.	
Technician	600 to 750 rubles. plus bonus.
Beginning engineer	780- 1,200 rubles plus bonus.
Experienced engineer with no administrative responsibilities	1,200- 1,400 rubles plus bonus.
The top salary was 1,700 rubles plus bonus.	
Shop or department chief	1,400 rubles plus bonus.
Chief engineer	2,000- 2,200 rubles plus bonus.
The ministry sometimes authorized 2,500 rubles in recognition of special performance.	
Plant director	2,500 rubles plus bonus.

76. It should be emphasized that Plant No. 659 was a plant in the second category. Personnel in first category enterprises received higher wages and salaries than those listed above while personnel in consumer goods and other third category industries were paid less. In this connection few engineers with the degree of kandidat of sciences were employed at Plant No. 659.

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Being an enterprise in the second category and thus limited in the salaries it could offer its employees, it was not able to bid for the services of such individuals. Persons engaged in industrial production who held higher academic degrees were normally employed in first category industries.

77. Foreign specialists were not paid in accordance with this wage scale. [redacted] a doctor of sciences, received 6,000 rubles per month. That 50X1-HUM corresponded to the salary of a university professor.
78. The salaries in scientific institutes and educational institutions were far more favorable than in industry. [redacted] 50X1-HUM at the Sverdlovsk Mining Institute [redacted] an instructor, or starshi prepodavatel [redacted] was paid relatively little- 1,300 rubles per month. This man had completed an engineer's course at a higher educational institute. A docent at the mining institute held the degree of kandidat of sciences and was paid a beginning salary of 2,800 rubles per month. The top salary for a docent with a kandidat degree was 3,500 rubles per month.
79. Professors received a base salary of 4,000 to 6,000 rubles per month. A professor serving as a dean (dekan) or department chairman (nachalnik kafedry) received an extra 25 per cent of his base salary. The director of the institute received an additional 30 per cent to 50 per cent of his base salary as professor in recognition of his administrative responsibilities.

Performance Norms and Real Income of Workers

80. Performance norms at Plant No. 659 were established according to the estimated time required for a given production process and not according to piece rates (number of units produced in a given time). These norms were based on a norm code which [redacted] was applicable throughout the Soviet Union. 50X1-HUM
81. The norms were generous by western European standards. In Germany [redacted] allot less time for production processes than was allowed at the Sverdlovsk plant. This was primarily due to poor organization. A worker had to spend considerable time finding the tools and raw materials necessary for a given job. He had to do all that himself as this type of procurement was not centralized. Furthermore, much time was lost because of the poor condition of lathes and other machine tools.
82. Every year, production norms (in terms of quantity of output) were increased throughout Plant No. 659 shortly before the introduction of a price reduction law. Everyone at the plant knew that a general price cut would follow within four to eight weeks when a norm increase was announced. Norms were raised somewhat more than prices were reduced: on the average, norms about 20 per cent and prices about 17 per cent.
83. [redacted] performance norms were increased similarly throughout the Soviet Union. First, the norm increases at Plant No. 659 were not undertaken on the initiative of the plant management but on orders from above. Second, all plants in the Sverdlovsk area introduced these wage cuts at the same time. They were a general topic of conversation in the city when they occurred. The Soviet press did not publicize these measures but they were well known to the local population. 50X1-HUM
84. The department responsible for performance norms at Plant No. 659 had the task of adjusting its norm codes to conform to these annual increases. Representatives of the Zavkom "technical

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engineers" and shop chiefs were busy with the norm office for weeks on end in making these adjustment. They tried to soften the blow as much as possible and to arrange that no one job was more affected than others. For some jobs this was very difficult as the norms could hardly be increased any more. In such cases, the norms for other work processes had to be increased more than foreseen, more than 20 per cent.

85. These measures applied only to the performance norms of workers. Salaried employees were not affected. The workers, of course, 50X1-HUM complained bitterly about the norm increases. On several occasions [] a worker, on receiving an assignment in accordance with the new norm schedule, returned the work slip to the foreman and said in effect: "For this pay the machine can do the job itself."
86. The political propagandists went to work when such cases occurred. The Party organizer or the zavkom representative invited the worker in for a talk. They explained that such steps were necessary for the economic growth of their country. They appealed to his better self and tried to make him see the wisdom of this policy.
87. The purpose of this wage policy was to increase productivity. This policy was successful. Increased productivity was achieved by harder work on the part of Soviet workers and by a rationalization of production processes. This wage policy was probably the only way of forcing workers to put in more work.
88. This meant that the earned wages of the average Soviet worker slowly increased in the course of a given year as a result of increased productivity. To be more exact, these wages followed a zig-zag path. They reached a high point shortly before an annual norm increase, a low point immediately thereafter, and gradually returned to their former peak in the course of the following 12 50X1-HUM months. [] the average workers's wages decreased somewhat from 1946 to 1948. However, they remained approximately constant during the following four years, subject of course to the yearly zig-zag fluctuation just described.

Restrictions on Employment Mobility

89. A worker or employee at Plant No. 659 who wished to find employment elsewhere first had to establish contact with his future place of work. This was generally accomplished through personal contacts and friends. Then he had to obtain a job release from the plant management, as required by law. This involved lengthy negotiations with the personnel chief who had to give his approval. Success generally depended on the initiative and cleverness of the applicant in softening up the personnel chief. An application was never approved the first time it was submitted. But after months of effort, a persistent individual was generally successful in obtaining his employment release. After all, a dissatisfied employee was of no great value.
90. The situation outlined above applied to skilled workers. [] 50X1-HUM engineers and technicians faced an additional hurdle in that they also had to obtain the approval of the ministry. 50X1-HUM Unskilled workers, on the other hand, had no difficulty in obtaining a job release.
91. Exceptions were made in the case of personnel who wished to transfer from an enterprise in the second or third category to an enterprise in the first industrial category. The personnel chief had to approve such applications, as first-category enterprises were given priority over lower-ranking enterprises in hiring personnel. Such cases were quite common at Plant No. 659

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in 1949. Several large armament plants in the area [] which were being put into operation were seeking workers at that time.

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92. Graduates of higher educational institutions were compelled to remain for three years at the work assignment they received upon graduating. [] this period of compulsory employment was three years.

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93. There were two exceptions to this rule. A young engineer could leave his place of work during this period if he received permission to enter into graduate studies (aspirantura). He was only released by the plant on passing his entrance examinations. A young engineer could also change his place of employment during this three-year period if he transferred to a plant in a higher industrial category.

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[] For example [] a young man [] was allowed to transfer from Plant No. 659 to a research institute in Moscow because the latter was a first-category enterprise.

94. Graduates of higher educational institutions received their initial assignments on the decision of the university or institute director. The director made these assignments in accordance with applications received from various enterprises for the services of students about to graduate. A prospective graduate's personal contacts were also of some importance in determining his assignment.

95. Most tekhnikumy were affiliated with or owned by an industrial enterprise. Therefore, tekhnikum graduates reported to work at the controlling enterprise as a matter of course. Graduates of tekhnikumy were required to work for three years at jobs designated by the state.

96. A worker who was unemployed was free to look for and find a job in accordance with his own wishes. He was not assigned a job by order of a labor office. But graduates of trade schools (remeslenniye uchilishchi) had no such freedom. Most trade schools were directed or owned by an industrial enterprise. Graduates of these schools were automatically assigned to the controlling enterprise.

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[] Comments: The reader's attention is called to the following topics in this report []

[] time limitations imposed on the accumulation of raw materials and other stocks by Soviet industrial enterprises; the classification of Soviet industry into three groups (not identified with the all-union, union-republic and republic categories), with attendant privileges for high-priority industries.

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[] one point in the interview that most workers were in Group V and Group IV and [] workers in the latter category received 3.03 rubles per hour. This would mean that an average worker received 630 rubles per month, assuming 100 per cent fulfillment of norms and a work-month of 208 hours. [] the average machinist received from 800 to 900 rubles per month. It is possible that the average worker worked more than 208 hours per month or that he over-fulfilled performance norms and that these factors explain this discrepancy.

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[] There is a slight possibility that [] the three categories of industry established in the resolution of the Council of Ministers concerning directors' funds, issued on December 5, 1946. However, the resolution placed the Ministry of Munitions Industry, the Ministry of the Aviation Industry and others in the second-ranking group which clearly belong in the [] first category. Moreover, the resolution on

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director's funds makes no mention of wage differentials (except for bonuses) or exceptions to restrictions on employment mobility. [redacted] probably [redacted] a regulation which has not been published [redacted]

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The restrictions placed on the accumulation of raw materials and other supplies by Plant No. 659 indicate that the entire Soviet industry operates on a narrow margin of reserves on the enterprise level. [redacted]

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[redacted] Two conclusions may be drawn from this information. In the absence of central stockpiles of all types of industrial supplies, this shortage of reserves on the enterprise level could prove disastrous to Soviet industry in the event of war or could create inflexibility in Soviet foreign trade policies. If extensive central stockpiles do exist, the lack of local reserves might indicate that the Soviet Union does not contemplate any major aggression at the present time.

[redacted] Plant No. 659 raised labor productivity by 20 per cent each year during his employment there. This figure appears much too high. [redacted]

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