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ORGANIZATION AND FUNCTIONS
OF THE SOVIET MINISTRY OF COMMUNICATIONS
1954

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FOREWORD

This report is an all-source companion study

The joint report is an expository presentation of the organizational structure of the Ministry of Communications, USSR.

Since the organizational structure and functional responsibilities are presented in extensive detail in the joint report, the present report discusses them in general fashion only.

This report is an analysis of the actual day-to-day operation of the Ministry. It is based on an analysis of the general principles of administration and management which are used in the Ministry. It considers the administrative methods of the Ministry and analyzes its organizational and managerial strengths and weaknesses.

Since the writing of this report the Ministry of Communications has been changed from an All-Union ministry to 16 union-republic ministries. Lack of detailed information on the manner and extent to which this change has been, or is being implemented, has precluded any textual analysis of its impact upon ministerial operations.

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ORGANIZATION AND FUNCTIONS
OF THE SOVIET MINISTRY OF COMMUNICATIONS*
1954

Summary

The Soviet Ministry of Communications (MINSVYAZ') is a highly centralized structure that is organized along production-territorial lines. Its operational functions are divided among 15 main administrations which are aided by about 12 staff departments and administrations. The regional organization parallels the administrative structure of the USSR, with a communications administration, or office, found at republic, kray, oblast, city, and rayon levels. The Ministry operates virtually all civil telecommunications, radio, wireline, and postal facilities in the USSR.

Communications in the USSR are divided into those for general use, which are controlled by MINSVYAZ', and special governmental agency communications. These latter systems are under the operation of other ministries but still remain subject to the technical control of MINSVYAZ'. Communications enterprises are usually divided functionally into joint and specialized types. The former carry out operations in the over-all field of communications and are known as local administration. The specialized enterprises are limited to specific operations only such as post offices, radio, telephone, and telegraph stations.

* The estimates and conclusions contained in this report represent the best judgment of ORR as of 1 November 1954.

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The management of MINSVYAZ' is based on the concept of a production-territorial system of organization and the principle of edinonachaliye (one-man leadership and responsibility). There is some potential for basic conflict in these principles because of the resulting dual subordination of local operational units to both the local administration and the main administration in Moscow. Over-all management is shared by the Minister, his deputies, and the Collegium. The latter can make no decisions without the Minister's approval, and this may be a failure to relieve the workload of the Minister. The operational responsibilities of the Ministry are divided among the deputy ministers.

Control of the regional offices is extremely centralized and strict. General coordination of communications activity within a republic is the responsibility of the authorized agent of MINSVYAZ' in that republic. His position is weakened by an evident lack of authority to give operational direction to the administrations within his jurisdiction. The extreme centralization is more apparent at lower echelons, where a lack of independence and initiative hurts the efficiency of operations. This is highlighted by the necessity for emergency actions to be initiated by Moscow or to require Moscow's approval before implementation.

In functional management for planning, finance, personnel, and material allocations, MINSVYAZ' adheres generally to the usual Soviet practices. The planning process is carefully controlled and supervised from Moscow. Considerable evidence of plan alterations and changes in emphasis during any plan year, however, indicate a limited flexibility which allows planning to be fairly realistic.

A significant change in the financing of MINSVYAZ' has been the transfer of certain postal, telegraph, telephone, and radio relay networks to a system of self-support (Khozraschet). By this change, these enterprises now finance themselves from current receipts rather than being financed by the state budget. This change should increase local independence in financial matters and make local managers more responsible for the financial soundness of their operations.

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Management problems in the field of material supply have resulted in systems of control which create a rigidity in local operations. Many of these problems result, however, from conditions over which MINSVYAZ' has no control.

Personnel management in the Ministry is confused because of multiple direction within MINSVYAZ' and complications arising from the influence of external organizations.

The influence of external organizations such as the Party, trade unions, and executive committees is noticeable in MINSVYAZ' management. Of these, the trade union influence is least. The executive committees have a fairly prominent voice in planning and financial matters through their control of local budgets and the administration of state loans for radiofication. The influence of the Party is strong, particularly in personnel matters. The available evidence shows that the Party, although potentially disruptive, generally acts in the interest of local communications enterprises.

Much of the activity of MINSVYAZ' is concerned with the control of communications systems in other civil ministries. MINSVYAZ' exercises strict control over the technical aspect of these systems and also furnishes and builds facilities on a contract or lease system. MINSVYAZ' is also involved in military communications. The system controlled by MINSVYAZ' undoubtedly would be meshed tightly with the military systems in the event of war, but none of the details of such arrangements is known.

At this point in its development, MINSVYAZ' seems to have reached a stage of consolidation of its communications systems. There also have been several major consolidations of its main administrations at Moscow. A similar consolidation of radio and electrical communications facilities has taken place in local offices. In addition, MINSVYAZ' is now absorbing many of the communications centers formerly serving other ministries, such as the Ministry of Agriculture. These changes will mean a tightening up of the vast organization of MINSVYAZ'. There should be a resulting economy in expenditures of money, manpower, and materials.

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The reorganizations seem to reflect an opinion that MINSVYAZ' having attained a state of development commensurate with the needs of the economy, should now strive for increased efficiency. The reorganizations should go a long way toward achieving this goal. The evolution to a more efficient system may, however, be hampered by continued and increased centralization inasmuch as a high degree of centralization has the effect of depriving regional organizations of the independence and initiative necessary for efficient operations.

I. Central Organization.*

A. History.

When the Communists seized power in 1917, they formed the People's Commissariat for Posts and Telegraph to direct and administer communications. In 1924 the Soviet constitution reorganized the Commissariat as the All-Union People's Commissariat of Posts and Telegraph.** On 17 January 1932 it was renamed the People's Commissariat of Communications. It was renamed again in 1946 the Ministry of Communications (Ministerstvo Svyazi -- MINSVYAZ'). 1/*** MINSVYAZ' is one of the few ministries that have been relatively untouched**** by the numerous major reorganizations which have taken place in the USSR since Stalin's death.

* The organization of MINSVYAZ' is presented in this report in brief form. Aspects of the organization and personalities of each organ are discussed in detail

** An All-Union ministry is one which directs the branch of state administration entrusted to it throughout the USSR and does not have corresponding ministries in the union republics.

*** For serially numbered source references, see Appendix C.

**** Recent and projected reorganizations of MINSVYAZ' are discussed in Section XII.

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B. General Administration and Functions.

1. General Functions.

MINSVYAZ' controls virtually all civil telecommunications in the USSR.* It is the Soviet equivalent of RCA and Mackay Radio, the US nationwide broadcasting network, Bell Telephone, Western Union, and the US Post Office combined. 2/ MINSVYAZ' constructs, maintains, and directs virtually all radio, wireline, and postal facilities in the USSR. In addition, one of its prime responsibilities is to control the construction and technical operation of all aspects of electrocommunications and broadcasting which are under the jurisdiction of other civilian organizations. 3/ Any relations which MINSVYAZ' may have with military communications are not considered in this report.

Some ministries operate communication systems for their own use which are not under the immediate jurisdiction of MINSVYAZ'. Among them are the Ministries of Transportation, the Coal Industry, the Maritime Fleet, and the River Fleet. Even these organizations make extensive use of MINSVYAZ' services to supplement their own. The ministerial systems are particularly dependent on MINSVYAZ' in technical matters. They are all under the technical control of MINSVYAZ' in such matters as monitoring, frequency allocations, and scheduling. Further details of the relations of MINSVYAZ' with these outside organizations are discussed in Section XI.

2. Central Administration.

The All-Union Ministry of Communications is a highly centralized organization with a great concentration of power at its center, in Moscow, from which is controlled a vast network

* See the Chart, "Organization of the Soviet Ministry of Communications, 1954," following p. 6.

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of regional offices.* The Ministry is organized in a common Soviet pattern based on the production-territorial system.

The work of MINSVYAZ' is controlled by a number of production (or operational) main administrations (Glavki) and specialized departments and administrations.

a. Main Administrations.

These main administrations are the most important elements in the MINSVYAZ' system. They manage all the production-technical activity of the separate fields of communications. They are also responsible for all matters relating to the direct management of organizations concerned with organization of work and production, quality of operation, establishment of norms for development and use of equipment, and planning and plan fulfillment, as well as technical development and allocation and consumption of material supplies. 4/

b. Departments and Administrations.

A system of functional departments and administrations exists to supplement the above operational main administrations. The functional departments have an over-all responsibility for all questions of planning and finance, inspection and control, accounting, technical problems, and wage scales. No functional organ has the right, apart from the main administration, to transmit directives and instruction on operative matters to any activity or enterprise. 5/ This practice is in accord with the Soviet concept of edinonachaliye (one-man leadership and responsibility), which vests all responsibility for the performance of any main administration on its head administration. The concept would, of course, be weakened if the functional departments could give operational

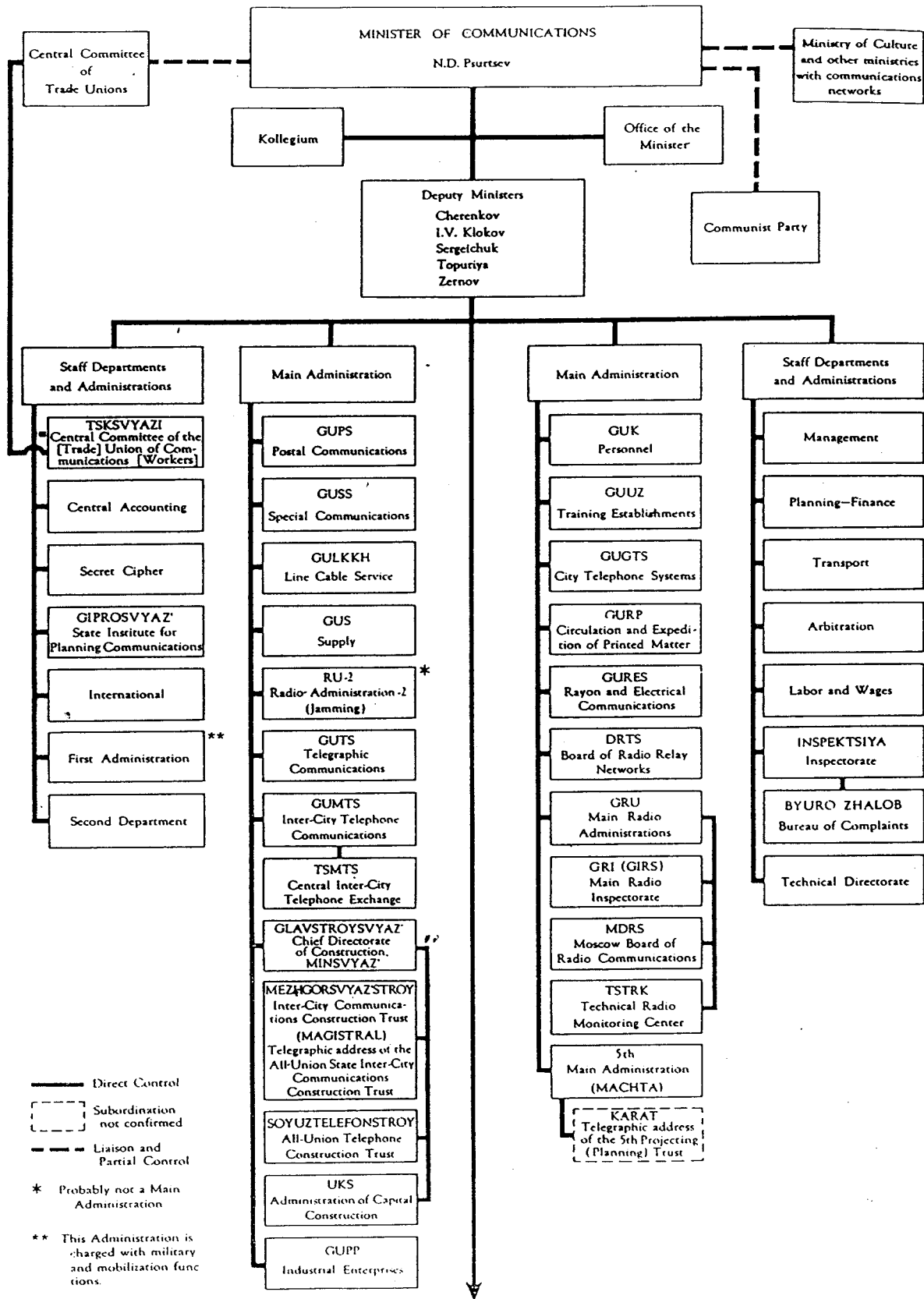
* Since the writing of this report the Ministry of Communications has changed from an All-Union ministry to 16 union-republic ministries. Lack of detailed information on the manner and extent to which this change has been, or is being implemented, has precluded any textual analysis of its impact upon ministerial operations.

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direction to the units subordinate to a main administration. Final responsibility for the over-all direction of MINSVYAZ' rests, of course, with the Minister.

3. Types of Communications.

a. General.

All communications in the USSR may be divided into (1) communications media for general use and (2) communications media for special governmental agencies. Communications media for general use are concentrated in MINSVYAZ'. Communications media reserved for governmental agencies are intended for the exclusive use of the other ministries or enterprises, and the facilities are distributed among a number of organizations outside of MINSVYAZ'. The influence of MINSVYAZ' over such services, however, is very strong. In addition to the technical controls previously mentioned, it frequently enters into agreements to operate facilities for other ministries. It provides and maintains facilities, exercises technical control, assigns frequencies, and controls transmission schedules for the communications system of the Ministry of Culture on a contract basis. 6/

Communications media for general use are organized by MINSVYAZ' and are subdivided to provide services to the general public, organizations, and enterprises, as well as institutions. These services are, in turn, classified into magistral and intraoblast and intrarayon.

The two major media of rapid communications operated by MINSVYAZ' are radio and wireline which are used to provide telephone, telegraph, facsimile, control,* and other services.

* Control in this sense refers to the remote control of an activity by means of electrical or radio impulses. The role of MINSVYAZ' or its subordinates in military programs, which use remote control systems, is not specifically known.

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b. Radio.

Civil radio communications, which include telephony, telegraphy, control, and facsimile, are directed primarily by the Main Administration for Radio. They are classified into communications of general use, internal departmental use, and special purpose. 7/

Magistral and intraoblast communications are handled by the Main Administration for Radio, while intrarayon communications are handled by the Main Administration for Radio Installation and Rayon Electrical Communications.

c. Wire-Line.

All wire-line communications, which includes telephone, telegraph, control, and facsimile, are part of a unified system of communications directed by the Main Administration for Telegraphic Communications through the regional directorates and offices of MINSVYAZ'. The five basic organizational operating units for telegraph service are (1) GU, main centers handling communications of a republic or large kray, oblast, or industrial center; (2) OU, telegraphic stations of an oblast center; (3) RU, telegraphic stations of a rayon center; (4) OS, communications sections; and (5) GO, city sections. Wire-line telegraph links are divided into magistral (trunk-line), interoblast, intraoblast, intrarayon, and city links in a pattern similar to that used by the Main Administration for Radio. The type of link determines which of the above units shall have immediate jurisdiction.

In addition to these wire-line communications handled by MINSVYAZ', many ministries have their own intra-organizational systems. Although generally outside of MINSVYAZ' system, they can be used, with MINSVYAZ' authorization, for public communications when service is not available otherwise. 8/

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d. Telephone.

The telephone system of the USSR is handled by the Main Administration for Inter-City Telephone Communications and the Main Administration for the City Telephone System. Specific jurisdiction depends on whether the system handles city or intercity telephone communications. The main organizational operating units are the Central Telephone Exchange (TsMTS), the Chief Telephone Exchange (GMTS), Telephone Exchange (MTS), and City Telephone System (GTS).

e. Facsimile.

Both radio and wire-line are used to transmit facsimile, but no information about what organization or administration is responsible for the transmission of facsimile communications.

4. Types of Enterprises.*

Most communications enterprises are divided functionally into joint and specialized types. Joint enterprises carry out operations for the over-all fields of communications and are referred to as local administrations. Specialized enterprises are limited to specific operations connected with a single field such as post offices, telegraph and telephone stations, and radio stations.

In addition, communications enterprises are classified according to the volume of revenue. In the first class are those with an annual income of 5.32 million rubles to 9.3 million rubles; in the second class, those from 2.66 million to 5.32 million rubles; in the third class, those from 1.33 million to 2.66 million rubles.

* The figures given in this section are for 1947. 9/ Their applicability to 1954 has not been verified. They are taken from a 1950 study. 10/

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Telegraph offices are divided into the following classes: first class, with an exchange of 20,000 telegrams in 24 hours; second class, from 10,000 to 20,000 telegrams; and third class, from 6,000 to 10,000 telegrams.

Telegraphic offices with an exchange of less than 6,000 telegrams in a 24-hour period fall under the joint communications enterprises.

In addition to joint and specialized enterprises, there is a third type. To this group belong the largest enterprises of nationwide significance. They are in direct operational-technical subordination to the Ministry of Communications at Moscow. Such enterprises as the State Institute for Planning Communications (GIPROSVYAZ') are assumed to belong to this group.

C. Regional Administration and Functions.

The regional administration of MINSVYAZ' is exercised through a vast system of local offices which conforms to the common administrative structure of the USSR. These organizations, known as Communications Administrations, are arranged in a hierarchy starting with the administration of the authorized agent, which is found at the union-republic level, and descending in the normal fashion to kray, oblast, okrug, city, and rayon level.

The authorized agents and heads of the local administrations have responsibility for the functioning of all communications services. They constantly receive instruction from the main administrations in Moscow and, in turn, submit reports to them either directly or through the next communications administrations in the hierarchy. 11/

The administrations of the authorized agents, the local communications administrations (kray and oblast level), and the local offices of communications (city and rayon level) are all organized in departments and sections analagous to the corresponding administrations and departments of the Moscow organization. In the smaller offices, however, many of the departments are consolidated. In a

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local administration, for example, one telephone-telegraph department may manage the operation and development of intercity telephone and telegraphic service in its territory, the lines and exchanges, and all intrarayon communications. 12/ In Moscow there is a separate administration for each of these fields.

The kray and oblast administrations are usually controlled directly from Moscow. Sometimes an exception is made and oblast administrations within a kray are controlled by the kray administration. 13/ The kray and oblast administrations manage their territories by means of okrug, city, and rayon offices of communication. 14/

The okrug, city, and rayon offices put the means of communications into operation, and under the general supervision of a kray or oblast administration, manage the local enterprises and establishments within their respective territories.

II. Central Management.

A. General.

The two basic concepts used in the management of MINSVYAZ' are the production-territorial principle and the principle of edino-nachaliye.

Under the production-territorial principle, MINSVYAZ' is organized into a series of production or operational main administrations, each of which controls specific operations, such as radio, postal communications, and construction, throughout the USSR. In the over-all direction of MINSVYAZ', each of these main administrations is aided by a system of staff organizations which deal with planning-finance, transport, and personnel.

In operation the principle of ediononachaliye implies that the head of each organizational unit alone has full responsibility for the activities within his jurisdiction. Certain interferences with this

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principle which arise from the role of such external organs as the Party, the trade unions, and the executive committees, are discussed in later sections of this report.

Some internal managerial problems may arise because of clashes between these two principles. The head of each field administration alone is responsible for all activities within his territory. At the same time, however, the operational units under him are also responsible to the operational main administration in Moscow. Although any shortcomings or deficiencies may, in fact, be blamed on the head of the regional office, it is apparent that the dual responsibility of the operational units under him may often deprive him of the authority he needs to meet his responsibilities. One measure which has been adopted to avoid this difficulty is invariably to route directions to an operational field unit through the head of the regional administration. ^{15/} In the same way, any correspondence of operational field units goes through and is signed by the head of the regional administration. ^{16/}

B. Over-All Management.

The over-all direction and guidance of the organization of MINSVYAZ' is the responsibility of the Minister and his deputies. As might be expected in a highly centralized organization such as MINSVYAZ', the number and nature of matters referred to these officials for solution or action are extensive. Several devices have been used to facilitate the handling of these problems.

The first is a staff arm and secretariat for the Minister known as the Chancery. This office distributes the Minister's various regulations and orders to the field and handles the numerous personal complaints and minor problems which are sent to the Minister. This device leaves the Minister free to devote more time to matters of policy and substance.

Another device to relieve the heavy work load at the top is the Kollegium. This organization, which is common to all ministries, is composed of the Minister, his deputies, heads of main administrations, and specialists. ^{17/} It considers problems of general

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management, the more essential orders and policies of the Ministry, personnel selection and appointment, and similar matters. In addition it checks on the execution of the orders and policies of the Ministry.

In conformance with the principle of edinonachaliye, the Kollegium has no authority to make or to implement any decisions unless they are approved by the Minister. 18/ If, in practice, this restriction means that every action must have the Minister's personal consideration and approval, the resulting workload on the Minister must be regarded as a positive management weakness.

A further device in over-all management is the division of over-all functional responsibilities among the deputy ministers. This delegation of responsibility is particularly important in a ministry such as MINSVYAZ', which handles such a vast group of operations throughout the entire USSR.

Five deputy ministers function in an over-all coordinating and supervisory capacity. 19/ They are Sergeichuk (Planning and Finance), Topuriya (Radio Communications), Zernov (Construction), Klovov (Line Communications), and Cherenkov (Supply).

It is difficult to judge whether the deputy ministers are able adequately to meet the broad responsibilities assigned to them. If not, it would be reasonable to expect that many of their duties and responsibilities would have been transferred to lower echelons in accordance with the decree on "Expanding the Rights of USSR Ministers," which was issued in April 1953. 20/ In the materials surveyed, however, there were no obvious indications that any MINSVYAZ's authorities at any level now exercise any more authority than they have in the past.

C. Administrative Control.

Administrative control in MINSVYAZ' reflects the traditional highly centralized system of Soviet management. In routine matters the chain of command is rarely violated. An

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extremely extensive system of reporting serves to keep top leaders fully informed on activities. 21/ In the Fifth Main Administration alone, for example, some mine pro-formas are submitted monthly by field organizations. 22/ A fairly common control practice is to have pro-formas signed by both the head of the reporting office and the chief accountant. 23/ In other cases the pro-forma also requires the signature of Party and/or trade union officials. 24/ In addition, external audits and financial checks of regional communications administrations are carried out by the Central Accounting Office, and the administrations of the authorized agent. 25/ Examples of controls in the fields of planning and finance will be found in the sections of this report dealing with those subjects.

D. Delegation of Authority and Operational Control.

Operational control of the activities of the MINSVYAZ' is vested in the heads of the main administrations. The amount of authority which can be exercised at the level of regional administrations appears to be slight. At the lowest levels, all activity is controlled by sets of rigid regulations which spell out every conceivable detail of day-to-day operation of communications facilities. 26/ Moscow specifies, for example, the number of men and poles to be assigned per kilometer of line in maintenance operations. 27/ It may be that the technical problems of a communications system necessitate such strict control of field operations. This method has certain advantages in procedures such as the one which virtually requires automatic reporting of communications disruptions.

The multiplicity of detail which is found

however, is prima facie proof that heads of regional administrations do not have authority to settle even the most minor problems. Even in relatively simple financial problems such as the payment of a bill for transport services, the field offices ask Moscow what to do. 28/ There is also evidence to show that an authorized agent is evidently unable to assign excess personnel without applying to Moscow for permission. 29/

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In emergency situations, such detailed central control amounts to a rather serious weakness. Procedures for emergency operation are all precisely defined in official regulations, but implementation is hampered by a lack of authority at the local level. In at least one instance it was apparent that such a basic step as securing additional manpower to cope with the emergency could not be initiated in the field, but had to await action by Moscow. 30/ Equally serious was the fact that during emergency disruptions of the system the authorized agent at Baku evidently lacked the authority to order changes in the routing of communications and had to ask Moscow to do so. 31/

The examples cited above show clearly that the high degree of centralization and strict control of field offices is paid for by a reduction of initiative and independence of action at the lower levels. This inflexibility means a high cost in recuperability, a most important factor in a country in which rapid and efficient communications systems are so important. To the extent that remedial actions against communications disruptions must await initiation or approval from Moscow, the Soviet communications system must be judged to suffer from a basic management weakness of over-centralization and control.

III. Regional Management.

A. Authorized Agent.

1. General Functions.

Although each head of a local communications administration is, in a sense, an authorized agent or representative of 'MINSVYAZ', the term "authorized agent" is applicable specifically to those persons heading administrations of the authorized agents. These administrations are usually located in the capital cities of the union republics. In only one instance has an authorized agent been identified at a city other than a union-republic capital, namely Kalinin. 32/

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information generally describes the authorized agent as responsible for liaison with union-republic governments in behalf of the All-Union ministry which he represents. 33/ These agents, therefore, are the highest representative of MINSVYAZ' in the republics and represent it on all questions concerning communications. They coordinate orders and instructions with union-republic organizations, introduce plans for the development of communications to the union republics, and control the observance within union republics of All-Union legislation involving communications. They are also responsible for the direction and control of all communications organs within their territory. 34/

Despite this latter responsibility, do not show that the authorized agent exercises any positive or direct control over the administrations within his area. They do show, however, that he is actively involved in all facets of communications activity within his area. He is apparently in constant touch with communications organs, and is knowledgeable about every activity within his jurisdiction. Nevertheless, most day-to-day operational orders originate with MINSVYAZ' and its Main Administration in Moscow.

2. Liaison with Union Republics.

In his role of liaison with the union republic the authorized agent is involved in the broad communications programs affecting the entire republic. Thus in Azerbaydzhan SSR it was the authorized agent to whom the leadership of the republic appealed when a program for radiofication* and telephonization was lagging. The authorized agent, in turn, interceded with Moscow on behalf of this program. 35/ „

* Radiofication (radiofikatsiya) is a general Soviet term meaning the development of radio from the point of view of the consumer. It includes the manufacture and distribution of radio receivers and loudspeakers as well as the organization of listening.

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His liaison role also extends to trade union activities. The authorized agent seems to work directly with the Chairman of the Republic Trade Union of Communications Workers in the negotiation of the annual collective agreements. 36/ He also sends to Moscow an accounting of the work done in concluding collective agreements. 37/

A further example of his liaison with organs outside of MINSVYAZ' is again in the radiofication program. There is evidence to indicate that the authorized agent is empowered to, and often does, negotiate with collective farms on the development of wire-diffusion radio. * 38/ In this connection he also sends reports to Moscow on the amount of wire-diffusion work accomplished. 39/ It is not clear whether or not the authorized agent is the sole agent through whom all such contracts for communications work for outside agencies must be negotiated. Evidence presented in X, below, would seem to indicate that in many instances these negotiations can be carried on directly between a communications administration, and an executive committee or collective farm.

3. Relations with Higher Echelons of MINSVYAZ'.

Although no evidence of an authorized agent giving operational orders directly to lower echelons, there are numerous examples of actions concerning personnel problems, wage and financial matters, and supply problems being channeled through the administration of the authorized agent. In many respects the institution of the authorized agent seems to be an administrative device for the general control and coordination of the communications activities within major political subdivisions of the USSR.

* Wire-diffusion radio is a system of loudspeakers which are connected to a central program distribution point by either telephone circuits or by specially strung wire lines. The program distribution points are, in turn, connected to the broadcasting station either by wire lines or, in the case of small places and remote areas, by radio receiving units. It is, in effect, state control of program and station selection.

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In some cases the authorized agent acts as a direct representative of MINSVYAZ'. An example of this practice is the instance of an authorized agent consulting with MINSVYAZ' and acting as its agent by conducting personnel examinations in behalf of MINSVYAZ'. 40/ His role as a general coordinator and controller is seen particularly when lower echelon field offices are not operating efficiently. In these cases the authorized agent acts on complaints from Moscow about the unsatisfactory performance of these lower echelons. 41/ Moscow has also gone to the authorized agent for action when a lower echelon has been laggard about replying to directives or questions from Moscow. 42/

A major function of the authorized agent is to act as a kind of administrative control for his area. It seems to be established procedure for the authorized agent to receive copies of any plans made for sectors within his territory. 43/ Participation in the planning field is evidenced further by examples of the authorized agent submitting general planning programs to Moscow and reporting on general plan fulfillment. 44/

The authorized agent sends to Moscow, as a medium for administrative control, consolidated reports of various activities of the sectors within his republic. 45/ Among such reports are those on financial balances of the enterprises within the territory, as well as reports on financial inspections of the enterprises. 46/ It should be noted that although the authorized agents submit these consolidated reports, there is apparently no well-established procedure for the local offices to submit their reports to the authorized agent. Invariably any pro-forma report

was submitted directly to the main administration concerned. The reports to the authorized agent must be made, of course

The only known instance of lower echelon pro-forma reporting to the administration of the authorized agent concerned reports on breakdowns in communications and the measures taken to remedy them. 47/ He, in turn, submits reports on the repair of communications lines. 48/

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Much of the authorized agent's dealings with MINSVYAZ' are concerned with questions about administrative planning and management. It is the authorized agent, for example, who proposes to, and negotiates with, the Ministry on the composition of the staffs at local offices. 49/ He is also consulted about and asked to approve the appointment of supervisory personnel at the local administrations. 50/ It appears, however, that actions on the release or appointment of these personnel must be confirmed by the main administration concerned. 51/

Other administrative matters which authorized agents have discussed with central headquarters have been questions of wage rates and schedules, 52/ the assignment and use of personnel quotas, 53/ the detachment of personnel to carry out special programs initiated in Moscow, 54/ and the establishment of training programs and school curricula. 55/

4. Relations with Lower Echelons of MINSVYAZ'.

As stated above, the authorized agent seems to exercise no direct operational control and guidance over the lower echelon organs within his territory. In addition to his role as an administrative controller and coordinator for central headquarters, however, the authorized agent does seem to play an important role in support of the operations of lower echelon communications organs.

This support is particularly apparent in the bothersome field of material supply. Here the authorized agent acts as an expeditor. If the shipment of materials within MINSVYAZ' is involved, he deals directly with the main administration for supply (GLAVSNABSVYAZ'). 56/ If suppliers outside of MINSVYAZ' are involved, he establishes contact with the appropriate agencies. 57/ In at least one instance a problem of material supply was handled by the concerted action of several authorized agents. 58/ An advantage enjoyed by the authorized agent in problems of this sort is that he can and does seek help directly from a deputy minister. A local administration on the other hand is usually, though not always, limited to corresponding with the main administration for

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supply or the operational main administration concerned. The authorized agent also intercedes on behalf of the lower echelons in a variety of other problems. An agent requested the Minister to expedite the approval of plans, for example, in a case in which construction was being delayed because of the failure of the Ministry to act. 59/

In his relations with lower echelon organs, the authorized agent through general coordination of programs and administrative planning, seems to act either as an expeditor in easing operational problems or as a more direct medium for ensuring efficient and prompt lower echelon compliance with ministerial programs.

5. Management Weaknesses.

The information given above shows clearly that the authorized agent is an important factor in administrative control and direction of lower echelon communications administration. As a device for bringing the administrative machinery closer to the operational units, the institution of the authorized agent seems to be reasonable. To the extent that the authorized agent is responsible for direction of lower echelon organs, however, his position is weak.

It may be, indeed, that reports are in error and that the authorized agent has no direction authority

This practice must have a deleterious effect on the authorized agent's

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ability to fulfill his coordination and administrative control responsibilities. It would have a killing effect upon any responsibilities for active direction. The shortcomings of the position of authorized agent in this respect in turn have some significance in terms of the effectiveness of the Soviet communications system.

An illustration of the practical effect was apparent in a 3-day breakdown in communications at Baku in December 1953.

The authorized agent, although fully aware of this serious communications disruption in an important industrial area, was unable to take effective measures. 60/ It was necessary for him

to seek the intercession of a deputy minister in asking that alternative communications routes be established. From a management approach to efficiency of operations, this was bad on two counts. The first is that the disruption should have been allowed to continue for 3 days without such alternative routes of communications being used. The second is that the authorized agent evidently did not have enough authority to set these alternative routes into action without consulting Moscow and without turning to a deputy minister for aid.

This incident points out a fairly significant management weakness at the level of the authorized agent. If he has the authority to direct, the authority cannot be effectively exercised. If he does not have the authority, the ability of MINSVYAZ' to deal with emergency disruptions to its communications networks is obviously hampered.

It is at this level of organization that the Soviet authorities appear to be missing a good opportunity to strengthen management in MINSVYAZ'. The very position of the authorized agent in the administrative hierarchy represents a compromise in the problem of centralization versus decentralization. He is high enough in the hierarchy to reflect the policies and ideas of Moscow, and near enough to the bases of operation to understand local problems.

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Given the proper independent authority and power of direction, the authorized agent could serve to relieve the work load in Moscow and still retain ample centralized control of the field apparatus. Such a change in management procedures within MINSVYAZ' would introduce a form of decentralization which would seem ideal for avoiding the weaknesses of the present structure in coping with emergency situations.

B. Lower Echelon Management.

1. General.

Lower echelon management in the USSR reveals a complex structure of both parallel and horizontal chains of command which often intersect in a confused manner. The most ready condemnation of lower echelon Soviet management is its relative lack of authority commensurate with its responsibility. Other operational disadvantages are faced by local managers, such as a considerable degree of administrative inflexibility, undue restrictions on managerial initiative, untenable situations arising out of unrealistic planning, overabundance of red tape which occurs in virtually any operation, and the fact that so many local offices are far from the central controlling point at Moscow. Conversely, a high centralized administrative system permits several possible advantages to the local managers, such as greater flexibility in utilizing the nation's labor force, unlimited financial resources (if approved in all instances by higher authorities), and the availability of centralized assistance which can be brought to bear on particularly difficult problems. Lower echelon management within a ministry, such as in MINSVYAZ', illustrates and points up specific aspects of these problems.

2. Independence and Initiative.

The materials available for analysis of the administrative independence and initiative of local managers show that these qualities are quite restricted at this level of organization

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As pointed out at the time, 62/ this directive reveals lack of early planning, lack of faith by Moscow Headquarters in the ability of field administration to plan for a normal event, the winter season, and a failure of the field administration to report in a frequent and adequate manner.

In another instance, severe winter storms seem to have left local organizations somewhat incapacitated. 63/ This disruption was due, in part, to probable failures of both technical and administrative facilities. In the actions taken to remedy the communications disruptions it was necessary for the Minister to request aid from the local executive committee. In dealing with such emergency situations, good management practices would dictate that the initiative and foresight for such measures should originate with the local organizations at the scene of the trouble. Lack of such initiative and foresight by local organizations is shown by the fact that the aid had to be sought by the Minister in Moscow. Moreover, this situation highlights a lack of independence on the part of the local communications organizations which prevented their dealing with the situation quickly and effectively.

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3. Centralization and Decentralization.

There are many instances which illustrate a very high degree of centralization in the Soviet economy in general and in MINSVYAZ' in particular. A trend toward even greater centralization of the Ministry has been evident in recent organizational changes. The organizational consolidations of July 1954 and the one projected for January 1955 which bring the Main Administrations for City Telephone Systems, Intrarayon Communications, and Radiofication under a single Main Administration for Radio Installation and Rayon Electrical Communications, for example, illustrate this trend. 67/

Strict adherence to proper channels of authority is required even in the most detailed matters. All changes in the T/O of an organization, like changes in other details of the plan, must have the approval of the Moscow headquarters. Thus, when the Main Administration for Communications at Irkutsk desired additions to the T/O of the management staff, the matter was referred to the Central Administration of Lines and Cables. 68/ An official of an intercity telephone system needed the consent of the Main Administration in order to contact a plant of the Azneft'mash Trust by phone. 69/

Attempts have been made from time to time to meet the problem of overcentralization within MINSVYAZ' by introducing some measure of decentralization. In Khabarovsk Kray there was a move to decentralize by transferring certain press and paper distribution centers to Nizhne-Amur and to the Jewish Autonomous Oblast. 70/ The Machine Tractor Stations formerly communicated by telephone with the farms only via the regional centers. A new plan was devised to permit direct communication between Machine Tractor Stations and the farms, bypassing the regional centers. 71/

There are other examples that indicate that at least some degree of decentralization exists within MINSVYAZ'. In Irkutsk a meeting of chiefs and personnel workers of oblast communications administrations was held to formulate orders for the

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presentation of awards to communications personnel. 72/ Moreover, Psurtsev ordered a local personnel department (otdel kadrov) in Khabarovsk to change a decision which the local office had previously made. 73/ This decentralization is evidently confined to minor matters and does little to relieve the shortcomings discussed above.

4. Summary.

In an analysis of lower echelon management within MINSVYAZ' it is assumed that this Ministry is necessarily more highly centralized than many other economic ministries. The obvious necessity for uniform operational schedules, and regulation of telephone and telegraph procedures, for example, does require an abnormal amount of standardization and centralized control. In one sense, then, a well-constructed centralized organizational apparatus possesses certain virtues. This type of organization is particularly advantageous for a nationwide operation where universal technical and operational standards are necessary if the parts are to operate in harmony as an organic whole. Still, it would seem that the organization and management of MINSVYAZ' reveals an excessive amount of administrative centralization and of dependence by local offices and administrations upon the Moscow headquarters of the Ministry and a notable absence of initiative on the part of these local organizations and subdivisions of the Ministry.

The question of the ability of lower level management in MINSVYAZ' to achieve its objectives must be answered with a reserved affirmation. The Ministry does, indeed, achieve many of its goals. In this connection, certain aspects of Soviet management, such as centralized dispatching of critical materials, works to the advantage of lower echelon management. From the point of view of efficiency, however, it would seem that many problems could be facilitated and streamlined by less centralized control within MINSVYAZ'. A greater number of functions of the Ministry could well be delegated to a lower level, thus enabling higher echelons of the Ministry to be free to handle important matters more carefully and more thoroughly.

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IV. Planning.

A. General.

The process of economic planning in the USSR involves several regular steps which reach down through most levels of the hierarchy in their application. The completed yearly plan, for example, contains both broad and specific targets for production, prescribes the various conditions attendant thereto, and incorporates a detailed program of capital investment and a schedule for the allocation of resources. The several steps and phases of the planning process itself are (1) the setting of broad economic goals, (2) filling in the minutiae of requisite detailed requirements, (3) final approval of the plan by high governmental officials.

The process operates neither as smoothly as the above outline would indicate nor as rapidly as the Soviet officials wish. Problems of "counterplanning," compromise, adjustments, and reallocations continually come to the surface from the initiation of the plan through its final fulfillment or nonfulfillment.

B. Plan Formulation.

The formulation of plans for MINSVYAZ', as in other ministries, involves several steps and processes. In the first step the central ministerial apparatus sends an outline known as the "blank summary plan" or pro'ekt of the yearly plan to its subordinate offices and enterprises. ^{74/} These outlines of the proposed annual plan are sent out from Moscow during August-October of the preceding year. ^{75/} This so-called outline of the plan broadly lays down the terms for the yearly plan. The executive committees on the several levels -- kray, oblast, rayon, and the city -- are involved in ministerial planning to the extent of assisting the ministry in plan formulation and alteration. The committees also check on plan fulfillment and maintain copies of the plans of all organizations and institutions within their respective areas. The executive committees apparently do not have either a decisive voice in or a controlling authority over ministerial planning (see X, below).

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The second step in plan formulation occurs when the local organizations and enterprises of MINSVYAZ' receive this outline plan, fill in the details, and conclude agreements on the plan goals, thus completing the formulation of the plan in all details. 76/ This process is referred to as "drafting the pro'ekt plan," or formulating the "draft plan." 77/ This rather detailed plan is then submitted to Moscow for final approval some time in the latter quarter of the preceding year. 78/ Late receipt of the plan by the local organizations often results in late submission of the draft plan by these organizations. 79/ Nevertheless, the Ministry officials do not permit a great deal of time to the local organizations to prepare and submit the draft plan. 80/

The third and final step in plan formulation involves ministerial and governmental approval of the "draft pro'ekt" submitted by the local organizations and enterprises. 81/ Once this approval is granted, the final plan is sent down to the lower organs as the established plan for the coming year. 82/ The established plan, therefore, is the result of rather careful thinking involving a considerable amount of preparatory planning and "counter" planning by a relatively large number of persons on various operating levels. This method would appear to facilitate the establishment of plans which are to a considerable extent realistic, the more so as heads of local administrations are allowed to go to Moscow and defend their recommendations for the draft plan. 83/

C. Plan Alteration.

Even after it has been formally established, the annual plan is not inflexible. Alterations in the plan are frequently requested by lower organizations and often granted from Moscow. These requests for changes in the plan might be concerned, for example, with increases for administrative-management personnel, capital repairs, or for the wage fund. 84/

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Some requests from lower organizations for changes in the plan (changes which would favor these organizations) are approved, but others are not. 85/ The determination of whether or not to alter the established plan is made in the Moscow headquarters, obviously based on Moscow's view of the necessity and/or desirability for an alteration in any specific instance.

A certain flexibility in plan alteration is apparent in cases when plan changes are necessitated by broad policies. An example of this was in the plan alterations made in 1953 in accordance with new policies for the expansion of communications between Machine Tractor Stations and state farms. 86/ In this instance it is apparent that the plan alterations were the result of policy considerations originating at a level higher than MINSVYAZ' and in which MINSVYAZ' had no choice but to acquiesce.

D. Plan Reporting.

As in other ministries, MINSVYAZ' requires frequent and strict reporting of the results of plan fulfillment on the part of its subordinate organizations. There are monthly reports to be sent to the Ministry, occasionally as early as 5 or 6 days after the end of the current month. 87/ These reports usually require cumulative totals for the year, in addition to the total reported for the current month. 88/ In addition to these reports, there are, for example, half-year; 8-month; and, of course, the customary yearly reports to be filed with the Ministry. 89/ Finally, the reports on plan fulfillment may be of several kinds, such as reports for the production of the entire plant or reports on the production of a specific item or group of items. 90/

E. Conclusions.

The planning process in MINSVYAZ', in general, seems to follow the rather normal pattern of other ministries within the USSR. The process shows elements of careful and calculated long-range planning which involves many steps, limited flexibility, and the usual manner of reporting on the

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results of plan fulfillment. If not originally very realistic, the annual plan tends toward that goal as the year progresses. This adjustment is evidenced by the abundance of traffic discussing plan alterations, reallocations, and changes in emphasis.

V. Financing.

A. General.

Complexities of financing in the USSR, as illustrated in the operations of a ministry, result in part from the organizational structure of the Soviet economy. Approval for the operating funds of a ministry, for example, must be granted by at least the Council of Ministers, the State Planning Commission (Gosplan), and the Ministry of Finance before such a grant ever gets to the ministry. After receipt of the financial plan by the ministry, any significant deviation therefrom must have the prior consent of higher governmental organs.

A leading problem in ministerial financing seems to involve the transferral of funds from one operation to another. This difficulty is caused by inability to accurately forecast ruble profitability, materials shortages, and wage expenditures. Ruble shortages are illustrated in repeated requests from lower to higher organizations for supplementary financial allocations above planned estimates.

B. MINSVYAZ' Financial Policies.

Communications enterprises are traditionally financed through the state budget. ^{91/} A significant change in the financing of some communications enterprises was scheduled to go into effect on 1 May 1954. By this change "the operational enterprises of postal, telegraph and inter-city telephone communications, city telephone networks and radio relay networks of MINSVYAZ" were to be transferred to khozraschet. * ^{92/} The significance of this

* A Soviet system of accounting in which an enterprise is self-supporting. The term is often translated as "business accountability."

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change to khozraschet is that henceforth these enterprises will finance such items as wages, raw materials, and fuel from their current receipts. Capital investments and working capital will also be provided from their own resources, and allocations will be provided from the budget if such resources are insufficient. The actual implementation of this change has not been confirmed, and it is uncertain if this is the first instance of the transfer of communications enterprises to financing on a khozraschet basis.

The change, if it really has taken place, reflects a Soviet trend to place more and more of its economic enterprises on a khozraschet basis. From a management point of view, this change may make these enterprises less dependent upon Moscow for the details of their financial operations. Local allocations, however, would still have to conform to the national plan. The change, moreover, would serve to make local managers more fully responsible for the financial soundness of their operation.

Financing of expenditures in MINSVYAZ' is probably consistent with practices followed in other ministries. The normal pattern of financial management is illustrated by the requirement that outside labor allocations shall be approved by either Psurtsev or Deputy Minister Sergeichuk before being cleared through the State Bank (Gosbank) and the city finance department. 93/ This procedure was also used when the Main Administration for Rayon and Electrical Communications directed the Ministry of Finance to reduce the budget of MINSVYAZ' by a specific amount as a result of an unexpected increase in profits. 94/ Local organizations of MINSVYAZ' are assigned specific monthly financial "limits" for operating expenses, among other things, by branches of Gosbank. 95/ These local organizations usually pay for some of their own items out of the "local budget." 96/

C. Supplemental Financing.

Problems of supplemental financial allocation, over and above planned estimates and allotments, are dealt with in several ways. The Planning-Finance Administration of MINSVYAZ', for

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example, has power to charge some supplementary allocations to the next plan quarter or to the next half-year budget or power to transfer funds between organizations. 97/ In addition to the Administration for Planning-Finance, a number of other main administrations have been identified as approving or disapproving supplementary allocations. 98/

Central and branch offices of the Industrial Bank (Prombank) also exert some influence in the determination of payments for supplementary allocations. 99/ It would seem logical to assume, however, that the jurisdiction of Prombank is of a technical and legal nature (such as setting loan limits) and that most decisions on supplementary allocations come from ministerial or higher governmental officials.

A continuing problem for MINSVYAZ' and its subdivisions is getting additional finances for overexpenditures of the established wage fund. Instances occur, for example, of administrations having difficulty in getting supplementary wage authorizations. 100/ In some cases, excess wage funds may be charged to certain unexpended Glavk funds. On occasion, however, the Glavk has refused to intervene on behalf of local offices in financial difficulties and has left them to solve their problem by negotiating with the heads of the local communications administrations for a transfer of funds from other accounts. 101/ General estimates for wages are sent to Moscow for approval. 102/

D. Letters of Credit.

Many transactions are carried on by means of "letters of credit" in lieu of prior payment. The letters of credit are issued to organizations for each quarter from Moscow. 103/ Although Prombank probably guarantees payment for most or all letters of credit, some are granted without Prombank's specific guarantee of payment. 104/ In this connection, an outside supplier will not release goods before he has a letter of credit. 105/

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In addition to the Chief of the Moscow Planning-Finance Administration, 106/ Popov, a member of the Kollegium, has been identified dealing with letters of credit. In this connection, Popov informed the Communications Administration at Yuzhno-Sakhalinsk and the chief engineer at Khabarovsk that shipment of some items was being delayed because the shippers had not received the necessary letters of credit. 107/

E. Conclusions.

The financial management of MINSVYAZ' reveals a fairly logical pattern of controls consistent with the high degree of centralization prevailing in many other areas of Soviet management. There is no evidence of increased powers being granted to lower officials in MINSVYAZ' for below-limit financing, as has occurred, for example, in the Ministry of Agricultural Procurement. A recurring problem in the financial management of MINSVYAZ' has been the over-expenditure of wage funds which often results in the actual inability of local communications enterprises to pay their workers. From this point of view the change to khozraschet financing may be beneficial to the better managed enterprises capable of showing a profit.

VI. Material Allocations.

A. General.

Shortages of materials, both raw and finished, continue to be one of the serious problems in the Soviet economy. This problem causes a great strain on the management system. Following from the shortages themselves are concomitant problems of procurement, allocation, shipment, and distribution of materials.

Many factors enter into the materials picture which militate against smooth production schedules. The fact that an organization meets its production schedules, however, is no assurance that delays in procurement and transportation will not create bottlenecks for the consumers of its products. An illustration of this problem is the frequent nondelivery of ordered

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items, or the delivery problem of items which were not ordered. This situation applies especially to the communications industry, where prompt and proper availability of material resources is vital to the smooth functioning and maintenance of the communications system.

The allocation, procurement, and distribution of materials to and from MINSVYAZ' and its subordinate organizations involve the established patterns of material supply as carried out in Soviet industry. MINSVYAZ', for example, is faced with the typical problems of material shortages and of the highly centralized control over materials allocations and distribution faced by most Soviet ministries. 108/

Material shortages and failure of the distribution system result in fairly common complaints that these problems are causing disruption of the plan and day-to-day operation of communications enterprises. 109/ In some instances, disruptions and bad management practices have resulted in such measures as the taking of communications equipment from one enterprise to keep another going. 110/ The shortage problems also result in the practice of extremely close supervision of the material supply situation of enterprises and the transfer of their surpluses to deficient enterprises. 111/ Although this procedure is laudable in a situation of tight supply, it also has a weakness in that it may deprive an enterprise of suitable reserves to cushion itself in the case of emergencies. The numerous complaints of emergency need for equipment and emergency shipment of the same would indicate that most enterprises are forced to operate on an extremely narrow margin. It is not apparent, however, that this is due any more to bad management than it is to the basic problem of material shortages which exists throughout the economy.

B. Allocations.

The system of allocations within MINSVYAZ' follows regularized procedures, except in emergency situations. A system as yet undetermined of allocations exists whereby various offices

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assume responsibility for allocations. Generally it is the responsibility of the Main Administration for Supply (GLAVSNABSVYAZ'). GLAVSNABSVYAZ', for example, seems to control allocation of auto vehicles. 112/ In Khabarovsk, however, the kray administration is responsible for the allocation of spare parts to enterprises in its area. 113/ It may be that in this case Khabarovsk makes detailed allocations within broad limits established by Moscow, or it may be that Moscow allocates the basic items whereas allocation of support and maintenance items is decentralized.

In many cases, material allocations are made directly by the main administrations supervising the requesting office. 114/ Among these is the 5th Main Administration, which not only makes the allocation but also names specific suppliers for specific items. 115/ In many situations, field offices also seem to have authority to transfer needed items from one to another. 116/ Another common practice is to allocate goods as an advance on allocations for future quarters. 117/

C. Procurement.

Procurement of materials in MINSVYAZ' is handled in a regularized fashion. There seem to be established deadlines for the submission of requisitions of various items. Most material requisitions seem to be submitted during the October preceding the plan year in which the materials are to be used. 118/ October 20 is the cut-off date for material requisition. 119/ Requisitions for combustible fuels for the following year, which were submitted on 23 July were, however, regarded as late. 120/ Thus different dates exist for procurement requisitions of the various commodities.

The importance attributed to procurement and efficient utilization of materials is inherent in some procedures. Thus it seems to be standard procedure for enterprises to make itemized reports to Moscow on the amounts of materials selected for each quarter. 121/ In addition, the heads of regional administrations also keep a close watch on enterprises within their territory. When

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enterprises fail to take stocks from their suppliers, the regional administration reports them to Moscow. In situations of this kind there appear to be procedures for the cancellation of stocks not consumed within a certain period of time. 122/

General supervision of these procurement procedures rests again with GLAVSNABSVYAZ' which also handles measures of emergency procurement. 123/ Intervention by GLAVSNABSVYAZ' occurs, particularly, when lower echelon organizations fail to get satisfaction from the heads of the local administrations. The lower echelon organizations can then appeal to GLAVSNABSVYAZ'. 124/ If GLAVSNABSVYAZ' fails to take action, appeal can be made directly to the Minister. 125/ Appeals in the event of procurement problems are also made to the authorized agent. 126/

Standard procedures also seem to exist for the procurement of certain items in short supply from state reserves. 127/

Most of the liaison and negotiation in troublesome cases concerning procurement from agencies and ministries outside of MINSVYAZ' is handled by Popov, a member of the Kollegium. 128/ Popov appears as the main representative of MINSVYAZ' with other ministries for the procurement of timber and fuel. His efforts are devoted largely to expediting problems in distribution.

D. Distribution.

The shipment and distribution of materials, once allocated and requisitioned, is one of the major problems in material supply. Many of the distribution problems in MINSVYAZ' reflect basic transportation problems in the USSR more than they do deficiencies in management. A concern with the transportation aspect of the problem is seen in Psurtsev's order that "in compliance with Government Order No. 333-R, all communications enterprises should take steps for the timely shipment of freight." 129/ Similar measures have been noted in other ministries indicating a basic transportation problem in the economy. 130/

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Numerous requests for the expediting of shipments are noted 131/ In addition to internal MINSVYAZ' problems, many deal with requests to the Ministry of Transportation and the Ministry of the Maritime and River Fleet asking for additional means of transport. 132/

E. Conclusions.

The materials supply sector of MINSVYAZ' experiences some of the greatest problems in ministerial operation. In addition to the leading role of GLAVSNABSVYAZ' in handling these problems, their urgency is indicated in the fact that a member of the Kollegium devotes almost full time to the same problems. This supply problem has been the subject of many government decrees.

A major result of the supply situation has been the maintenance of a system of tight controls over material allocation and consumption. Although the tight controls involved may cause a certain rigidity in the operation of communications enterprises, it is probable that the Ministry has no choice, because the problem of supply and distribution is a basic one in the economy. In addition, failures of material supply often seem to have a retarding effect upon successful plan fulfillment.

VII. Personnel Management.

A. General.

The field of personnel management, difficult enough in any regime, suffers from a number of problems which in the Soviet system arise in part from the complexities of that system. The recruitment of workers in the USSR seems to be rather smoothly handled, chiefly because of the high degree of centralized recruitment and assignment. The problem of personnel transfers also appears to be handled fairly efficaciously. Even here, however,

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confused lines of authority cause irritating delays in securing approval for transfers. Other personnel problems, such as the availability of qualified and properly trained technicians, and the implementation of wage and general incentive systems, create many difficulties for Soviet managers. To these may be added the ubiquitous problem of labor discipline which plagues Soviet efforts to realize rational production management. It probably can be assumed that it is in the field of personnel management that Soviet managers face some of their most difficult dilemmas.

A recurring problem in Soviet personnel management is overstaffing in the administrative sector of the economy. Although the details of this problem in MINSVYAZ' are unknown, it is apparent that the recent campaign for reductions in administrative management personnel also applied to this Ministry. 134/

B. Recruitment, Assignment, and Transfers.

Recruitment of many communications workers is conducted through normal recruitment channels, such as the Main Administration of Labor Reserves, which is attached to the Council of Ministers. In addition, various main administrations of MINSVYAZ' also have been involved in recruitment activities for their subordinate organizations.

As would be expected, the Main Administration for Personnel is chiefly involved in these activities. The heads of main as well as regional administrations are also consulted in most personnel actions taken within their jurisdiction. 135/ Thus in any personnel action, particularly those regarding transfer and assignment, a number of organizations in MINSVYAZ' will participate.

High appointments and transfers, such as that of a chief or chief engineer of an administration, will clear through a deputy minister and, on occasion, through the Minister himself. 136/

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C. Education and Training.

The Ministry carried on its own extensive on-the-job training programs. It conducts periodic tests to determine the quality of workers in various specialities and to enable them to raise their qualifications for higher positions. 137/ In many instances, young trainees work in a probationary status before fully assuming the responsibilities of their positions. 138/

The significance attached to the training program is illustrated by one complaint which stated that the filling of T/O vacancies was causing serious disruptions to the trainees program. 139/ In addition, trainee receive full pay during their course of study. 140/

D. Wages, Bonuses, and Incentive Systems.

The wage system and bonus payment plan in the USSR creates continuous problems and tensions. Plan underfulfillment in MINSVYAZ' organizations is occasionally blamed on overexpenditures for wages and overpayment of bonuses. 141/ The underfulfillment in this case would be that of ruble profitability.

The Ministry of Finance (MINFIN) is vitally concerned with all matters of financing for organs of MINSVYAZ'. Pay rates for organizations of MINSVYAZ' must have MINFIN approval, and MINFIN evidently will hear appeals against delays in wage payments. 142/ The prompt payment of wages is a problem which appears very often in matters. 143/

The entire system of worker incentives is constructed on a dichotomous formula of punishment and rewards. Some of the positive types of rewards are liberal unemployment compensation, sick leave, hospital expenses, and even money to families to visit hospitalized workers. 144/ A system of longevity awards for meritorious service can result in as much as 40-percent additional pay for as little as 19 year's service. 145/ Punishments usually take the form of wage reductions or other disciplinary action.

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Worker rewards are administered by a complicated system of special commissions, conferences of chiefs of administrations, personnel department workers, and even deputy ministers. 146/ Local offices present candidates for rewards, some of which are given for a low rate of damage or absence of the incidence of damage in work. 147/ A high award, such as the "Badge of Outstanding Radio Operator," is often awarded by Psurtsev himself. 148/

E. Tables of Organization.

The Ministry of Finance plays a major role in controlling the T/O of every Soviet organization. Within MINFIN there is a State Table of Organization Commission which approves or disapproves all changes in the T/O's of Soviet organizations. The subordinate units of this commission are attached to the finance departments of the executive committees with whom all T/O's of administrative and management personnel and all estimates of administrative and management expenditures must be registered. 149/

Within MINSVYAZ', control of T/O's is also a responsibility of the Planning-Finance Administration and the Administration of Labor and Wages. 150/ By means of this process for control of T/O's a substantial power over the administration and management of MINSVYAZ' is placed in the hands of an external agency.

F. Labor Discipline.

Management discipline over workers, the punishment aspect of worker incentives, is a strong and effective weapon in MINSVYAZ'. Breaches of discipline, often resulting in fines, include such actions as nondeparture of a worker to a new assignment (classified as desertion), frequency and technical deviations from established procedures on the part of communications specialists, work delays, and failures to submit administrative and management reports. 151/ In addition to a system of fines, another form of discipline is the loss of previous awards and the withdrawal of extra pay for longevity and meritorious service. 152/

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G. Conclusions.

The Soviet system of personnel management, follows a confused pattern of intermingled authority and directives, involving many staff organizations. Even outside organs, such as the Ministry of Finance and the Party, play a major role in many personnel decisions within MINSVYAZ'.

The labor incentive system, based on an apparent dichotomy of severe discipline and liberal rewards, probably could be conducive to hard work but might militate against individual initiative and morale.

The most obvious results of management deficiencies in this field are revealed in considerable problems of nonpayment of wages and/or overexpenditure of allotted wage and bonus funds.

VIII. Influence of the Party in the Management of MINSVYAZ'.

A. General.

Any consideration of the operation and management of MINSVYAZ' must pay some attention to the role of Party organs. Wherever there is an organization or enterprise of MINSVYAZ', a Party organization will exist. The tasks of a Party organization at any level is to conduct propaganda and political organizational work, to find ways leading to higher production, and to exercise "political" control over the enterprise or organization. 153/

This political control means that the Party organization is independent of the MINSVYAZ' enterprise director and has the right of "control over the economic activity of the administration" and the right to insure plan fulfillment in accordance with Party aims and policies. These Party organizations are subordinate to the local Party committees (raykoms or gorkoms) and through them to Party committees on the oblast, kray, and republic level.

The problem of Party control and interference in enterprise management is prominent in Soviet literature. 154/ There

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have been fairly consistent attempts to strike a proper balance between the interests of the enterprise manager and the Party organization. The problem basically is one of insuring political control and surveillance of industrial activity without disrupting effective management and of allowing the Party to guide and supervise without taking over the administrative-management functions. ^{155/} It reflects the difference in approach of the manager operating in the context of efficiency and attainment of economic goals in contrast to the Party organization, which is motivated primarily by political considerations.

The intensity of conflict between these two approaches is lessened by the fact that both are motivated in their actions by the common necessity of successfully attaining the goals laid down by the Soviet leaders. This necessity should serve to limit those Party actions which would interfere too strongly with the attainment of the manager's goals.

Another factor that may serve to reduce the conflict between Party and management interests is one apparent in the historical process characterized as the rise of the new technocracy. In this process there occurs a merger of the Party man and the technician in the person of the economic manager. Significant examples of the merger of the technician and the Party man are seen in the careers of such leaders as Pervukhin, Tevosyan, and Malyshev. Their importance in the Soviet hierarchy is a dynamic illustration of the apparent reconciliation of the conflicting interests of the political and the economic branches of Soviet society. Insofar as the USSR does experience an increasing ascendancy of a technocracy that is correctly oriented politically, the problem of Party interference in industrial management thus tends to solve itself. A limitation on the practical realization of a solution of this kind is the continued existence within the economic apparatus of a political (Party) organization not responsible to management, composed of personnel outside of management and possibly motivated by political rather than managerial considerations.

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B. Party Activities.

Those activities controlled by MINSVYAZ' serve as an excellent means of testing the validity of the above thesis, since the communications field is primarily the realm of the technician. The materials surveyed on this problem indicate that the problem of harmful Party interference with management is virtually non-existent

On the contrary those Party matter:

indicate that the actions of Party organizations are generally in favor of the management and have a salutary effect upon day-to-day operation of the Ministry.

The aspect of administration in which the Party seems to play the greatest role is in personnel matters. In this respect it seems that MINSVYAZ' follows the usual Soviet practice of having all personnel appointments approved by Party organs. 156 / Party approval also appears to be in order for the presentation of government decorations to communications workers. 157 / It is also to the Party that a worker turns when he is unable to secure personnel actions, such as transfers, through the regular administrative machinery of MINSVYAZ'. 158 / A striking example of a Party organ acting in aid of a communications enterprise is

the Kray Party Committee protested directly to Minister N.D. Psurtsev concerning the removal of two highly qualified technicians from the local communications directorate. 159 /

Other examples of Party intercession in behalf of communications enterprises are seen in requests for living quarters for communications workers 160 / and a request to get auto transport for a local Department of Capital Construction. 161 / An advantage of Party intercession in such cases is that invariably the Party organization deals directly with the Minister or one of his deputies rather than lower echelons of the Ministry.

Much of the liaison of Party organizations with MINSVYAZ' arises from Party responsibility for propaganda and political organizational work. the Party actively

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tries to increase the limits of press distribution and subscriptions and to increase the distribution of Party propaganda materials. 162/ In this respect it is noteworthy that the Party will go so far as to ask a deputy minister to overrule the actions of a main administration. 163/ Although the lack of details in the matter prevents evaluation of the action, it could represent an example of Party interference in management of the Ministry.

A final function of Party organizations is to act as an overlord of operations of communications enterprises. In this capacity the Party is known to report to Moscow on the unsatisfactory performance of local communications organizations. 164/ At the same time, it plays a role in the procurement of equipment for local offices and in the establishment of communications links. 165/

An interesting aspect of the relations of Party organs with MINSVYAZ' is seen in cases when the Ministry turns to the Party for aid when it is unable to do a job itself. An example of this practice is a ministerial request to Party organs to aid in the transfer to local agencies of certain construction jobs which the Ministry lacked the facilities to do itself. 166/

C. Conclusions.

on the problem of Party interference with management in MINSVYAZ', the conclusion seems warranted that the Party organizations act generally in the interests of the local organizations and often work jointly with them to enable the successful performance of their tasks. It is apparent, however, that the harmony of interests between management and the Party organization is greatly dependent on the day-to-day relations of the individual involved. The picture presented here may be incomplete

Since the Party organization is always potentially disruptive to good management, it must be regarded as a weak link in the managerial apparatus of the Ministry. Through its power of veto in personnel matters and its evident great influence in operational matters, the role of the Party organization in effective management may always be regarded as vital.

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IX. Influence of the Trade Union in the Management of MINSVYAZ'.

The Central Committee of the Trade Union of Communications Workers (Tsentral'nii Komitet Soyuz Svyazi, TsKSVYAZI), although nominally subordinate to the All-Union Council of Trade Unions, has close connections with MINSVYAZ'. A trade union committee is to be found at all enterprises of MINSVYAZ'.

A. General.

TsKSVYAZI' supervises all the trade union activities of personnel of MINSVYAZ' through its subordinate committees in the republics, krays, and oblasts. It supervises the negotiation of labor contracts, or collective agreements, between workers of MINSVYAZ' and their respective organizations. 167/ It adjusts complaints of workers regarding labor conditions and also recommends bonuses or special awards for meritorious service, oversees wage payments to workers, and supervises social security and pension funds. 168/

B. Role in Management.

Within the context of management in MINSVYAZ', TsKSVYAZI' functions as the third leg of the historic ruling triangle in Soviet management: Party, government, and trade union. In actual practice, the trade union is an unequal leg of the triangle, restricted to limited participation in wage questions; overtime authorization; negotiation of collective agreements; and the general programs calculated to improve workers' morale, such as social insurance and rest homes. 169/

Actual instances of TsKSVYAZI' intervention in the affairs of MINSVYAZ' management are rare. One case involved trade union insistence that the Ministry release certain quarters for recreational purposes. 170/ In another, the TsKSVYAZI' organization at Baku complained directly to Deputy Minister Topuria (with a copy to TsKSVYAZI') about a main administration not sending materials to

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its field office at Baku. 171/ Even in these cases of apparent intervention in management, however, the action was taken through channels of the trade union organization itself.

TsKSVYAZI' is administratively independent of MINSVYAZ', and in almost every instance this administrative separateness is maintained. In the abundant reports on negotiation of collective agreements the chains of command of TsKSVYAZI' and MINSVYAZ' are never crossed. A given report is usually internal MINSVYAZ' or internal TsKSVYAZI', with a copy to the other organization. 172/ Many of the reports, however, are prepared for the joint signature of both organizations. 173/ Joint signatures of TsKSVYAZI' and MINSVYAZ' officials are common in cases involving the organizations of each. 174/ In the same fashion, orders from Moscow concerning both organizations are sent under the joint signature of Psurtsev and Yusupov and addressed to both TsKSVYAZI' and MINSVYAZ' organizations in the field. 175/

TsKSVYAZI' handles all trade union matters affecting communications workers within the internal jurisdiction of MINSVYAZ'. In those cases when MINSVYAZ' does work with or for other ministries or organizations, it appears that such problems as the negotiation of collective agreements are then handled by the trade union of the ministry or organization with which MINSVYAZ' is dealing. 176/

C. Evaluation.

The characterization of the trade union as the weak leg in the traditional triangle of Soviet management is borne out by the role of TsKSVYAZI' in MINSVYAZ' management.

There are no actual cases in which TsKSVYAZI' has actually attempted to interfere with the management of MINSVYAZI' enterprises. While some of the programs which TsKSVYAZI' handles result in tangible and material benefits to the worker, they

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are used in no way that encroaches upon management. The major way in which such programs have an impact upon management is in their effect on worker morale. As the custodian of many of the incentives in such forms as bonuses and rest home permits, 'TsKSVYAZI' may have some additional significance as a factor for getting more production out of the worker.

X. Influence of the Executive Committees in the Management of MINSVYAZ'.

A. General.

Executive committees are the local government bodies at the kray, oblast, city, and rayon levels in the USSR. Their role in administrative management of Soviet industry is unclear. As a general practice, any executive committee usually has staff departments to deal with the various industrial branches within its territory. This practice, however, is usually followed only in the instances of an industry controlled by union-republic ministries. 177/ In those instances in which an industry is controlled by an All-Union ministry, a counterpart organization usually does not exist within an executive committee. Examples of executive committee participation in administrative management are fairly common in industry of the union-republic category. 178/ Executive committee participation in affairs of an All-Union ministry, however, is more difficult to trace. The problem is particularly difficult in regard to matters of day-to-day operation of an All-Union ministry such as the Ministry of Communications.

B. Relations with MINSVYAZ'.

One of the more general tasks of an executive committee in relation to MINSVYAZ' is similar to the general Party function of surveillance and exhortation in relation to fulfillment of the broad programs outlined in the annual and Five Year Plans. Thus an executive committee would be expected to be kept informed about the general progress of such programs and, in conjunction

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with Party organizations, to initiate steps to insure their fulfillment in the event the program is lagging. 179/

One field of MINSVYAZ' activity in which the executive committees appear to enter into the policy making aspects is radiofication. The executive committee for a given area, for example, would participate in drawing up radiofication plans for that area. 180/ In addition to the planning departments, this responsibility seems to rest also with the agricultural departments of the executive committee. 181/ it appears that any radiofication plan must be submitted to the planning department of the local executive committee, which will secure agreement with Gosplan for the plan. It is only then that the local communications directorate can submit its requisitions for materials and equipment within the financial limits established by the plan. 182/ There are no indications that an executive committee has, or attempts to exert, any influence on the operational execution of a radiofication plan once it has been agreed upon. Another relation in the planning process is evident in reports made by local communications directorates to the executive committees on the state of existing radio networks and problems involved in such work. 183/ It is assumed that these reports are intended to serve as a basis for planning and for measures to be taken to ensure plan fulfillment.

There are several examples in which the resources of an executive committee are used to aid communications directorates in their work. An executive committee is apparently empowered to raise additional financing for communications work. 184/ It can also authorize the transfer of funds for the acquisition of equipment. 185/ Another service furnished to MINSVYAZ' by executive committees is the training of collective farm radio technicians, a service provided for by the agricultural departments of the executive committee. 186/ In addition, executive committees recruit workers for communications directorates. 187/

These several powers exercised by executive committees are enhanced by additional financial powers. The financial powers arise basically from executive committee control over allocations to the local budget for communications activities. Among such

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activities would be allocations to the local budget for the extension of radio telephone facilities. 188/ Other matters involving financial allocations in which the executive committees have a substantial voice concern construction. Typical of these are the construction of a Radio Dom by local (not MINSVYAZ') construction organizations. 189/ A similar example is the provision of housing upon executive committee authorization. 190/

The financial powers of the executive committee also arise from the fact that the radiofication of collective farm and village areas is financed by loans made by the state. 191/ Administration of this loan policy at the local level would be a natural function of an executive committee.

Another area in which the executive committees appear to have fairly extensive powers in communications activities is in the opening of new communications offices. The details of this procedure are not very clear. In one instance, communications were established with various points "in accordance with the decision of the OBLISPOLKOM (Oblast Executive Committee). 192/ In another, communications branches were opened by MINSVYAZ' order "in accordance with the government decision." 193/ It is probable that in this question an executive committee is involved only as a medium for implementing higher governmental decisions and policies. It would seem unlikely that any executive committee on its own initiative could order MINSVYAZ' to open new offices.

The matters discussed above show that the executive committee has a fairly substantial role in implementing communications policy matters and in financial controls over communications operations. The exercise of both planning and monetary controls over some communications activities by an agency outside of MINSVYAZ' presents a situation potentially disruptive to MINSVYAZ' management. The answer lies, of course, in the manner in which disagreements between MINSVYAZ' organizations and executive committees are settled. Unfortunately, available materials shed no light on this question. One possible answer is that potential frictions

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are kept to a minimum, since both organs are probably limited fairly strictly to the mechanical implementation of high echelon policy decisions.

In addition to the issues discussed above, the executive committees have fairly extensive relations with communications organizations in two other fields.

The first arises from the role of executive committees as consumers of communications services. A typical example is an executive committee as the payer for the installation of local telephone systems. 194/

The second arises from emergencies in communications services. In the event of disruption to communications caused by weather or other factors, the Minister of Communications is empowered to call upon the government (in this case, executive committees) to furnish manpower to cope with the crisis. 195/ This practice appears to be the result of a regularly established procedure for communications emergencies. As nearly as can be established the initiative for this type of aid must originate from Moscow -- an apparent weakness in times of emergency when speed is the essence of recuperability. The necessity of going to outside agencies for additional manpower is not indicative of a management weakness when the emergency is of severe proportions. In emergency situations the details of administrative correctness are adhered to by a procedure stipulating that the personnel commandeered for emergency service will be compensated at approved rates to be paid by the communications organizations. 196/

XI. External Relations of MINSVYAZ'.

A. Council of Ministers. "

MINSVYAZ' is represented in the Council of Ministers of the USSR by the Minister of Communications, N.D. Psurtsev. Because of the highly technical aspects of communications, the Minister appears to have been selected because of his technical,

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rather than his political, qualifications. Through representation on the Council of Ministers, MINSVYAZ' is presumed to take part in planning and policy formulation at the All-Union level.

B. International Negotiations.

MINSVYAZ' is believed to have major responsibility in international negotiations related to telecommunications. Since the close of World War II, Soviet delegations to major telecommunications conferences under the auspices of the International Telecommunications Union have been headed by an official of MINSVYAZ'. The majority of personnel on these delegations also appears to have been from MINSVYAZ'. 197/

No information is available concerning the participation of MINSVYAZ' in the activities of the International Broadcasting Organization. This organization is composed chiefly of Soviet Bloc countries with headquarters at Prague, and it is reported to be the mechanism for intra-Soviet Bloc coordination of radio communications. 198/ It is probable, however, that MINSVYAZ' does participate in its activities along with the Ministry of Culture.

The only other available indicator of the authority of MINSVYAZ' in international telecommunications negotiation is a reported agreement to organize and further develop telecommunications which representatives of MINSVYAZ' and the East German Ministry of Postal Affairs and Telecommunications entered into in Moscow on 1 July 1950. By this agreement, traffic and rate regulations between the USSR and East Germany were established. 199/

C. Coordination of Civil and Military Communications.

Under directives of the Council of Ministers, MINSVYAZ' is responsible for civil telecommunications operation in the USSR. On matters of basic policy and long-term planning, however, it cooperates closely with the Ministry of National Defense, which is interested in the strategic aspects of the communications systems, and with the Ministry of Internal Affairs, which is responsible for the military security of all communications

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facilities. These ministries also operate communications systems independent of the civil basic system. Close cooperation is reported to be effected in some of the higher echelons by jointly locating personnel of the three ministries in a single office.

All personnel of MINSVYAZ' wear uniforms and have a quasi-military status with ranks which are recognized by the armed forces. Consequently, these persons can be sent to take charge of any military communications installation or project without being called to active duty. 200/

Current provisions for transfer of facilities and personnel to military control under wartime or other emergency conditions are not available. In connection with antiaircraft defense, pre-World War II instructions, issued jointly by the People's Commissariat of Communications (NKS) and the Chief of Staff of the Workers' and Peasants' Red Army, placed the organization, preparation, and operation of civil communications facilities for the use of the Observation, Warning, and Communications Service (VNOS) of the Antiaircraft Defense (PVO) as a responsibility of the NKS together with the corresponding agencies of other People's Commissariats, under plans to be approved by the appropriate military authority. Workers were especially assigned by the NKS with direct responsibility for a given VNOS rayon communications network. During peacetime a special employee assigned to direct supervision of the VNOS communications network was subordinate to the Chief of the Communications office of the NKS, but in wartime he operated under the Commandant of the VNOS operational center of communications. In effect this instruction provided for immediate transfer to military control of the civil facilities needed for antiaircraft defense (PVO) during wartime emergency conditions. 201/ Whatever the existing plans for conversion of civil telecommunications to military use for antiaircraft defense or for other military purposes, it follows that the facilities and personnel of MINSVYAZ' must necessarily be utilized to carry out the bulk of the operation.

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D. Coordination of Civil Telecommunications.

The components which contribute to the satisfactory end product of communications consist of (1) the development of techniques and facilities to serve the purpose, (2) the production of this equipment in appropriate quantities, and (3) the installation and operation of that equipment.

In general terms, Soviet telecommunications technological research and development is an interest of the All-Union Council of Radio Physics and Engineering of the Academy of Sciences, USSR, 202/ and the All-Union Scientific and Technical Society of Radio Engineering and Electrical Communications imeni A.S. Popov (VNORIE). The latter is a central coordinating organization for Soviet scientific research and development in the various fields of radio engineering and electric communications research and development in the USSR. 203/ Production of telecommunications equipment rests mainly with the Ministry of the Radio Technical Industry. Some equipment, however, is either produced or assembled by plants of other ministries. Installation and operation of communications facilities is the responsibility of the MINSVYAZ', together with a number of other ministries operating functional systems for special purposes.

1. Research and Development.

VNORIE conducts the annual All-Union Scientific Session in Moscow and scientific and technical conferences in the largest cities of the USSR. In addition, the VNORIE conducts conferences on specific problems such as television, radio navigation, and loud-speaker system. Among its members are the ministers and deputy ministers of the Ministry of Communications and of the Ministry of the Radio-Technical Industry, directors of many scientific research institutes and higher educational institutions, and practically all of the prominent scientists and technicians in the fields for which it is responsible. Top officials of MINSVYAZ' appear to take a prominent part in the work of VNORIE.

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In fulfillment of its duties as a coordinator of scientific research, VNORIE allocates specific projects to its members. It also passes resolutions calling on a ministry, an institute, or sometimes an individual to proceed with a particular subject. It appears that these resolutions carry considerable weight due to the high level of the personnel which are party to them. The implementation of such projects in research laboratories and factories of the USSR is likely to be carried out chiefly within enterprises of both the MINSVYAZ' and the Ministry of the Radio-Technical Industry and to a lesser extent within the communications enterprises of other ministries. 204/

2. Production of Equipment.

Other than through the mechanism of VNORIE and the identification of some of the producing plants, no information is available as to the details of the relationships of MINSVYAZ' with the Ministry of the Radio-Technical Industry or with other organizations which produce telecommunications equipment.

There is no information available concerning the relationship of MINSVYAZ' with suppliers of equipment for the postal service, nor is it known whether the production of such equipment is a responsibility of MINSVYAZ'.

3. Installation and Operations.

The various intraministry telecommunications systems, which are operated independently of the basic systems of MINSVYAZ', are intended to serve the dispatching and operational needs of the operating ministry. The most important of these so-called functional systems are operated by the Ministry of the Maritime and River Fleet and the Ministry of Transportation and by the Main Administrations of the Civil Air Fleet, the Hydrometeorological Service, and the Northern Sea Route. Other functional systems, which apparently serve industrial complexes, are operated by components within the Ministries of Agriculture, Petroleum, Coal, Ferrous Metallurgy and Nonferrous Metallurgy and the Fish, Timber, and Paper and Wood Processing Industries. 205/

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As the Ministry responsible for the technical aspects of the operation of Soviet civil communications, MINSVYAZ' establishes the technical standards and operating practices and procedures for these systems and authorizes their operation under a licensing system in much the same manner as private enterprises are licensed to operate communications facilities in other countries. 206/ MINSVYAZ' appears to be empowered to enforce its procedural regulations for all civil telecommunications usage and to levy fines on operators guilty of violations. Its Technical Radio Monitoring Center (TsTRK) performs the prerequisite radio spectrum monitoring functions. 207/ Information as to the scope of the authority of MINSVYAZ' over civil communications of other ministries tends to confirm this situation. 208/

The basic telegraph system of the USSR, operated by MINSVYAZ', is further extended by utilizing the telegraphic facilities of these independent systems, where offices of MINSVYAZ' for the handling of general traffic are lacking. Authority to carry on this service must be obtained from MINSVYAZ', and telegrams must be processed in conformity with the "Telegraphic Rules." 209/ No other information on the administrative arrangements between MINSVYAZ' and the operating agency is available.

Whether there are similar arrangements for the extension of the telephone system is not known.

In other cases, MINSVYAZ' furnishes and operates communications facilities on a contractual basis. The most extensive operation of this type is the broadcasting network of the USSR, under contract with the Ministry of Culture, which is responsible for programming. 210/ There is also evidence that this service, on a more limited scale, is performed for the Main Administration of the Meteorological Service and the Ministry of the Fish Industry. 211/ It is probable that this service arrangement extends to other ministries and organizations

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Insufficient information is available to establish the identity of the coordinating and policy mechanisms of the Soviet government which are responsible for the jamming of foreign broadcasts. It has been established, however, that MINSVYAZ' facilities and personnel are employed in implementing the jamming program. 212/

There is sufficient information to support the belief that the Main Administration for Lines-Cable Service and the Main Administrations for City Telephone Systems install and/or maintain wire line facilities for other agencies under contractual agreement 213/ and that in some cases the suspension of lines is carried out by agencies of other ministries, with the authorization of the Main Administration for Lines-Cable Service. 214/

At the local level the wire diffusion reception network facilities are installed and maintained by the local offices of MINSVYAZ' for whatever local enterprise has requested the installation. In many cases the wire diffusion relay center is physically located in the building housing the local communications office. 215/

XII. Trends in Organization and Management.

A. General.

The nature of the communications services rendered by MINSVYAZ' and their great importance to the Soviet economy result in an organization of vast extensivity and complicated structure. The resulting problems are compounded further by the expansion of communications facilities in the Far East, an area particularly dependent upon rapid communications media. 216/

In the past 2 years there have been many instances of measures adopted by MINSVYAZ' authorities with the evident intent of bringing more order to the communications system and increasing its effectiveness. These measures will be discussed under general headings of reorganizations, internal consolidations, and the

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consolidation of external communications facilities. There have been, in addition, other general measures designed to improve MINSVYAZ' organization and management.

In dealing with the fairly common Soviet problem of top-heavy echelons of administrative-management personnel, MINSVYAZ' has participated in the nationwide campaign for the reduction of these staffs. 217/ Although the indications of this action are present, there are no details on the extent of the program. Some degree of the earnestness of the reduction

the reduction of administrative-management personnel (and the resulting reduction in wage allocations) cannot be used to make reductions in work quotas. 218/

One of the basic problem areas in MINSVYAZ' management is that of the strong degree of centralization. It is an area in which the improvements could probably be made most easily, and yet virtually nothing has been done. The only known example of decentralization is in the field of journal and newspaper distribution. 219/ There have been no apparent steps taken to delegate any more authority to lower echelon organizations. The quantitative reductions resulting from lower echelon consolidations will do little to ease this problem until these echelons are given more independence and decision-making authority.

Some of the measures taken can be correlated with MINSVYAZ' efforts to contribute to the "new course." Among these are the above-mentioned expansion of facilities in the Far East, which, in addition to being caused by demands of a growing economic area, may be designed to give better service to the population. 220/ During the past year there has been a concerted effort to improve services to the consumer through publicity campaigns, the expansion of telephone and telegraph facilities, and changes in operating hours to accommodate the public. 221/ A further action was the reduction of subscribers' fees for loudspeakers connected to the wired radio centers, which was made in April 1953. 222/

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Another example of MINSVYAZ' actions directly related to the "new course" is the intense program for the radiofication of collective farms, state farms, and Machine Tractor Stations and technical improvement of their means of communications. 223/ This program has direct relevance to the Soviet plans for improving the performance of the agricultural sector of the economy, and

Psurtsev indicates that it is to be regarded as a "first-priority" program. 224/

B. Reorganizations.

During 1953 and 1954, some fairly important reorganizations have taken place or have been scheduled in MINSVYAZ'.

The first of these was the consolidation in mid-1953 of the Main Administration for Radio Broadcasting Stations and the Main Administration for Radio Communications into one Main Administration for Radio. 225/ These main administrations are responsible for the technical aspects and servicing of radio communications and radio broadcasting. They have been consolidated and separated several times in the last 15 to 20 years. This would indicate that MINSVYAZ' authorities are either dissatisfied with this sector of the communications industry or are unable to agree on the merits to be gained from consolidation or division of these technical radio functions.

The second major reorganization is still in progress. It involves consolidation of those communications organizations concerned with the radiofication program. When the reorganization is completed, three main administrations (Intrarayon Communications, City Telephone Systems, and Radio Installation and Rayon Electrical Communications) will have been combined into one Main Administration for Radio Installation and Rayon Electrical Communications. 226/ This reorganization was scheduled to take place over a long period of time and will be completed after 1 January 1955.

The initial phase of the reorganization was the abolition of the Main Administration for Intrarayon Communications. Despite the abolition of this Main Administration, its regional departments

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continued to exist under the supervision of the Main Administration for Radio Installation and Rayon Electrical Communications. 227/ These regional departments for intrarayon communications were scheduled to be dissolved in July 1954 and their functions transferred to the regional offices of the Main Administration for Radio Installation and Rayon Electrical Communications, but it has not been confirmed that this has yet taken place. The next step in the reorganization will be the transference of the regional city Telephone Systems to the jurisdiction of the Main Administration for Radio Installation and Rayon Electrical Communications. 228/ This last change is rather puzzling, since the city telephone systems must be regarded as operational rather than technical, and it is strange that they should be mixed when generally operational and technical functions are kept separate.

These reorganizations of the radiofication sector of the economy seem to be well planned in stages in order not to cause disruptions to the system. They will mean a drastic simplification of the organizational apparatus and reflect a desire to fulfill radiofication plans effectively.

C. Internal Consolidations.

These reorganizations of the main administrations also have been accompanied by an intensified program for consolidation of communications media and facilities in the lower echelons. The financial savings, increases in operating periods, better efficiency, better space utilization, and decreased labor forces resulting from these consolidations have received much publicity in Soviet periodicals. 229/

The basic trend of the consolidations has been to merge all electric communications and radio installation facilities. In many cases the consolidation has also included the postal services. Although reports indicate that this consolidation program is having great successes that is meeting with some resistance or at least disinterest on the part of some local offices. 230/

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The move toward consolidations has been interpreted as showing that the Russians, now having attained effectiveness in their communications system, are now striving to improve its efficiency. 231/

D. Consolidation of External Facilities.

In addition to the program for improving the communications facilities used in the agricultural sector of the economy, there is also a move to expand the basic communications system by transferring many communications centers from collective farms and other enterprises to the jurisdiction of MINSVYAZ'. 232/ The same consolidation moves are also being made in reference to communications centers controlled by the Ministries of the Timber and the Paper and Wood Processing Industries. 233/

The absorption of these centers into the MINSVYAZ' apparatus and the resulting expansion of the basic system will also have some effect on the "new course," since they will open these services directly to the populace. By putting them directly under MINSVYAZ' control, many of the bothersome problems of liaison and coordination with outside agencies also will be avoided.

E. Conclusions.

The basic reorganizations and consolidations of communications facilities now taking place should, on the surface, mean an improvement in both the organization and management of MINSVYAZ'. They will reduce the present cumbersome structure and should cause significant reductions in expenditures of money, manpower, and equipment. One result of these changes, however, is that the Ministry will be even more centralized than formerly, and it is probable that the lack of independence and authority at the lower level will become even more intensified. This restriction and dependence of the lower levels upon the central authorities may prevent the attainment of more efficiency. It is of considerable significance in relation to technical competence and initiative and the attainment of a high level of

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recuperability in communications operations. The failure to treat this problem of centralization may prevent realization of the optimum results to be expected by these measures.

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APPENDIX A

METHODOLOGY

The general procedure used in this report was to consider the administration and management of MINSVYAZ' in relation to the general principles of administrative management used throughout the Soviet economy. These theoretical principles are presented in brief fashion and then examined to test their applicability to MINSVYAZ' administrative management.

The first parts of the report are a consideration of those general aspects of management as they relate to the entire ministry. These are followed by sections dealing with administration and management in such functional fields as planning and finance.

When possible, the analysis of MINSVYAZ' administration and management has been aided by reference to US practices which have broad and general applicability.

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APPENDIX B

GAPS IN INTELLIGENCE

There are substantial gaps in intelligence with respect to the detailed and specific aspects of the internal organization of the Main Administrations of MINSVYAZ'. Although more is known of the detailed organization of regional administrations, this information is by no means complete.

Similar gaps exist in reference to the more specific aspects of planning methods and procedures, the nature of specific controls in finance and material supply, and the precise limits of MINSVYAZ' control of communications systems operated by other organizations.

materials have a general weakness of dealing with only broad matters of MINSVYAZ' operations and treating with management problems only indirectly

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APPENDIX C

SOURCE REFERENCES

Evaluations, following the classification entry and designated "Eval.," have the following significance:

<u>Source of Information</u>	<u>Information</u>
Doc. - Documentary	1 - Confirmed by other sources
A - Completely reliable	2 - Probably true
B - Usually reliable	3 - Possibly true
C - Fairly reliable	4 - Doubtful
D - Not usually reliable	5 - Probably false
E - Not reliable	6 - Cannot be judged
F - Cannot be judged	

"Documentary" refers to original documents of foreign governments and organizations; copies or translations of such documents by a staff officer; or information extracted from such documents by a staff officer, all of which may carry the field evaluation "Documentary."

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Evaluations not otherwise designated are those appearing on the cited document; those designated "RR" are by the author of this report. No "RR" evaluation is given when the author agrees with the evaluation on the cited document.

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