

OVERLAPPING ADMINISTRATIVE JURISDICTIONS IN THE SOVIET UNION: ECONOMIC MANAGEMENT IN THE KALININGRAD OBLAST

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With the downfall of the Third Reich in 1945 the German territory known as Prussia was divided among the Soviet Union, Poland, and the present East Germany. The Northern portion of Prussia, with the central city of Königsberg, was renamed Kaliningrad Oblast and Kaliningrad, and made a part of the RSFSR. Another part of Prussia, up to the Oder-Neisse line, was given to Poland, while the remainder became a part of what is known today as the German Democratic People's Republic.

Since 1945 the Kaliningrad Oblast was politically and economically a part of the RSFSR, even though it was separated from the RSFSR by the Lithuanian Soviet Republic. About 20% of the Kaliningrad Oblast territory is wooded. According to the 1959 census of the Soviet Union, Kaliningrad Oblast had 610,000 inhabitants, 393,000 of whom were urban and the rest — rural. The city of Kaliningrad has about 200,000 people (in 1939 it had 370,000 inhabitants). Most of the inhabitants of the Oblast are evidently of Russian origin, who replaced the Germans and Lithuanians after the war.

At present, the largest industry of the Oblast is fishing; its production constitutes 43% of the total production in the Oblast. Machine production constitutes 21% of the total production; food and light industry — 12%. The cellulose-paper industry is responsible for 11% of the total USSR cellulose production. Finally, the Oblast has the world's largest resources of amber.

Even though historically, economically and logically the Kaliningrad Oblast had many ties with the adjacent Lithuanian territory, throughout the post war years it remained, principally for political reasons, a part of the Russian republic. Only at the beginning of 1962 was it found to be necessary to reorganize the economic, if not the political, administration of the Kaliningrad Oblast. The occasion for this occurred on February 19, 1962, in Vilnius: on that day met the activists of the trade unions and the economy of the Lithuanian SSR Sovnarkhoz, i.e. it was a meeting of responsible economic managers. This meeting was marked with significant statements by the participants concerning the economic ties between Lithuania and the Kaliningrad Oblast.

The presidium of the meeting was composed of the highest authorities of the Kaliningrad Oblast and the Lithuanian SSR: First Secretary of the Communist Party of Lithuania (CPL) A. Sniečkus, Second Secretary of the CPL B. Popov, Chairman of the Council of Ministers of Lithuanian SSR M. Šumauskas, Chairman of the Lithuanian SSR Economic Council P. Kulvietis, First Secretary of the Kaliningrad Oblast party organization N. Konovalov, and others. For the first time in a meeting of this kind, there was a large delegation of industrial managers from the Kaliningrad Oblast; responsible managers, engineers, directors, party, trade union, and Komsomol officials also participated. Also present were representatives of the Economic Councils of the Byelorussia SSR, the Estonian SSR, and the Latvian SSR. The Economic Council of the Soviet Union was represented by J. Nikonov from Moscow.

In the meeting, reports were presented on the fulfillment of the economic plan, "socialist commitments" were adopted, and the workers of Lithuania were encouraged to develop even more widely "socialist competition." The principal reports were delivered by P. Kulvietis and N. Konovalov (see **Tiesa**, Vilnius, Feb. 21 and 22, 1963). They announced that according to the decision of the November 1962 Plenum of the Central Committee, CPSU, and the decision of the Soviet Government of January 1963, the Economic Council of the Kaliningrad Oblast has been liquidated and the industry controlled by this Economic Council was transferred to the control of the Economic Council of the Lithuanian SSR. In other words, "the economic leadership of the industries, which were under the jurisdiction of the former Kaliningrad Oblast Economic Council, has been delegated to the Economic Council of Lithuania."

This reorganization, directed from Moscow and evidently without consultations with the authorities in Soviet Lithuania, notably expanded the jurisdiction of the Economic Council of the Lithuanian SSR and required certain changes in the administration of industry of the Kaliningrad Oblast.

The Lithuanian Economic Council acquired 75 industrial plants with more than 47,-000 workers and employees. The Lithuanian SSR Economic Council now controls 376 industrial plants. The number of workers and employees increased over 26% and now stands at 230,000. The Lithuanian Economic Council, in terms of workers and industries under its control, now is equivalent to the Economic Council of the Latvian SSR, where industry has been more developed earlier.

As a result of the reorganization, an Administration of Cellulose and Paper Industry, a subdivision of the Lithuanian SSR Economic Council, has been established in Kaliningrad; it will oversee all cellulose and paper plants in Lithuania and the Kaliningrad Oblast. Further, "in view of the specific working conditions of the meat and milk industry, it has been decided to establish a Kaliningrad Administration of Meat and Milk Industry," which will be located in Kaliningrad but controlled from Vilnius. In Vilnius, an Administration of Furniture and Wood Industry was formed to oversee industries of this type also in the Kaliningrad Oblast. Production administrations of the Lithuanian Economic Council, of which there are now fourteen, will also administer other industries in the Kaliningrad Oblast, but by no means all industries in the Kaliningrad Oblast.

The large fishing industry, whose production comprises almost half of the general industrial production of the Kaliningrad Oblast, was not placed under the jurisdiction of Vilnius; together with all the fishing industry of the Baltic Sea, control of this industry is concentrated in one administration — the Supreme Administration of Western Fishing Industry, with headquarters in Riga, Latvia.

Whether the amber combine in Palvininkai, where 80% of the total world amber resources is found, came under Vilnius jurisdiction is not evident from the available sources. In the aforesaid meeting it was mentioned that the amber combine production has increased and that new discovery of amber will provide resources for the combine for a long time. However, there was no mention of who will oversee this industry — whether Vilnius, or Moscow itself. It is possible to conjecture that the amber production and the income from it are controlled by Moscow, thus circumventing the regional industrial managers.

Changes were also initiated in the administration of transportation in the Kaliningrad Oblast. To oversee industrial plants of auto transport there is a separate administration in Kaliningrad, which is a branch of the Vilnius Economic Council. Shipping in inland waters is overseen, as earlier, from Kaunas. However, the railroads of the Kaliningrad Oblast, which up to now were under the jurisdiction of the Railroad Administration of Lithuanian SSR, are now under the Baltic Railroad Administration, with headquarters in Riga, Latvia.

The agriculture of the Kaliningrad Oblast was not considered in the aforesaid meeting. According to the present soviet organization, agricultural production is under the control of a separate administrative structure, and not part of the concern of regional economic councils. It can be expected, however, that agricultural production, which is poor in the Kaliningrad Oblast, will also be reorganized by separate directives.

As was indicated earlier, not all of the industry of the Kaliningrad Oblast has been transferred to Vilnius' jurisdiction, but only plants of certain industries. The industrial management picture thus is quite complex: some industries are overseen from Vilnius, others from Riga, still others from Moscow. The changes seem to be stop-gap measures rather than rational industrial management, and appear to be only a temporary expediency. The true motive of the said reorganization was revealed in N. Konovalov's report: "The reorganization of industrial administration, the merger of the economic areas and industries of Kaliningrad and Lithuania enables better utilization of production potential, available resources; this will permit better and easier maneuvers with labor, material, and financial resources." According to Konovalov himself, "the leaders of the former Kaliningrad Oblast Economical Council, its administrations and trusts," provided the reasons for reorganization. They could have corrected past shortcomings," if they had interested themselves more deeply in economics, if they had concerned themselves more deeply with the work in the plants, if they had discovered in time and utilized available reserves." In other words, poor administrative practice or production indices were the basic expressed reasons for reorganization, and now the Lithuanian economic managers are expected to improve the situation.

The reorganization of the Kaliningrad Oblast industrial administration was a small part of an extensive reorganization of economy in the Soviet Union. It was found necessary to change the structure of industrial control not only in the 43rd Economic Region of the Soviet Union (which coincides with the territory of Lithuania), but at the same time also of the larger Northwestern Economic Region, which now, besides the Kaliningrad Oblast, includes the three Baltic republics. Some control functions are delegated to the neighboring Lithuania, others to the larger Northwestern Economic Region, which has headquarters in Riga, Latvia. The result of all this is that the Kaliningrad Oblast, as a separate economic unit, is disappearing or even already has disappeared.

There is no indication that the reorganization of industrial control of the Kaliningrad Oblast means a political merger of the Oblast with Lithuania. As it had been up to now, the Kaliningrad Oblast remains an administrative subdivision of the RSFSR. However, the political administration from the far-away Moscow is an anachronism when the economic control of the Oblast has been delegated to neighboring economic units. The extremely mixed up and complex social, economic, and political control of the Kaliningrad Oblast can only indicate a temporaries of the situation and a forthcoming reorganization.

The situation in the Kaliningrad Oblast hardly indicated that economic rationality has been advanced by the recent economic reorganizations. Economic management in the Soviet Union is a hybrid of centralization and decentralization. Besides the budgetary powers of the Kremlin there are over a hundred sovnarkhozy and larger economic regions, many inter-zonal or area-wide management organs. It is inevitable that such a situation produces new tensions and bottlenecks in the management of a complex industrial establishment; one wonders that such a system works at all. Perhaps the principal reason for its moderate performance is the coordinating and supervising activity of the Party, which is centralized and responsive to policy directives. A conclusion presents itself that a degree of economic irrationality is functional for the maintenance of Party supremacy in the economic life of the country.