

Inevitably, then, the transition to the new system is painfully slow; it risks being stalled half-way along its course, and, in the meantime, conveys an impression of leadership still indecisively engaged in reviewing its economic tasks and objectives. This impression receives some confirmation in recent remarks of Deputy Prime Minister Leonid Abalkin, deploring the strategic and tactical errors of a programme of economic reform that ignored the importance, at the outset, of giving a high priority to agriculture, light industry and fiscal reform as essential elements of a viable market.

The experience of the crucial civilian machine-building industry neatly illustrates the critical problems of transition. Although moving in the right direction, aided by arrangements for the transfer of production capacity, technologies and specialists from the defence sector, it will fall well short of the ambitious goals set for 1990, so that its positive contribution to production and restructuring probably will be delayed well into the decade. Production has been adversely affected by the inadequacy of existing technology, constraints on imports of advanced technology and the disruptive impact of the institution of rigorous quality control. Perhaps even more significant, only a disappointingly small number of machine-building enterprises have actually moved over to self-financing and management, partly, it would seem, because the government has not felt able to move away from high-level centralized control and guidance of the industry, and partly, because the government's continuing reliance on centrally established production plans and the predominance of state orders and contracts have stalled the shift to marketing arrangements.

With such a delay in the movement to price reform, market relations and decentralized management, there can be little early progress in realizing these objectives at the republican and local levels of the country. Strong popular opposition to their inflationary prices and profiteering have temporarily slowed the promotion of service and production cooperatives in the cities and in agriculture where, in any case, the Soviet leadership has failed so far to agree on an imaginatively innovative approach to agricultural reform. Thus the state and collective farms retain their dominant and confining management economic of food production. A new policy of land leasing intended to help restore the status of the peasant-farmer is advancing slowly against local