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USSR Report

INTERNATIONAL ECONOMIC RELATIONS

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3 January 1984

USSR REPORT

INTERNATIONAL ECONOMIC RELATIONS

CONTENTS

STRUCTURE OF TRADE LINKS BETWEEN USSR, CEMA COUNTRIES

Moscow PLANOVOYE KHOZYAYSTVO in Russian No 10, Oct 83 pp 98-104

[Article by O. Bakovetskiy and V. Gavrilov under rubric "Socialist Economic Integration": "The Expansion of Direct Links Between the USSR and the CEMA Countries (For Purposes of Discussion)"]

[Text] The socialist countries are purposefully implementing a course aimed at economic integration. Experience points out that this integration is a powerful impetus for the development of the economy, making it possible to carry out confidently the plans for socialist and communist construction. The reinforcement of the cooperation and solidarity of the socialist countries, as was noted at the June 1983 Plenum of the CPSU Central Committee by Yu. V. Andropov, is the primary direction in the international activities of the CPSU and the Soviet state[1].

Integration finds its material expression in tens and hundreds of joint measures in the area of industry, agriculture, science and technology, and the infrastructure, in the construction of projects in the national economy, the successful realization of multilateral and bilateral agreements dealing with production and scientific-technical cooperation, etc.

The methods that have developed for the planned organization of the economic cooperation among the CEMA countries, which is based on principles of socialist internationalism, convincingly prove their effectivness. At the same time the realization of the Comprehensive Program of Socialist Economic Integration presupposes the further use and development of those methods. In recent years the arsenal of specific forms of cooperation in the area of planning activity has been substantially supplemented. In the process of the realization of the Comprehensive Program, and logically evolving from the tasks posed in it, there has appeared the necessity for joint planning within the framework of individual branches and production entities, and the preparation of a coordinated plan for multilateral measures, long-term special-purpose programs for cooperation, and bilateral long-term programs for specialization and cooperative action.

The present-day stage of integration is linked with the working out of the forms and methods for the joint planning activity of the CEMA countries, which rely on the coordinated concept of cooperation. The ways to resolve this

problem were pointed out by the 26th CPSU Congress, which emphasized the need to supplement the coordination of the plans by coordinating the economic policy[2]. The first-priority coordination of economic policy will serve the efficient transformation of the entire system of joint planning activity and will make it possible to orient it even more precisely on the resolution of the key production, scientific-technical, and social tasks.

A factor of great importance is the organization, in the course of coordination of the economic policy, of complete cooperation among the scientific-research and planning-and-designing organizations, production associations, and enterprises in the USSR and the other CEMA countries when creating and introducing new types of technology and carrying out its specialized and cooperative production within the framework of the CEMA.

The effect of the mechanism of socialist integration is linked primarily with the relations of socialist ownership, which manifest themselves in the sphere of international interrelationships. Socialist ownership cannot be separated from the state either in the domestic-economic sphere or in the international sphere.

Relations of international socialist cooperation on a macro-economic level establish a system of intergovernmental division of labor as a whole. Direct and immediate subjects of the relations of cooperation on the macro level -- the planning centers of the USSR and the other socialist countries -- are the bearers of the relations of nationwide ownership of the means of production. They carry out in a planned manner the distribution of the live and embodied labor within the framework of the entire national economy in conformity with the nationwide interests (and also in the international sphere), which take on the form of the national-state interests. Socialist associations and enterprises, enter into the relations of cooperative action on the macro level in a mediated manner. The extent, proportions, and the value and physical indicators for their participation in the cooperative action are determined on the national-economic level; the results of the production-economic activity are evaluated from the point of view of the socially necessary expenditures of labor within the scale of the particular national-state whole, and as such they enter into international commodity turnover.

At the same time, joint planning activity has, as its objects, not only the national-economic complexes as a whole, but also individual branches and production entities. Wider and wider use is being made of specific forms of planning interrelationships on the level of branches, enterprises, and associations of the USSR and the other CEMA countries.

The micro-economic level of interaction represents the sphere in which there is an intensive change in the material base itself for the formation and development of common economic interests. On this level one isolates the interaction of the branches and the interaction of the associations and enterprises, direct cooperation among them on the basis of direct ties.

The improvement of the direct ties between the branch ministries, production associations, enterprises, and organizations of the USSR and the partners in other CEMA countries, as was pointed out at the 26th CPSU Congress[3], creates a reciprocal economic self-interestedness in increasing the time-responsiveness

of the decisions being made during the conducting of cooperative measures, and also in improving the quality and technical parameters of the articles to be reciprocally supplied, and the expansion and modernization of export-type production entities. Direct ties have been called upon to supplement and enrich the cooperation on an intergovernmental basis. Their organization within the framework of the joint planning activities of the socialist states is desirable under the supervision of the central planning and administrative agencies.

The combination of the opportunities of unifying the efforts of the USSR and the other socialist states on the level of the national-economic complexes and their direct interaction on the level of the branches, enterprises, and associations will promote, to no small degree, the resolution of the task posed at the June 1983 Plenum of the CPSU Central Commission: the achievement of a qualitatively new stage in economic integration. In the long-term view that integration must become more profound, more all-encompassing, and more effective, and must reliably guarantee the reinforcement of the national economies of the participating countries and the strength of the entire community[4].

In conformity with the Comprehensive Program for Socialist Economic Integration, in addition to the exchange of various kinds of information, advanced production and scientific-technical experience, the objects of direct ties include: participation in the joint planning activity on the level of branches and sub-branches; the working out of recommendations that put into concrete form the understandings that have been reached at the national-economic level; the preparation of drafts dealing with cooperation in the joint use of capital investments, the existing production capacities, the division of production programs, etc.; production and scientific-technical cooperative action, cooperation in the purchase and use of patents and licenses in the area of standardization; cooperation in the sphere of services (for example, the fulfillment of contract operations; help in the installation and adjustment of equipment; technical service; etc.), trade cooperation (for example, production and scientific-technical support of joint action on the markets of "third" countries, the organization of exchange of commodities in specified assortments); cooperation within the framework of international specialized organizations[5].

From the functional point of view, the sphere of direct cooperation includes the planning of the joint economic activity on the level of ministries, departments, and economic organizations, the economic ties of which, as well as their production-technical and trade interaction, are maintained on a commercial basis, and the partners act as subjects of civil law or use middleman organizations that are empowered to act on the international scene.

In the practice of cooperation among our countries, other types of direct ties are also used, for example, between the information agencies of the USSR and the other CEMA countries. A form of cooperation that has become widespread is cooperation within the framework of the international socialist competition among the regional agencies of the countries, and among the social agencies and organizations. Such contacts bring the workers in the socialist countries closer together, and they are a school for internationalism, comradeship, and socialist mutual aid. This of of great social and moral-political importance.

The concept "direct ties" extends both to the foreign-economic activities of the departments that act as the middlemen in the production-technical cooperation among the economic organizations, and to the contacts among the latter, and, at the same time, to a broad spectrum of relations that characterize noneconomic, social forms of mutual direct cooperation.

If one considers direct ties in the production aspect, their entire variety of different forms can be reduced, obviously, to different (in breadth and depth) forms of contacts among the producers of commodities and services in the USSR and the other socialist countries that are directly supporting the process of international production and scientific-technical cooperation. Direct cooperative ties among the production associations and enterprises in the CEMA countries that arise as a result of the formation of production cooperatives are the pivot of the entire system of direct cooperation in the socialist community, which determines the integrational processes at the branch level and the level of enterprises and associations.

Direct production relations can be established in various spheres: scientific-research and planning-and-designing projects; the preparation of production, and the formation of production and scientific-technical cooperatives. In essence, thanks to direct ties one can resolve tasks that encompass the entire process of social reproduction in complex, that is, research, construction design, production, and sales. A factor of great importance is the planning support of the direct ties. They can be carried out both to develop the relations that have formed on the central planning level, and as a result of the planning interaction of the branch agencies of administration and production organizations.

Practical life demonstrates that, basically, international specialization and cooperative action in production encompass the products list of output for which the central planning agencies draw up the material balance sheets. Cooperation for a broader products list, in essence, has not yet been achieved. The use in joint planning activity of forms of cooperation that are linked with the development of direct ties has been called upon to overcome that gap. That will also contribute to the elimination of the gap between the joint planning activity in the area of science and technology and in production, and to the unification of scientific-technical and production cooperation, and will facilitate the joint planning of individual types of production.

Direct ties cannot develop successfully without the correct choice of the specific subjects of joint planning activity. At the present time the basic subjects of direct ties in the USSR and the other CEMA countries are the central agencies of administration of the national economy (functional, interbranch, and branch), as well as the economic organizations that possess economic operational independence and that are given the rights of a legal person (industrial, scientific-industrial, and foreign-trade associations; scientific-research and planning-and-designing organizations).

For purposes of the joint resolution of technical-production tasks, intergovernmental agreements are concluded (including protocols, programs, and other documents that have been influenced by the relations among the state

agencies). When resolving major economic problems (for example, during the creation of a system of electronic computers), intergovernmental commissions are created.

The economic organizations establish direct ties on the basis of contracts that guarantee the fulfillment of the pledges evolving from the intergovernmental agreements. With their aid one resolves the problem of the constant time-responsive interaction among the partners from different countries at the medium and lower echelons of adminstration of the national economy within the limits of the resources allocated by the central planning agencies.

At the level of the cooperating branch ministries, direct ties develop first of all on a bilateral basis within the confines of standing work groups created in conformity with the decisions of intergovernmental commissions. For example, the intergovernmental Soviet-Bulgarian commission has 33 standing work groups; the Soviet-Czechoslovakian commission, 21 groups. The work groups carry out the work in accordance with coordinated plans. Their sessions discuss questions of international specialization and cooperative action, the expansion of the products list and the volumes of articles to be reciprocally delivered, scientific-technical cooperation, the coordination of plans for capital construction and for the modernization of the existing production entities, and the rendering of technical aid.

Direct ties that have received a definite development are those on the level of industrial and scientific-production associations.

For example, as a result of direct cooperation with the Fritz Heckert combine (East Germany), the German experience in organizing sectors consisting of machine tools with ChPU [numerical program control], the creation of designs for small-sized guides, and the application of new materials for the painting of the machine tools was extended to the Ivanovo Machine Tool Building Production Association imeni 50-letiye SSSR.

USSR chemical enterprises and the Schwartz Chemical Fibers Combine (East Germany) are organizing joint brigades of specialists who carry out the analysis of the technical-economic and qualitative indicators of the existing aims in the production of polyamide textile and cord threads, etc.; develop specific recommendations for increasing the capacity of the plants, and for increasing the labor productivity and improving the quality of the output, coordinate the measures and ways to introduce the jointly developed recommendations for increasing the effectiveness of production at enterprises in the USSR and East Germany, and create new models of output.

The Khlorvinil PO [production association] in Klush and the Tisza Chemical Combine (Hungary) constantly maintain between themselves direct contacts that make it possible in a time-responsive manner to refine the technical parameters and the volume of the ethylene to be delivered. The enterprises regularly coordinate the size of the shipments of ethylene by individual months, the schedules for stopping the equipment for repair, and other questions of production cooperation.

On the basis of direct ties between the chemists of the USSR and East Germany, unique complexes for production of Polimer-50 high-pressure polyethylene have been developed and constructed.

There has been a time-responsive implementation of the measures that were developed by the Intergovernmental Commission for Economic and Scientific-Technical Cooperation Between the USSR and East Germany and that were stipulated in the joint activities of the USSR and East German ministries of foreign trade. The branch ministry has the right, within the limits of the previously determined amounts of money, to resolve all questions of deliveries and purchases without a loss of time to coordinate the prices or other contract terms, keeping in mind that it can be carried out by the foreign-trade organizations after the shipment of the articles. By way of an experiment, such ties have been established within the confines of the international economic associations in the area of the photochemical industry (Assfoto) and the production of chemical consumer goods (Domokhim). Shipments by the ministry of one country cannot exceed the shipments by the ministry of the other country by more than the previously coordinated total. That precludes undesirable deviations in the balance of payments, since there arises a kind of local clearing-house operation with a fixed amount of credit. This mechanism makes it possible to resolve rapidly individual questions of cooperative action in production.

While giving what is as a whole a positive evaluation to the accumulated experience in the development of direct ties between the economic organizations of the USSR and the CEMA countries, it is necessary to state that the requirements of the present-day stage of the integrational process are not yet completely satisfied. As was noted by Chairman of the USSR Council of Ministers, N. A. Tikhonov, at the 35th CEMA Session, "We have worked a lot to adjust the mechanism of controlling the integration at the intergovernmental level. . . Considerably less has been done at the level of the branch ministries, especially on the level of the associations and enterprises. Involving production collectives not only in the fulfillment of the integrational decisions, but also in their development and adoption, developing initiative from the bottom, means giving even greater scope to our interaction"[6]. This pertains first of all to the development of direct ties among production associations within the framework of joint planning activity, and the cooperative action in production on the basis of intrabranch specialization.

In most instances the direct contacts are carried out with regard to questions that are not linked with the economical conditions of the operations. They are carried out with regard to work plans, in which there is no precise statement of the reciprocal pledges made by the various sides or their corresponding material responsibility. As a rule, as a result of this kind of cooperation, one does not see the creation of any economically significant patentable scientific-technical documentation or samples of new technology. The direct contacts among the representatives of the ministries are frequently of a consultative nature or for the purpose of becoming acquainted with the information. The draft versions prepared in the work groups for the agreements dealing with international specialization and cooperative action in production usually contain only the products list, the volumes, and the delivery deadlines for output that is already being produced. The agreements can subsequently be changed many times and to a substantial extent during the signing of the protocols governing the coordination of the national-economic plans and the long-term trade agreements, and during the signing of the annual protocols and the concluding of commercial contracts.

Naturally, these agreements governing international specialization and the cooperative action in production cannot serve as a firm basis for developing comprehensive technical-production cooperation among the enterprises, or the concluding of the corresponding economic contracts. At the same time the branch ministries do not possess sufficient opportunities for independently planning their own activities through the entire cycle "science-technology-production-sale-operation." The need for constant, numerous interdepartmental coordinations dealing with the products list for the output that is not to be distributed by the branch ministries nullifies their right to resolve independently those questions (within the confines of the direct ties) with the cooresponding agencies in other countries.

The transition to direct production ties on the basis of cooperative action in production presupposes the creation of that mechanism and organization of interaction that would reflect the specific nature of that form of cooperation. Its essence lies in the fact that the technical-production cooperation between the associations of the USSR and the other CEMA countries on the basis of direct ties will provide the opportunity to carry out a production process that is stable and uniform with regard to technology, although it is separate in time and space. This cooperative action, in essence, represents a specific form of economic activity, in which the subjects of the cooperation remain independent legal persons, but there arise common economic interests between them with regard to production itself and the quality of the output to be produced.

Technical-production cooperation on the basis of direct ties is characterized not only by the economic interdependence of the partners, but also their profound technological interdependence. That presupposes common conditions for the operation and application of standardized technological schemes and equipment, a single elements base, and standard series of articles.

The economic mechanism that is in effect in our country does not take into complete consideration the peculiarities of direct ties, and therefore the administration of those ties requires special regulators. The system of administering the direct ties must consist of two "stories" -- one at the branch level, and one at the level of associations (enterprises).

The branch agencies have been called upon to develop, jointly with their partners, a coordinated strategy for production and scientific-technical progress in the branch; the specific programs for scientific-technical developments, and their introduction and the organization of production on the basis of cooperative action; to coordinate the plans for cooperation, as tied in with the overall coordination of the national-economic plans; to develop norms and standards; to coordinate the activities of the associations and enterprises (including the promotion of the organizing of interbranch ties); the maintaining of relations with foreign-trade organizations and the central agencies of administration; to carry out the time-responsive monitoring of the direct ties of their subordinate enterprises and associations; to correlate them with the overall plans for the development of the branch and the national economy (those functions are already being partially fulfilled by the structures of administration that have formed both at the national level and the international level). The specific pledges by the

contracting sides must be firmly established in the appropriate agreements and plans for cooperation, which encompass the scientific-technical research and development, the production, sale, and servicing of the reciprocally delivered output, and which define the overall confines of the direct ties and the cooperative action of science and production in the appropriate branch.

But the chief subject of the direct ties -- and one should emphasize this -- is the association and the enterprise. The direct ties of the enterprises must, in our opinion, be formulated by a comprehensive economic treaty that guarantees cooperation also for the entire "science-technology-production-sale-operation" cycle. This kind of treaty would legally establish the results of the joint planning of the appropriate measures, and would establish the pledges of the contracting sides that are linked with the carrying out of those measures. Economic treaties dealing with technical-production cooperation on the basis of direct ties can be concluded to develop the programs of branch cooperation which are developed on the basis of direct ties between the branch ministries or directly for the resolution of tasks of intrabranch cooperation.

The sides concluding the economic treaty bear the complete responsibility for the execution of their pledges. Therefore the object of such a treaty must be the coordinated decisions that take into consideration the capabilities and the competency of the contracting sides. As for the relations with the foreign-trade organizations, they can be constructed on conditions of an internal economic contract.

An economic treaty dealing with production cooperation on the basis of direct ties is primarily a legal document that unites a coordinated work plan for that cooperation and a commercial contract. It must reflect all the scientific-technical, production, and other terms for the cooperative action: the specific pledges of the contracting sides with regard to the creation and assimilation of the new output, and its joint manufacture; the deadlines and procedure for the execution of individual stages of the operations; the volumes and economic terms for the shipments of output and the implementation of services; the guarantees of the fulfillment of the pledges that have been taken and the sanctions for failure to meet them. In the course of the cooperation the partners can make coordinated time-responsive decisions with regard to questions that have not been mentioned in the economic treaty. The decisions should preferably be given in the form of supplements or amendments to the treaty. The formalizing of these ties by means of a comprehensive economic treaty represents not simply the organizational assignment to one another of the enterprises in the various countries that are participating in the fulfillment of the intergovernmental agreements, but also an element of the economic mechanism that guarantees the implementation of the coordinated production plans.

With cooperative action, the economic terms for the exchange of articles cannot be viewed separately from the technical-production terms in the reciprocal ties. The exchange of articles that is being carried out is converted into a kind of intraproduction turnover, with which the prices are established in conformity with the partners' production costs. The prices can also be established according to the treaties.

Direct ties that have a cost-accountability nature create the basis for the functioning of the incentive mechanism of cooperative action. In order to guarantee the partners a sufficient level of profitability in the production entities that are cooperating, it is necessary for the contracting sides jointly to consider the estimates of the production expenditures for the manufacture of the articles and for them to coordinate the contract prices.

The basic methods for the formation in the USSR of the prerequisites for the development of direct ties have been defined by the USSR Council of Ministers decree entitled "The Further Improvement of the Cooperation of the USSR Ministries and Departments, Associations, Enterprises, and Organizations With the Corresponding Agencies, Enterprises, and Organizations of the Other CEMA Member Countries in the Field of Science, Technology, and International Specialization and Cooperative Production" (1981). That decree formulates the basic trends in the further development of the direct ties of the ministries and departments, associations, enterprises, and organizations with the corresponding agencies, enterprises, and organizations of the other CEMA countries and defines the responsibility borne by the ministries and departments for carrying them out.

The decisions that were made are directed at the effective cooperation between the USSR ministries, departments, associations, and enterprises with the corresponding organizations in the other CEMA countries, and the development of direct interaction among them. In particular, the decree grants the right to the branch ministries -- and, with their authorization, also to production associations, enterprises, and organizations -- to enter into direct ties with the agencies, enterprises, and organizations of the CEMA countries for the purpose of implementing the assignments in the plans, the time-responsive resolution of questions linked with the execution of international treaties, the exchange of experience, the expansion of cooperation in the area of cooperative production, the use of the existing capacities and the expansion of the products list in the output to be exchanged. The ministries, in the event of intrabranch cooperation for output to be distributed by them, can independently make decisions concerning the conclusion of economic treaties on a basis that has been balanced from the point of view of currency value, including reciprocal shipments of commodities in excess of the volumes stipulated by the trade agreements and the annual protocols. In this regard the ministries have received the capabilities of giving authorizations to their subordinate associations, enterprises, and organizations to enter into contacts with the executive organizations in the CEMA countries and to carry out correspondence with them that deals with scientific and technical questions that are not linked with the commercial terms of the operations.

In addition, the ministries can make decisions about transferring to the CEMA countries certain of the scientific developments that are at their disposal and about obtaining from those countries, on terms that have been coordinated, scientific-technical documentation (other than licenses), experimental models of articles and materials for the carrying out of tests, scientific equipment, instruments, component parts and materials for use for scientific purposes. For the exchange of those materials and articles, the ministries have been authorized to conclude, with the aid of foreign-trade associations, contracts for a definite amount of money on a currency-balanced basis.

From what has been stated it evolves that direct production ties will develop effectively in proportion to the granting to the branch ministries of new, additional functions that are linked with the carrying out of intense foreign-economic activity, and the consistent improvement of cost-accountability relations. We are dealing primarily with the improvement of the system of settlements, the currency rates of exchange of the conversion ruble, the national currencies, and other currency-financial instruments. That would make it possible to find the optimal forms of cost accountability in the foreign-economic sphere, and to evaluate the benefit of that measure from the point of view of increasing the effectiveness of social production.

One of the ways to develop direct ties is the formation of joint economic organizations in the CEMA countries, primarily joint enterprises and companies that are based on the principles of shared participation in the capital investments and self-payment, and that produce, on the basis of joint economic activity, definite types of output and services. The 26th CPSU Congress is aimed at their creation[7].

As has been demonstrated by practical life, the organizing of joint organizations in the socialist countries makes it possible to unify their funds directly, to concentrate production at the international level, and to resolve effectively the common economic tasks, without causing any fundamental contradictions among the partners.

The expansion of the use of the new form of cooperation can be promoted by the organizing of bilateral and multilateral joint economic organizations on the territory of the USSR. In this regard a factor of great importance is the Ukase of the Presidium of the Supreme Soviet, entitled "The Procedure for Carrying Out, on the Territory of the USSR, of Joint Economic Organizations of the USSR and the Other CEMA Member Countries," according to which the joint economic organizations of the USSR and the other CEMA countries, in conformity with the understandings among the USSR government and the governments of the interested CEMA countries for the carrying out of production, scientific-production, or other economic activity for purposes of satisfying the needs for definite types of manufactured output and raw-material and edible commodities, indeed operate on the basis of the legislation of the USSR and the union republics with exclusions established by the international and intergovernmental treaties of the USSR concerning the establishment of those organizations.

The property of the joint economic organizations is the common socialist property of the USSR and the appropriate CEMA countries. The joint organizations that carry out, in accordance with the legislation of the USSR and the union republic, the possession, use, and disposal of that property organize their work in conformity with the purposes of the activities of the joint organizations, with the planning assignments, and with the purpose of the property. The land, its mineral resources, waters, and forests can be granted to economic organizations either for paid use, or for nonpaid use.

The recommendations for the creation on the territory of our country of joint economic organizations of the USSR and the other CEMA countries must be prepared by the appropriate USSR ministries and departments, and by the Councils of Ministers of the union republics with coordination with USSR Gosplan,

USSR Ministry of Finance, USSR Ministry of Foreign Trade, or USSR State Committee on Foreign-Economic Ties, and must be submitted to the USSR Council of Ministers together with the necessary justifications and drafts for the constituent documents and charters of those organizations.

Typical features of the joint economic organizations operating on the territory of the USSR, in our opinion, should be the high organizational and technical level of the economic-production base of the joint production, scientific-technical, trade-sales, or other economic activity; the high qualitative level of the output being produced as a result of the joint activity, and of the services to be rendered; the efficient combination of the complete cost accountability of the joint economic organization, which is based on common principles with a consideration of the peculiarities of the systems of planning, administration, and the interests of all the participating countries, with the internal cost accountability of the subdivisions in the organization; and the creation of the conditions (economic and legal) for the independent participation in economic relations, including those with organizations of third countries.

Obviously, the creation of such joint economic organizations will require the careful computation of the effectiveness of their activity, and a consideration of the socioeconomic, material, financial, settlement, and labor conditions.

The expansion of the direct ties, the generalization of the practice of reciprocal cooperation, will promote the deepening of the economic integration, and the increase in the effectiveness of social production in the CEMA countries.

FOOTNOTES

1. See: "Materialy Plenuma Tsentral'nogo Komiteta KPSS 14-15 iyunya 1983 g." [Materials of the 14-15 June 1983 Plenum of the CPSU Central Committee], Moscow, Politizdat, 1983, p 20.

2. See: "Materialy XXVI s"yezda KPSS" [Materials of the 26th CPSU Congress], Moscow, Politizdat, 1981, p 7.

3. See: "Materialy XXVI s"yezda KPSS," p 69.

4. See: "Materialy Plenum TsK KPSS 14-15 iyunya 1983 g.," p 22.

5. See: "Kompleksnaya programma dal'neyshego uglubleniya i sovershenstvovaniya sotrudnichestva i razvitiya sotsialisticheskoy integratsii stran-chlenov SEV" [The Comprehensive Program for the Further Deepening and Improvement of Cooperation and the Development of the Socialist Economic Integration of the CEMA Member Countries], Moscow, Politizdat, 1971, p 57.

6. PRAVDA, 7 June 1981.

7. See: "Materialy XXVI s"yezda KPSS, p 7.

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USSR-CEMA ENERGY COOPERATION REVIEWED

Baku VYSHKA in Russian 29 Oct 83 p 2

[AzerINFORM article: "Cooperation in Power Engineering: Permanent CEMA Commission Session Held"]

[Text] At the 63rd session of the Permanent CEMA Commission for Cooperation in Power Engineering held in Baku, which ended on 28 October, talks were held on the tasks for further developing ties among power engineers in the Socialist countries.

Taking part in the session were delegations from Bulgaria, Hungary, the GDR, Cuba, Mongolia, Poland, Romania, the Soviet Union and Czechoslovakia, as well as Yugoslavia and representatives of the international economic association Interatomenergo.

The communique approved at the end of the session notes that the delegations were given information on implementing measures which flow from the long-term special-purpose programs for cooperation in the area of fuel, energy and raw materials, as well as carrying our multilateral agreements and programs for cooperation pertaining to electrical power.

Also examined were questions of the readiness of the national power industry systems and the combined electrical power systems of the CEMA member nations for the coming of the fall-winter surge in demand, for the long-term development of power engineering in the nations of the socialist commonwealth up to the year 2000, and others.

The commission also examined a number of measures directed at economizing on fuel and energy on the basis of increased efficiency in centralized heating, improving the preparation and burning of solid fuel at existing power stations, and more complete and rational utilization of the hydroelectric power resources of the CEMA member nations.

As noted in the communique, the session took place in an atmosphere of friendship and complete mutual understanding.

During the five days of work at the session the participants became acquainted with the industrial enterprises, museums and sights of the capital of Azerbaijan: The guests visited the Baku home air conditioner plant and the NGDU [Oil and Gas Extraction Administration] imeni Serebrovskiy; they visited the Ali-Bayramli GRES [State Regional Power Plant]; the Mingechaur GES [Hydroelectric Power Plant]; the Azerbaijan GRES and the Shamkhor GES; and the city of Sheki.

Traveling with the guests were Chairman of the Azerbaijan SSR Council of Ministers G.N. Seidow, and A.D. Lemeranskiy, deputy chairman of the republic's council of ministers.

The following remarks on the results of the session were made in response to questions from the reporters by:

P.S. Neporozhniy, chairman of the permanent CEMA commission on cooperation in the area of power engineering, and USSR minister of power and electrification: "Our work in Baku was productive and useful. A number of important questions were discussed, including those connected with preparation for the fall-winter surge in demand for energy--or more accurately, its distribution among our nations. The commission continued its work on putting together a general plan for the development of power engineering among the CEMA member nations up to the year 2000; it developed specific measures for accelerating joint construction of a number of power stations and power transmission lines; and it considered proposals for economizing on fuel and electric power. The decisions adopted will no doubt promote further deepening the integration of the socialist countries in the area of power engineering. Becoming acquainted with the electric power industry's projects in Azerbaijan made a big impression: I remember well how this important sector of the republic's industry was born. And today it is gratifying to note that it is developing by leaps and bounds. An extensive program for further developing power engineering in Azerbaijan will be implemented in the next few years."

Stanislaw Kus, deputy minister of the mining and power engineering industry in Poland: "The meeting in Baku has become a new landmark on the way to stronger cooperation among the Socialist nations. Our splendid working conditions had a great deal to do with the fact that the commission was a success. Azerbaijan's success left a pleasing impression, and her people are unbelievably warmhearted and hospitable. We acquainted ourselves with Mingechaur with special interest. It is hard to believe that this young city was raised up on what was empty steppes 35 years ago; it is a worthy offspring of Soviet rule. In the name of all of the members of the delegations of the fraternal socialist nations, I would like to wish the workers of your republic great new achievements in building communism.

9006
CSO: 1825/26

USSR-CEMA COOPERATION IN SCIENCE, TECHNOLOGY

Moscow EKONOMICHESKAYA GAZETA in Russian No 38, Sep 83 p 20

[Article by V. Konyushko, chief of the Administration for Scientific and Technical Cooperation with Socialist Countries under the State Committee of the USSR for Science and Technology: "A Field of Cooperation--Science and Technology"]

[Text] In the scientific and technolgical cooperation between the USSR and other socialist nations a great deal of attention is presently being given to the resolution of problems directly linked to economic intensification with the creation of new equipment and technology capable of conserving energy, raw and processed materials and labor. The effect achieved in 1981 and 1982 alone from the application in the national economy of the USSR of the results of completed scientific and technological cooperation projects with the CEMA nations is set at approximately 500 million rubles according to data compiled by USSR ministries and departments.

Experience has shown that the effectiveness of cooperation is manifested mainly in those fields of science and technology in which ministries and departments of the USSR and of the other socialist nations carry out joint projects under agreements and contracts, with the commitments of the parties precisely adjusted and with the simultaneous resolution of questions of production specialization and cooperation.

Multilateral scientific and technological cooperation among the fraternal nations focuses on the accomplishment of tasks specified in long-range special programs and the coordinated plan for multilateral integration measures for the same period.

Among the specific results of multilateral cooperation for the first years of the current five-year period, for example, we note that joint development of the KDM-2 plant for electric-arc metal-coating with a thyristor source of current for applying anticorrosive coatings on metal parts has been completed under the project "Protecting Metals Against Corrosion." The first lot of 60 units has been produced. The use of one unit will produce an annual effect of around 24,000 rubles. A powder rod for welding structural steel in carbon dioxide, with increased resistance to rupturing, has been developed under a project for obtaining welded parts and developing effective welding materials and equipment.

Joint projects carried out by the nations in the field of technology and equipment for the dry-process production of fiberboard were used in the preparation of technical documentation for the reconstruction of a shop at the Sovetskiy Wood-Processing Combine and the Sheksna Fiberboard Plant.

Scientific and technological cooperation under the project "Protecting the Atmosphere From Contamination With Harmful Substances" has been productive.

Considerable success has been achieved in bilateral cooperation between the Soviet Union and the fraternal socialist nations.

Bulgaria: The joint resolution of the problem of organizing the production of solid and foam sections in super-high-frequency units has resulted in the adoption of a technology producing a saving of 900,000 rubles for our nation and 520,000 leva for Bulgaria.

Machine builders in the USSR and the People's Republic of Bulgaria have created hauling and loading devices for automatic machine-tool lines, the series production of which has been set up in Bulgaria for delivery to KamAZ. A model of a highly productive multiposition machine for producing aluminum castings using gas counterpressure, which was cooperatively developed, fills the need for mass and large-series production.

Methods have been developed and models have been adopted in agriculture and the food industry for programing yields of various farm crops.

Hungary: One of the important achievements of Soviet-Hungarian cooperation has been made in the development of automated systems for collecting, transmitting, processing and storing data from scientific research and production tests with small electronic computers. A geophysical-navigational system for computing actual time required for performing geophysical projects with the EC-1010 electronic computer has been developed through a joint effort. One such system produces a saving of 950,000 rubles annually for the USSR's Ministry of Geology alone.

An inter-strain corn hybrid, which has produced a yield of 83.5 quintals of grain per hectare on Soviet fields, has been obtained through a joint effort in agriculture and the food industry.

The employment in the national economy of evaporative condensers, which were developed jointly by the Ministry of Chemical and Petroleum Machine Building and the Ministry of Industry of the Hugarian People's Republic and which are being sent to the USSR from Hungary beginning in 1982, will permit the consumer to save around 1.2 million rubles as a result of reduced energy and fresh water consumption.

Vietnam: Scientific and technological cooperation with the Socialist Republic of Vietnam involves providing that nation with assistance in the realization of national programs for the development of science and technology, especially in the fields of agriculture, land reclamation and water management, power engineering, timber management, transport, standardization and metrology and the training of national cadres.

In October of 1982 an agreement was signed for setting up two selection stations in the northern and southern parts of Vietnam for purposes of testing and studying the genetic stock of cultivated plants and breeding varieties of grain, vegetables, industrial and feed crops adapted for cultivation in the Socialist Republic of Vietnam.

Cooperation is being effected in the study of the physical-mechanical and industrial qualities of lumber from Vietnamese species of trees.

The State Power Engineering Scientific Research Institute imeni G.M. Krzhizhanovskiy and eight cooperating organizations are conducting research with the Hanoi Power Engineering Scientific Research Institute to develop effective methods of protecting electric power lines against lightning in tropical and temperate zones.

GDR: A technology has been developed in cooperation with scientists and specialists of the GDR for the smelting of high-quality alloyed steel in a 30-ton plasma furnace with a ceramic crucible. One plasma-arc furnace with a capacity of 12 tons has already been installed at the Chelyabinsk Metallurgical Plant. The smelting of high-speed steel alloyed with nitrogen has been mastered. The production volume is 11,000 tons annually.

Production of quasi-electronic ATS [automatic telephone exchanges] for a communications system with analogue-to-digital switching and capable of handling 4,000 numbers was begun in cooperation with the GDR in 1982. The economic effect will be around 10 million rubles for the five-year period.

The installation of a unit for making lead crystal was begun in 1981 at the Gusev Crystal Plant. It is planned to install 10 such units during the five-year period. The annual economic effect from one unit will amount to 136,000 rubles.

A set of equipment and complex attachments for repairing K-701 tractor engines was installed in cooperation with the GDR at the Tselinnyy Experimental Plant in the Kazakh SSR. The economic effect is around 700,000 rubles per year.

Republic of Cuba: The improvement of technical and economic indices for the production of raw sugar and its processing at refineries in the USSR and the Republic of Cuba is one area of Soviet-Cuban scientific and technological cooperation. A joint project to perfect the technology for obtaining white sugar from raw cane sugar has produced good economic results. Adoption of a flow chart for the processing of raw cane sugar produces an economic effect of 200,000 rubles annually at one refinery. This flow chart has been adopted at ten beet sugar refineries in the USSR. It is planned for another eight refineries to begin using the process.

Previous projects for studying optimal conditions for storing raw sugar in bulk and making possible changes in the technology used for producing it made it possible to reduce the specific consumption of raw sugar in the process of producing refined sugar and to produce an additional, significant quantity of sugar from the same amount of initial raw material.

Mongolia: In the current five-year period cooperation with the Mongolian People's Republic in the area of science and technology focuses on key tasks for Mongolia, such as the optimal development of agriculture, power engineering and the power supply system, the processing of (baganurskiy) coal, and others.

The main directions for the development of agriculture in the Mongolian People's Republic to the year 1990 have already been worked out.

Long-range plans for improving fine-wool and semifine-wool sheep raising have been jointly developed. Soviet recommendations for protecting soil against wind erosion have been applied on an area of 238,000 hectares, and recommendations for improving the quality of grain crop seed have been adopted. In light industry the effect from the employment of improved methods for using unwashed wool has reached 1.5 million tugriks annually.

Poland: In our cooperation a great deal of attention is being given to the development and creation of a technology for obtaining liquid products from coal, computer systems for controlling power engineering, technology for manufacturing equipment for atomic power plants, new types of apartment buildings, a series of self-propelled cranes with a large lifting capacity, and equipment for the production of large integrated circuits.

Work is being carried out to create an intensified process for producing structural thermoplastics of polycarbonate with a unit capacity of 10,000 tons annually.

Poland is planning to put into operation this year a self-propelled centering machine for assembling 1,420mm pipe at pipe welding facilities. This will make it possible to achieve an economic effect of 30,000 rubles for each set of equipment.

Romania: Joint projects to improve the quality of carbon and alloyed steel for converters have been completed. The results have been applied at the Novolipetsk Metallurgical Plant: An electric furnace for smelting synthetic slag and argon blow-off units with batching scales have been started up. The annual economic effect amounts to 200,000 rubles.

In 1982 we adopted a system of methods for studying the performance of reinforced concrete elements in natural conditions, which make such elements designed for use in destructive environments 1.5- to 2-fold more resistant to corrosion.

At the "Progress" PTO [production technical association] in Minsk, Belorussia, a technology has been adopted for producing fashioned lisle yarn, as well as an assortment of knitted materials made of the new types of yarn at the Astrakhan Knitgoods Combine. The volume is 60,000 articles giving an economic effect of 380,000 rubles.

Czechoslovakia: The creation of highly productive automatic nut manufacturing machines was completed and series production was begun in 1982 at the Azov Forge and Press Plant in the USSR, a result of cooperation with Czechoslovakia. This will make it possible to increase labor productivity 1.3- to 1.9-fold.

UM-160, MTL-10 and AM5-M5Ts industrial robots have been jointly developed to meet the needs of machine-tool building and metallurgy. They are designed to service multi-station, turning, milling and other machine-tool systems and sheet-metal presses, and for removing the castings from die casting machines.

Series production of jointly developed multipole electric filters for removing industrial gases at temperatures of up to 330° C has been started. The saving from the reduction in the cost of new electric filters was 2,300,000 rubles in 1982.

We have scientific and technological ties with /Yugoslavia/ in many different areas. Specifically, we have developed and successfully tested the ISMAT single- and double-input program control systems for turret lathes.

In chemical machine building projects are underway to improve the production of pipe fittings. This should have an economic effect of 1.5 million rubles in the fittings production branch in 1985.

More than 800 types of new production processes and around 200 new materials will be developed, more than 950 pieces of machinery, equipment and instruments will be tested, and more than 750 sets of documents will be produced in all as a result of cooperation between the USSR and fraternal socialist nations.

According to data compiled by the ministries and departments it is planned to achieve an economic effect of more than 560 million rubles in the national economy by applying the results of cooperation on problems and subjects in Group 1 alone.

11499
CSO: 1825/27

CHANGES IN CEMA CONSUMPTION INDEXES DETAILED

Moscow EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 9, Sep 83 pp 24-27

[Report by Vladimir Il'yenkov of the CEMA Secretariat: "Upsurge of the People's Well-Being in the CEMA Countries"]

[Text] Under the leadership of the communist and workers parties the CEMA countries are successfully implementing the long-term socioeconomic development programs whose purpose is to secure an increase in the well-being of the working people and create the material conditions for the further burgeoning of their spiritual and cultural life and social activeness on the basis of the continuous growth and improvement of socialist production.

Socialism, which did away with the exploiter classes and established public ownership of the means of production, afforded an opportunity for the development of the economies of the fraternal countries in accordance with the people's requirements. "Only socialism," V.I. Lenin wrote, "affords an opportunity for the extensive dissemination and proper subordination of social production and product distribution according to scientific considerations, with respect to how to make the life of all working people as easy as possible, affording them the possibility of prosperity. Only socialism can accomplish this."*

The upsurge of the material and cultural living standard of the people is based on the unswerving plan-oriented growth of social production. The summary indicator of economic development--national income--increased by a factor of 8.3 for the CEMA countries as a whole in 1982 compared with 1950, including an increase by a factor of 13 in Bulgaria, 5.1 in Hungary, 6.9 in the GDR, 7.5 in Mongolia, 5.1 in Poland, 15 in Romania, 9.2 in the USSR and by a factor of 5 in the CSSR.

More than three-fourths of national income in the fraternal countries goes on consumption. If, however, it is considered that approximately one-fifth of the accumulation fund is channeled into the construction of housing, hospitals, cultural-educational establishments, sports grounds and so forth, total material benefits and services going directly to increase the people's well-being

*V.I. Lenin, "Complete Works," vol 36, p 381.

constitute over 80 percent of used national income. In the USSR, for example, R74 billion were channeled into consumption and accumulation in 1950, but in 1982 over R500 billion.

The change in the proportions of distribution of the national income to the accumulation fund and the consumption fund in favor of the latter testifies to the upsurge in the material well-being and cultural living standard of the working people of the CEMA countries.

A most important indicator of the living standard is the amount of national income per capital. This indicator is growing dynamically in the fraternal countries:

	1982 as a % of 1950
Bulgaria	tenfold
Hungary	445
GDR	755
Mongolia	329
Poland	352
Romania	elevenfold
USSR	613
CSSR	401

The CEMA countries are outpacing the developed capitalist countries by a factor of 2.6 in per capita national income growth rate, but still lag behind in volume thereof. However, the gap is closing from year to year. In the fraternal countries national income is the property of all the people, and, in accordance with their constitutions, a person receives from society depending on the quantity and quality of his labor.

A most important social problem has been solved--full employment of the able-bodied population, whose free labor is an immutable condition of the socialist way of life--has been secured.

In the capitalist world, on the other hand, the working people, while constituting nine-tenths of the population, receive less than 40 percent of the national income. Over 32 million are officially registered as unemployed.

A summary indicator characterizing the living standard is real income per capita. It has increased by a factor of 4.6 for the CEMA countries as a whole in 1982 compared with the start of 1950. Real income per capita had increased by a factor of 4.9 in Bulgaria, 3.4 in Hungary, 5.8 in the GDR, 4.8 in Romania, 4.5 in the USSR and by a factor of 3.8 in the CSSR (monetary income per capita); it had increased by a factor of 2.1 in Mongolia in 1982 compared with 1960.

The principal sources of formation of the population's income are the wages of workers and employees and also the earned income of peasants in agricultural cooperatives. Wages had increased by a factor of 4.6 in Bulgarian in 1982

compared with 1950, 6.3 in Hungary, 10 in Poland (in 1980 compared with 1950), 7.6 in Romania, 2.7 in the USSR and by a factor of 2.9 in the CSSR.

The level of the working people's consumption of material benefits and services is rising and its structure improving on the basis of the development of the production forces and the working people's increased income. This is primarily illustrated by the increase in retail commodity turnover (including public catering) by a factor of 13 in 1982 compared with 1950 in Bulgaria, 6.2 in Hungary, 6.1 in the GDR, 9.8 in Mongolia, 6.2 in Poland, 17 in Romania, 10 in the USSR and by a factor of 5.2 in the CSSR.

The dynamics of the consumption of high-quality food products containing biologically valuable animal protein and vitamins also testify to the constant upsurge in the living standard in the CEMA countries. The per capita consumption of basic food products in the majority of socialist community countries approximated the scientifically substantiated norms, with regard for the national singularities of the population and the natural conditions of each country. Thus per capita consumption of meat and meat products in 1982 constituted: 73 kilos in Bulgaria, 74 in Hungary, 91 in the GDR, 72 in Poland, 57 in the USSR and 81 kilos in the CSSR; milk and dairy products: 250 kilos in Bulgaria, 172 in Hungary, 403 in Poland, 295 in the USSR and 239 kilos in the CSSR (Hungary and the CSSR--excluding animal oil); eggs: 220 in Bulgaria, 315 in Hungary, 301 in the GDR, 200 in Poland, 249 in the USSR and 324 in the CSSR.

There was a considerable increase in the period 1961-1982 in the CEMA countries per capita consumption of the basic types of food products (Table 1).

Table 1 (1982 as a % of 1960)

	Meat, including meat products	Milk & dairy products	Eggs	Vegetables (in fresh equivalent)	Sugar and products therefrom
Bulgaria	223	198[1]	261	120	201
Hungary	160	151[1]	197	--	144
GDR	165	--	153	158	150
Mongolia[1]	74	90	ninefold	200	174
Poland[1]	153	113	159	106	120
Romania[2]	227	154	235	199	160
USSR	142	122	211	144	157
CSSR[1]	152	136	179	109	102

[1] 1981 as a % of 1960.
[2] 1981 as a % of 1985.

The Food Program being drawn up within the CEMA framework for the period through 1990 provides new reference points of the development of the fraternal countries' agriculture. It contains comprehensive measures of cooperation for an improvement in the provision of the CEMA countries' population with foodstuffs; their realization will contribute to an increase in the production and the higher quality of food and play an important part in ensuring the scientifically substantiated norms and structure of the diet of the fraternal countries' population.

The relative significance of industrial commodities, particularly durables, in the structure of retail commodity turnover in the CEMA countries is increasing. This is characterizing quality changes in consumption as the material and cultural living standard of the working people rises. The change in the structure of retail commodity turnover in the main commodity groups in a number of fraternal countries in the period 1951-1982 is adduced in table 2.

Table 2 (as a % of total commodity turnover)

Commodities		Bulgaria	Hungary	GDR	Mongolia	Poland	Romania	USSR	CSSR
Food	1950	45.9[1]	46.4	49.0	51.9[2]	49.7[2]	38.0	58.4	48.2
	1982	44.2	39.5	47.1	49.3	40.5[3]	47.7[3]	50.3	47.8
Nonfood	1950	54.1[1]	53.6	51.0	48.1[2]	50.3[2]	62.0	41.6	51.8
	1982	55.8	60.5	52.9	50.7	59.5[3]	42.3[3]	49.7	52.2

[1]1951
[2]1955
[3]1981.

Data on consumer durables per 1,000 of the population testify to the quantitative change in the level of consumption. Thus the number of refrigerators among the public in 1982 had risen compared with 1960 by a factor of 78 in Bulgaria, 48 in Poland and 28 in the USSR; washing machines: by a factor of 16 in the GDR and the USSR; television receivers: by a factor of 26 in Hungary; 12 in the USSR, 10 in Poland; 6 in the GDR and CSSR; and so forth. Each home's basic consumer durable requirements are now satisfied practically in full.

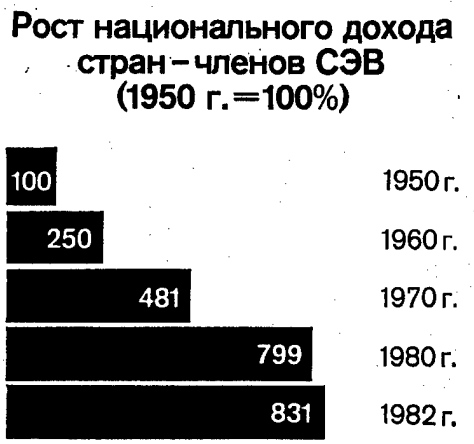
The social consumption funds are of increasingly great significance for a rise in the living standard of the working people of the socialist community countries. They represent the part of the national income designed for sociocultural measures and privileged state living space and are playing an ever increasing part in the formation of the population's real income. The collective method of satisfying requirements is organically inherent in the socialist society. Average per capita payments and benefits from the social consumption funds increased in 1982 compared with 1960 by a factor of 6.7 in Bulgaria, 4.5 in Hungary, 2.7 in the GDR, 6.3 in Mongolia, 5.7 In Romania, 4.6 in the USSR and by a factor of 3.8 in the CSSR. An average of roughly one-third of budget resources is spent to this end in the socialist community countries. For the working people a considerable proportion of jointly satisfied requirements is free. This form contributes to erasing the difference in the living standard of different groups of the population. In the families with the lowest incomes the proportion of proceeds from the social consumption funds in the total amount of material benefits and services is greater than in families with high incomes.

In the structure of the social consumption funds there is a continuous increase in the proportion of services together with the consumption of material benefits. The constant growth in the period 1960-1982 of the free services of education and health care reflects the CEMA countries' constant concern for the working people.

Society's expenditure in the fraternal countries on the maintenance and upbringing of the younger generation is increasing. Children's preschool establishments had over 21 million children in 1982. Approximately four-fifths of the expenditure on their upkeep is covered by the social consumption funds here. Child benefits in cash for low-income families have become widespread in the majority of CEMA countries. The extension of the network of children's preschool establishments ensures for mothers extensive participation in social labor and their actual equality.

The right to education in the CEMA countries is a most important manifestation of socialist democracy. It is legislatively enshrined in the constitutions and is realized on the basis of an extensively developed network of schools of various types and higher and secondary specialized educational institutions. Education in the fraternal countries and its level are determined entirely by the demands of social production. As distinct from the class system of bourgeois public education with its inherent restrictions for the children of working people, racial discrimination and great relative significance of church and other private schools, the socialist social system proclaims and implements in practice such principles as the equality of all citizens in obtaining an education, compulsory school instruction, free in all its forms, the state and public nature of acquiring knowledge and the continuity of all types of educational institution and the civic nature of schooling.

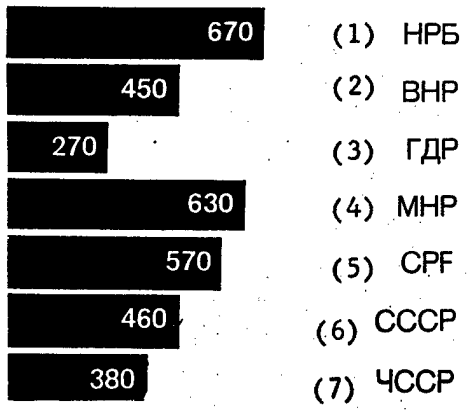
Growth of the CEMA Countries' National Income (1950 = 100%)



General education is a necessary basis of specialized education, whose significance is growing constantly under the conditions of the CEMA countries' transition to intensive development and the introduction in the economy of the achievements of science and technology. Some 1,707,000 persons were being taught in secondary specialized educational institutions in the socialist community countries as a whole in 1950 and 1,565,000 in the VUZ's, while in 1982 the figures were 7,327,000 and 6,427,000 respectively. In 1982 this form of specialized tuition or the other extended to more than 20 million people.

Education in the CEMA countries is free and accessible to all. Grants and stipends are provided for a large part of the students.

Growth of the CEMA Countries' Social Consumption Funds (1982 as a % of 1960)



In line with the upsurge of the socialist economy, the well-being and culture of the people and the improvement in work conditions in the fraternal countries there is a decline in morbidity and general and infant mortality and an increase in the population's average lifespan. Health care is contributing to this to a considerable extent. A most important indicator of its physical plant is the development of the network of medical establishments. In 1950 the CEMA countries had 1,555,000 beds in hospital-type establishments, but in 1982 more than 4,423,000 or an almost threefold increase. In 1950 there were 57.7 beds per 10,000 of the population, but in 1982 some 115.7 beds. In this same period the number of physicians of all specialties per 10,000 of population grew from 12.6 to 35.5.

The CEMA countries occupy first place in the world in terms of the provision of medical assistance. The total number of physicians is 1,391,000 or one-fourth of the world's physicians. Such developed capitalist countries as the United States had 23 physicians per 10,000 of the population at the end of the 1970's, Great Britain 18, France 15 and Japan 17. In the majority of capitalist countries medical assistance is of a fee-paying nature and is ruinous for many families.

Concern in the socialist states for the people is strikingly confirmed in the policy they pursue in the sphere of pensions.

On average more than two-fifths (in Hungary and the CSSR more than one-half) of resources from the social consumption funds is currently received by the population via the system of social security and social insurance. Pensions constitute 70 percent of this amount. The CEMA countries have established one of the lowest retirement ages in the world, given the appropriate length of service: 60 years for men and 55 for women in Bulgaria, Hungary, Mongolia, Romania, the USSR and the CSSR; and 65 for men and 55 for women in the GDR and Poland. In Mongolia and the CSSR women have the right to a pension earlier depending on the number of children they have had. A lower pensionable age has been established for a number of categories of working people. In the socialist

countries pensions are guaranteed by the state without any deductions from the working people's earnings. In the majority of capitalist countries, however, men and women have the right to the customary pension upon reaching 65-70. Considerable amounts in the form of insurance contributions are withheld from the working people's wages for the retirement pension here.

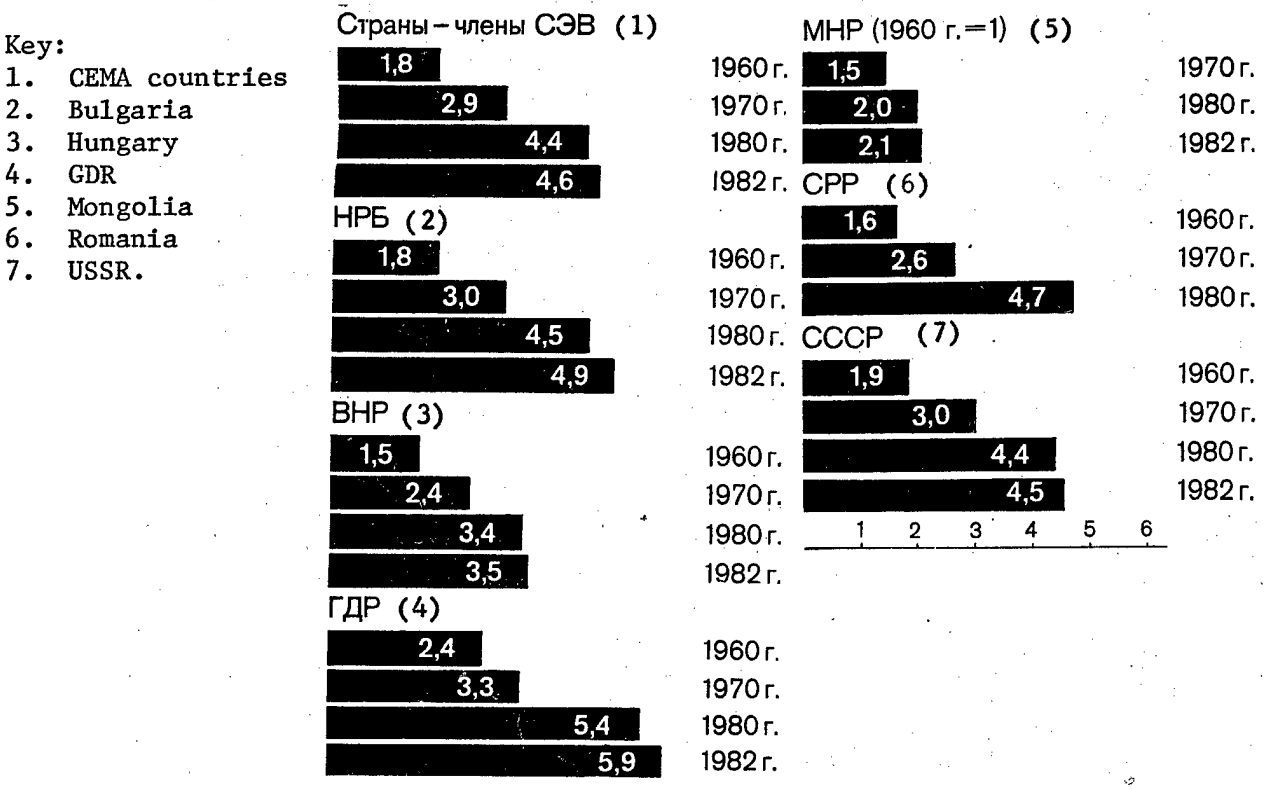
Pension support is being improved in the CEMA countries by way of an increase in the amount of the pensions, particularly the minimum pensions, and the approximation of the amount of the pensions of workers, employees and agricultural workers.

In a rise in the living standard of the working people of the socialist community countries an important place is assigned an improvement in housing conditions. In the period 1951-1982 approximately 85.6 million apartments were built in the CEMA countries, including 1,512,000 in Bulgaria, 2,095,000 in Hungary, 3,085 (modernized included) in the GDR, 72,000 in Mongolia, 5,495,000 in Poland, 4,764,000 in Romania, 65.74 million in the USSR and 2,819,000 in the CSSR. More than 350 million people moved in this period into new apartments or improved their housing conditions. The maintenance of housing is catered for to the extent of two-thirds by the social consumption funds and only one-third by rent. Expenditure on rent constitutes on average approximately 1 percent of the budget of families of workers and employees, and together with municipal services approximately 4 percent. In our countries rent and municipal service charges are of a stable nature for a prolonged period. In the developed capitalist countries, however, working people's expenditure for these purposes constitutes on average approximately one-third of the family budget and is tending to increase.

Medical services and the population's organized recreation are being extended and improved in all the CEMA countries.

An extensive network of sanatoria, recration centers and tourist centers where it is possible to undergo treatment and rest, on free and concessionary passes included, has been created. The number of beds in sanatoria had doubled in the CEMA countries as a whole in 1982 compared with 1950 and constituted approximately 732,000, while the number of people undergoing treatment there was almost 8 million, which was 3.4 times more than in 1950. The recreation centers had over 15 million guests in 1982 or 4.1 times more than in 1950, and the total number of recreation centers increased in this period by a factor of 4.6.

Growth of Per Capita Real Income in the CEMA Countries (1950)



The growth of the cultural level of the working people of the fraternal countries, the all-around development of the personality and the rise in the people's spiritual resources by way of satisfaction of their cultural requirements, which, together with material requirements, determine the living standard, are contributing to the fuller and more fruitful use of spare time. The increase in the publication of books, newspapers and journals and the release of motion pictures is an indicator of the population's growing cultural living standard.

Thus an extensive network of libraries of all kinds has been created in the CEMA countries. Public libraries occupy the leading place among them. There were 187,000 of them in 1950 with a collection of 334 million books, while 196,000 such libraries are now operating with a collection of 2,247,000,000 books. The number of theaters increased in this period from 862 to 1,187, and in Bulgaria, Hungary, the GDR and Romania more than twofold and in Mongolia fourfold, moreover, compared with 1950. There was an increase by a factor of more than 3.5 in the fraternal countries in the number of movie projectors, while the production of full-length films has increased from 87 a year in 1960 to 552 currently. The population of the CEMA countries is rightly considered the biggest reader in the world. In 1950 the total edition of books and brochures constituted 1.1 billion copies, but it is now over 2.5 billion copies a year. Radio broadcasting extends to practically the entire population of the CEMA countries and television to approximately 90 percent.

The successes achieved by the CEMA countries in a rise in the people's well-being are testimony to the fundamental advantages of the socialist society, where everything is subordinated to the highest humane goal--all in the name of man, all for the good of man.

8850
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'POLITICIZING' OF EAST-WEST TECHNOLOGY TRADE CRITICIZED

Moscow EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 9, Sep 83 pp 62-66

[Article by Prof Aleksandr Bykov, doctor of economic sciences, of the USSR Academy of Sciences Institute of Economics of the World Socialist System: "Technology Exchange With Western Countries: Mutual Benefit or One-Sided Dependence?"]

[Text] The CEMA countries have strong scientific-technical potential meeting their socioeconomic development requirements. Approximately one-third of the world's scientists work in these countries, almost one-half of all new inventions are created here and approximately 4 percent of the national income is appropriated annually for science and technology. In terms of the basic parameters the said potential exceeds that of any capitalist state or economic grouping. All this convincingly expresses the advantages of socialist methods of management and the mutual cooperation of the CEMA countries. It is sufficient to say that in the course thereof up to 2,000 new technical solutions are created annually and that more than 4,000 national research organizations participate therein.

In extending the international socialist division of labor, which has now assumed the nature of an integration process, the CEMA countries have always endeavored and now endeavor to combine it with the use of the advantages of the world division of labor, primarily in the sphere of scientific-technical development, moreover. They proceed here from the objective truth that scientific-technical progress is of an international nature and that the problems connected therewith demand for their successful solution the effective mutually profitable cooperation of all countries and regions. Any autarky under the conditions of the scientific-technical revolution leads to the impeding of the development of science and technology and the superfluous expenditure of material and other resources. It is by this that the CEMA countries have been and continue to be guided in mutual relations with other, developed capitalist included, states.

The Policy of Rigid Restrictions Is Hopeless

Yet in the sphere not only of interstate political relations but trade-economic relations also, East-West scientific-technical relations particularly, the

United States and some of its allies are persistently endeavoring to revive the conditions of the cold war. Take just the embargo on supplies to the USSR of modern computer equipment, oil-drilling equipment and other types of advanced equipment and technology and the persistent attempts to impede supplies to the socialist countries of high-technology products and scientific-technical exchange, standardize and impart a collective basis to the system of discriminatory measures and differentiate them with respect to individual countries in accordance with political and other indications.

Attempting to justify to the public the policy adopted by the U.S. Administration of an unchecked arms race and the swelling of the military budget to the detriment of social spending, its representatives go on and on tirelessly about the fact that, allegedly, the USSR and the other Warsaw Pact countries made extensive use of Western technology for their rearmament in the period of detente and the easing of restrictions on East-West trade and scientific-technical relations connected therewith. For this reason now, they say, it is necessary to spend multibillion-dollar amounts at the expense of the American taxpayer to restore the balance, but essentially to revive the lost strategic superiority, tightly sealing off all channels via which a drain of technology dangerous for the West could continue. The thought is importunately instilled simultaneously that the development of the socialist countries is virtually entirely dependent on Western technology and that therefore limiting their access to it could effectively counteract their development.

Such calculations and plans are by no means new and were current in the post-October period even. They were subsequently revived in various versions in the prewar and postwar periods also.

In the postwar years the strong development of the scientific-technical revolution made the development of science and technology an important subject of the competition and confrontation of the two systems. It was precisely at that time that the United States and its allies initiated the cold war, which was accompanied by rigid restrictions on commercial and scientific-technical exchange with the socialist countries.

However, the gamble on embargo policy was a total failure. The United States did not succeed in restoring capitalism in East Europe, holding back the socialist transformations which had begun in a number of countries of other continents or appreciably slowing the socioeconomic development of the USSR and its allies.

The formation in 1949 of CEMA contributed to the development of multilateral economic and scientific-technical cooperation among the states which became a part of it. The Second CEMA Session Meeting (Sofia) even in 1949 adopted principles of mutual scientific-technical cooperation which provided for a procedure of technology exchange between members of this organization which was most favorable and preferenetial in terms of economic and legal conditions.

In the period 1948-1970 the USSR transferred to the fraternal countries approximately 27,000 complete sets of engineering, design and other documents and, in turn, received from them more than 15,000 complete sets. To acquire such

documents in the West the fraternal countries would have had, according to available estimates, to have paid no less than $20 billion.

Thus the CEMA countries created strong material-technical resources on the basis of their own technology, and no restrictive measures of the West could impede this. It is significant that the world's first AES was built in the USSR and that the first artificial Earth satellite was launched in 1957, which demonstrated to the whole world socialism's successes in the assimilation of the potential of the scientific-technical revolution. And this at a time when the West's bans on new technology exports to the socialist countries were strictest.

All this could not have failed to have had a sobering effect on American strategists, the more so in that their European allies and subsequently Japan had reached the conclusion even earlier concerning the hopelessness of embargo policy and, guided by commercial interests and commonsense, had begun increasingly actively to "unfreeze" trade-economic and scientific-technical relations with the socialist countries. The United States' transition from a policy of complete discrimination against the socialist countries to selective, strictly differentiated relations with them began. The gamble in this case was that the expansion of economic and scientific-technical relations with the West would make it possible to achieve counterconcessions or at least facilitate a "softening" of their internal structures and the convergence of the two systems.

In the 1970's, which were marked by a relaxation of tension, trade between the CEMA countries and the developed capitalist states, which had been freed to a considerable extent of artificial restrictions, developed rapidly, particularly in the period 1971-1975, becoming the most dynamic (a more than fivefold increase in turnover) direction of all world trade. Together with traditional exchange, in the sphere of technology included, such promising new forms as scientific-technical and science-production cooperation, cooperative relations in various sectors of industry, including processing industry, the implementation of large-scale projects on compensation and other bases and certain forms of joint enterprise (the number of corresponding agreements increased 10-fold) were also developed. Technology transfers constituted an important and often decisive element of such new forms of cooperation.

Evaluating the results of the past 10-year period, it may confidently be said that East-West economic and scientific-technical relations in the 1970's as a whole developed positively, which was reflected in an improvement in the entire complex of international relations, particularly in Europe, was of considerable benefit to both sides and gave the policy of detente and mutually profitable cooperation a solid material foundation.

At the same time the West, primarily the United States, while agreeing to an expansion of exchange, in the sphere of technology included, and the development of cooperative relations, by no means abandoned either discrimination against the socialist countries or an endeavor to use economic and scientific-technical relations with them to undermine the fraternal alliance and cohesion by way of imposing the unfavorable conditions of a selective approach. Only the methods of implementation of these plans changed.

Mutually Profitable Exchnage: Realistic Evaluations

It has to be said that heated debate on questions of technology exchange with the socialist countries and attempts to evaluate its role and significance for both sides in the press and official bodies and organizations of the capitalist states is no rarity. Various, at times mutually exclusive, opinions are expressed. Currently, for example, the supporters of a hard line in relations with the socialist countries predominate in U.S. ruling circles. However, this position of Washington officials, which is far from the truth and the interests of cooperation, is not shared by everyone, either in the United States itself or in other Western countries. It is particularly disliked by broad business and progressive public circles.

Some people, not without reason doubting the effectiveness of embargo policy in respect of such strong partners as the USSR and the socialist community as a whole, believe that it is the interests of the United States itself which are primarily suffering here, particularly under conditions when its allies are not disposed to wind down the mutually profitable relations. Others rightly note the manifest exaggeration of the role of Western technology in the successes of the USSR and the socialist community. Yet others consent merely to limiting the transfer of so-called critical technology and this only for a certain length of time and also consider it imprudent to ban the export of many types thereof inasmuch as it is impossible to ensure one country's monopoly of them for long. The most competent representatives of the West's business and public circles, however, advocate the preservation and expansion of scientific-technical and commercial exchange with the socialist countries, considering it mutually profitable both in the scientific and commercial respects.

The technology acquired in the West in the 1970's did not constitute in any way a significant proportion of production investments and spending on science either in the USSR or in the socialist community as a whole and did not in terms of volume reach the generally recognized safety threshold, that is, did not threaten independence.

East-West technology exchange at different times and in respect of different commodity groups has not had a balanced appearance. Thus the CEMA countries purchased more machinery and equipment embodying the transfer of primarily new technology than they sold. This is explained by a set of circumstance: the rapid rate of economic and technical development of the fraternal countries, the certain lags in their own engineering, the as yet unsurmounted weakness of the introduction aspect and, the main thing, the fact that the West has as yet inadequate knowledge of the actual possibilities of the socialist community countries, the realization of which is impeded not only by bitter competition but also a multitude of administrative barriers of a tariff and nontariff nature.

In license exchange the imbalance is manifested less strongly and between certain countries (between the USSR and the United States included) there is also a reverse tendency in respect of a number of items. Furthermore, the generally accepted indicators of scientific-technical exchange do not take

account of the "transfer" of theoretical knowledge, but it is precisely here that the positions of the CEMA countries in overall exchange are strongest. So East-West technology exchange is not a "one-way street," as some people in the West attempt to portray it.

There is much evidence of the mutual profitability of such exchange. For example, the American conservative magazine U.S. NEWS AND WORLD REPORT of 17 January 1983 wrote that "many American industrialists and scientists insist on the need to maintain contacts with Soviet specialists who could be of benefit to the West," while "many American scientists believe that scientific exchange cannot be allowed to come to naught." The magazine quotes John Kaiser, a commercial counselor at the U.S. State Department, to the effect that "in the exacerbated competitive struggle which U.S. industry is now encountering the socialist countries serve as a potential source of more accomplished and cheaper production methods." As the magazine attests, "science in the USSR, which not so long since was considered backward and borrowed from others, is scoring big successes and making an important contribution to the development of technology in the United States and other Western countries." Data are adduced according to which the USSR and its partners have in recent years sold the West licenses for no less than $50 million, and in the past decade alone American companies acquired over 120 licenses in the socialist countries.

Even today the USSR sells licenses to more than 30 countries. For example, on a Soviet license the system of the transpiration cooling of blast furnaces is employed extensively by such major firms as Thyssen-Huettewerke AG, Hoechst AG and Sterkrade AG in the FRG and Nipponsteel in Japan, which on the basis thereof achieved the world record for the daily smelting of steel. The Soviet method of the continuous pouring of steel has become even more widespread abroad. Many other Soviet licenses have been sold and are being employed successfully by leading firms of the United States (Kaiser Aluminum, Dupont, Maxwell Laboratories and others), Britain (Rolls Royce, British Steel and others), the FRG (Salzgitter and others), Japan (Mitsubishi and others) and a number of other industrially developed capitalist countries.

Other CEMA countries have also considerably expanded technology transfers to the West. Hungarian technology is sold to 40 states. The Bulgarian technology of backpressure casting and the Romanian "Gerovital" preparation for prolonging life have been applied extensively. Certain types of technology acquired by the capitalist states are the product of joint technical solutions of the fraternal countries. Among these are spindleless spinning (USSR and the CSSR), the "Polimir" device for polyethylene production (USSR and GDR) and the "Malimo-Befima" equipment for the production of napped cloth (GDR and Poland).

The advantages of the transition from purely East-West exchange to cooperative relations in the sphere of science, technology and production have been ascertained in recent year. In fundamental research and experiments connected therewith there has been increasingly extensive use of various forms of the division of labor and joint operations on the basis of common programs prepared and implemented within the framework of interstate scientific-technical cooperation agreements. For example, the Soviet-American and Soviet-French experiments in space and the realization of a number of joint programs enjoyed broad international recognition.

Considerable progress has been achieved in cooperation with leading capitalist firms in applied research directly resulting in a contribution to production and commercial activity. Extensive use is made here of Soviet successes in fundamental research. It was on this basis that the USSR Ministry of Coal Industry and Kaiser Resources Ltd (Canada) and Mitsui Mining (Japan) developed the technology of hydraulic mine shaft drilling, which was subsequently sold to a number of other firms.

As acknowledged by the American Rand Corporation research company, the USSR possesses great achievements in the sphere of science, equipment and technology which could be used to "improve the product and production processes of American companies." The American journal FOREIGN POLICY observes that the Soviet Union is now outstripping the West in such important spheres as welding equipment, the manufacture of synthetic diamonds, the molding of metals in an electromagnetic field and many others.

Many successes in science and technology and their practical application enjoyed by the other CEMA countries were achieved in the course of mutual cooperation. Implementation of the Comprehensive Program of Socialist Economic Integration alone afforded an opportunity for obtaining in the 1970's approximately 20,000 results which are being applied extensively both in the national economies of these countries and in the course of the developing specialization and cooperation of production.

The CEMA countries are making a very perceptible contribution to world scientific-technical progress, particularly in space and nuclear research, metallurgy, power engineering, welding, hydropower station construction, long-distance power transmission and in a number of engineering sectors, while there is no doubt as to their successes in the fundamental sciences, primarily mathematics, physics, chemistry, biology and medicine.

These generally recognized successes represent the material basis of the further development of the mutually profitable exchange of equipment and technology of the two groups of states with different social systems. The CEMA countries, which have set a course toward the intensification of and an increase in the quality of production, attach great significance to scientific-technical cooperation with the West, license exchange and joint programs of fundamental and applied research. The West, on the other hand, rightly evaluates the scientific-technical product of the CEMA countries as an important factor of technical progress in a number of traditional and new branches of the economy and science.

Technology Exchange: Present-Day Realities

Such a basis of mutually profitable East-West relations in the sphere of technology exchange is an objective reality. For this reason Washington's hopes of striking a blow at the socialist community, attempting to isolate it from scientific-technical relations with the West, are historically groundless. This did not succeed in the past and is even more impossible now.

The CEMA countries themselves, however, have not aspired and do not now aspire to such isolation, and by no means, furthermore, by virtue of some particular dependence on Western technology, as is frequently declared in the West. Although they possess one-third of world scientific-technical potential, they are interested, like all other countries, for saving resources and time in the effective use of the advantages of the world division of labor and cooperation on the principles of the generally accepted business practice of the equality of the parties and mutual benefit.

The internationalization of many of man's problems, including those of scientific-technical development, is increasing the interdependence of all countries and regions. Incidentally, the successes of the United States also in the sphere of science and technology were determined to a decisive extent precisely by the influx of specialists and knowledge from outside, particularly at the frontier of the scientific-technical revolution, when before and after the war a stream of leading European scientists poured into the country. There subsequently took shape the system of the "brain drain," primarily from the developing states, and also the "pumping" of new knowledge and technology along other channels. And if today the United States has to a considerable extent lost its leadership in a number of fields, it is only as a result of the predominantly militarist thrust of the country's scientific-technical development, the flaws of the capitalist system and the policy of the American monopolies.

Endeavoring to defend and strengthen leading positions in science and technology, the present U.S. Administration is counting not only on winning the economic competition with socialism but simultaneously also, by strengthening the policy of technological imperialism and neocolonialism, squeezing competitors, primarily Japan and West Europe, from the market and also holding back the development of the young national states. It is not surprising that, while consenting to certain concessions to Washington's persistent endeavors to impose a policy of embargoes in respect of the socialist countries, the United States' allies and, even more, neutral countries are increasingly emphatically opposing such short-sightedness, which is contrary to their fundamental interests. Thus in response to Washington's importunings French President F. Mitterrand declared that the Atlantic alliance does not give the United States the right to control West European trade, while Austrian Chancellor B. Kreisky pointed in 1982 to the fact that his country's trade policy is determined by Austria alone and no one else. Such a position is occupied by a number of other Western states, which oppose the idea of the creation of an economic NATO.

Discontent with U.S. interference in East-West cooperation was manifested particularly graphically in connection with the ban announced by President Reagan on supplies to the USSR of equipment for the Urengoy-Uzhgorod export gas pipeline manufactured on a compensation basis in accordance with American technology. Practically all the Western participants in this deal of the century emphatically protested such arbitrariness and refused to submit to it. The U.S. Administration was forced to retreat and lift the ban. As was the case previously in such cases, it had manifestly failed to have the desired effect. The giant construction project, in which the CEMA countries and Yugoslavia are participating, continues to increase the set pace, and the production of powerful compressors and other equipment which came under the American ban was rapidly assimilated by Soviet enterprises.

Nor have other restrictions on scientific-technical exchange with the West been successful. The necessary technical solutions were found by our own forces on the basis of the tremendous scientific and production-engineering potential of the USSR and the entire socialist community. The West's attempts to apply economic sanctions in respect of Poland have also proven fruitless. The USSR and the other fraternal countries have been able to compensate Poland rapidly and to a considerable extent for the supplies blocked by the West.

Nonetheless, Washington not only has not abandoned attempts to increase restrictions on trade-economic relations with the socialist countries but is also, as the results of the meeting of the Seven in Williamsburg testify, persistently enlisting other Western states in the channel of its policy.

The endeavor of the United States and its allies to politicize economic relations with the CEMA countries and step up discrimination against them, the continuing complication of the international situation and the negative experience of the recent past are prompting these countries to stimulate mutual cooperation and intensify the integration process, strengthening on the basis thereof their technical-economic independence. The fraternal countries are counterposing to the discriminatory policy of the West a concerted economic and scientific-technical policy. They have set a course toward making the 1980's a period of intensive scientific-technical and production cooperation, the implementation of long-term goal-oriented cooperation programs, stimulation of interaction in jointly outlined priority areas of engineering and the speediest implementation of large-scale agreements on the production of computers, microelectronics, nuclear power engineering and robotics.

At the same time the socialist community's general line aimed at the utmost expansion of equal and mutually profitable cooperation with countries with different social systems, primarily in Europe, where the greatest prerequisites for a strengthening of economic and scientific-technical relations exists, remains unchanged. This is attested by the decisions of the CEMA Session at recent meetings and also the Warsaw Pact Political Declaration adopted in Prague.

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CEMA AUTOMOTIVE INDUSTRY, LIMITED WESTERN COOPERATION DETAILED

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[Article by Alexandr Rubtsov and Sergei Shibayev]

[Text] One characteristic feature of the modern automotive industry is the enhanced role of cooperation in production between automobile-building firms of individual countries, the intensification of this process and the involvement of a large number of manufacturing firms in it.

Automobile factories in the socialist countries also participate in international cooperation on an equal and mutually advantageous basis and widely use its benefits.

Cooperation in the automotive industry between the CMEA member-countries is developing rapidly. Between 1970 and 1980 the volume of trade in components and units for motor vehicles between the European socialist countries increased eight to ten times. As the output of motor vehicles in the CMEA countries grows, specialization and cooperation in the manufacture of components also increases in accordance with the extent to which the cooperating partners receive them. In this respect account was taken of the fact that Czechoslovakia and the GDR are specializing in manufacturing lighting accessories, Bulgaria and Hungary are producing electrical equipment. This facilitates the organization of large-scale production of quality components for automobiles manufactured in the socialist countries.

Relations based on cooperation between the enterprises of the Soviet automotive industry and the relevant organizations and plants in other socialist countries are growing ever stronger. In the USSR the export and import of components for motor vehicles comes under the All-Union Association Avtoexport. These operations account for some 20 per cent of the Association's annual turnover. In the early 1980s it exported about 150 complementary items, and imported over 200 of them. These complementary products for the other socialist countries are turned out by 38 factories of various Soviet industries, and the imports of these articles supply the needs of 29 works in the Soviet automotive industry.

The Volga Car Factory (VAZ) is the major consumer of the complementary parts coming to the USSR from its partners cooperating within the CMEA framework.

From Bulgaria the factory receives ten basic items, among them storage batteries, starters, generators, filters; from Hungary come 19 other articles, including windscreen wipers, ignition distributors, sound warning devices, from Czechoslovakia--lighting accessories, from the GDR--spark plugs, optical elements for headlights, sound warning devices.

Yugoslavia, too, supplies motor vehicle components for the VAZ factory on the cooperation basis, these include storage batteries, sterring wheels, rear-view mirrors, lining.

The Hungarian Bakony enterprise is a major partner of VAZ and supplies this factory with up to 400,000 sets of electrical equipment annually. Moreover, Bakony supplies ignition switches for the Lenin Komsomol Car Factory (AZLK) and sound warning devices for the Kama Motor Plant (KamAZ). This Hungarian enterprise is planning to produce new models of components for cars whose manufacture is being prepared for the Vulga Car Factory and the Kommunar Motor Works in Zaporozhye.

KamAZ is another big consumer of complementary parts made in other socialist countries. Every year it receives around 50,000 sets of various units and assemblies, in particular, electric motors, anti-fog headlights, rear lights from Yugoslavia, brake systems from Poland, optical elements for head-lights from Czechoslovakia.

Some of the socialist countries on the basis of cooperation participate in the manufacture of Ikarus buses in Hungary. Between 1975 and 1980, for instance, the Hungarian enterprise received from the USSR over 70,000 front axles and 50,000 hydraulic pumps for steering wheel boosters; from the GDR it received 3,500 sets of 50 different items of equipment.

Hungarian specialists in conjunction with representatives of motor works in other countries are successfully ahead in developing new models of Ikarus buses. For instance, using the chassis of the IFA lorry manufactured in the GDR as a basis, the new Ikarus bus, Model 211, has been created, and a smaller bus, Model 550, on the chassis of the Avia lorry manufactured in Czechoslovakia.

Hungarian enterprises turn out quality components for lorries besides buses; they are used in motor vehicles manufactured in the USSR, Poland and Bulgaria. Between 1976 and 1980, for instance, the Soviet Union purchased over 150,000 rear axles made by the Raba works for the Soviet LiAZ and LAZ buses and trolley-buses. Hungarian-made rear axles and steering mechanisms are fitted to lorries made at the Jelez Motor Works in Poland, and diesel engines manufactured by the Association of engineering and metal-working factories in Csepel (Hungary) are installed at the Chavdar buses (Bulgaria).

Cooperation between the socialist countries favourably influences the technical re-equipment of their motor plants. Today this industry is in a position to cope with any problem arising in manufacturing modern motor vehicles no matter how complex it might be. The automotive industry of the socialist countries is well featured by automation of technological processes, extensive use of computational techniques for production control and for developing future vehicle designs and a growth of labour productivity on this basis.

Specialists from many countries note the successes achieved by socialist states in designing passenger cars and lorries and in developing their major units, the high level of fundamental and applies researches being carried out by the research institutions of the industry, as well as the high professional skill of the research engineers. The Niva VAZ 2121 (USSR), a passenger car with a heightened cross-country capacity, the Czechoslovak Tatra 815, 813 and 148, heavy duty trucks, and Soviet KamAZ lorries, are among the most promising vehicles of recent years.

The Niva car is one of the first vehicles with a low cubic capacity engine (wheel formula 4 x 4) to have a perfectly comfortable closed body, high dynamic characteristics, low fuel consumption.

Its exceptionally high cross-country capabilities, fitness for any road and climatic conditions and reliability have been demonstrated by the car not only during its ordinary use but also during the most difficult car trials such as the Paris-Dakar rally, the Moroccan rally, and the rally through Tunisia. It is not a mere chance that Niva cars have a high demand in countries where the road and climatic conditions are rather unfavourable, for instance, Africa and Latin America.

The original design of the Tatra lorry (Czechoslovakia) with an 8 x 8 and 6 x 6 wheel formula, independent suspension of all wheels and an air-cooled diesel engine (such qualities are rarely encountered in one vehicle) make the lorry exceptionally attractive of operate.

The new models of KamAZ lorries with the 4 x 2 and 6 x 4 wheel formula have a heightened axle loading and thus a considerably increased load-carrying capacity. They have a powerful diesel engine with a turbo-supercharger, a comfortable cab for the driver and a reliable braking system; they are for operation in widely different climates.

The socialist countries, while devoting much attention to the development of their automotive industry, favour cooperation in this field with the capitalist countries. Business contacts have been established with many automobile-manufacturing firms in those countries desirous of cooperating with organizations and enterprises in the socialist countries. This cooperation is mutually advantageous in character and is a factor helping to normalize business between the socialist and capitalist countries and overcome their economic isolation, thus preventing the individual imperialist powers from deforming the world motor market in their favour.

What is characteristic of cooperation in the automotive industry is the fact that relevant enterprises and organizations in the socialist countries cooperate with both large and small firms in the capitalist world. Of the four major capitalist firms two American companies, General Motors and Ford, participate in cooperation with enterprises and organizations in the socialist countries. Three West European firms: PSA (Peugeot, Citroen, and Talbot), Fiat and Renault, which in the volume of output are far below the big capitalist automobile firms account, according to UN ECE experts, for about 80 per cent of all

the agreements on cooperation signed with socialist countries. Such relatively small firms as Daimler-Benz, MAN, Steyr-Daimler-Puch and Volvo are signatories for some 15 per cent of all the agreements on cooperation.[1]

Usually, bilateral cooperation between the socialist and capitalist countries in the automotive industry takes place at the stage of research and development, production and in the process of finished product marketing.

These joint efforts in research and development, while being the cause and effect of production cooperation in the automotive industry, in large measure predetermine the promising nature of the cooperative relations with Western firms and the effectiveness of the cooperation itself.

Czechoslovak specialists in cooperation with the French firm Renault-Saviem have organized in their country the production of the Avia light motor vans which have a diesel engine and a load-carrying capacity of two to three tons. Under a special agreement with Renault-Saviem the Avia industrial association has developed a special modification of the van for export to Morocco. The Czechoslovak side has done a great deal of work for the van to meet the demands made on it by countries having hot climates and poor roads. These vehicles are manufactured in Czechoslovakia and shipped to Morocco through Renault-Saviem's trading network.[2]

Joint production, the setting up of joint enterprises, cooperation on a compensation basis and contract cooperation are the basic forms of industrial cooperation in the motor industry between socialist and capitalist countries.

An important principle of the international cooperation in joint production is contained in the fact that partners specialize in the manufacture of some or other parts and units of a final article for which they have more favourable economic, scientific and technical prerequisites enabling them to turn out quality components with low production costs.

Implementing cooperative projects on the joint production basis the partners carry out mutual shipments of specialized articles and the assembly of the final product, as a rule, on their own. In some cases, however, the assembly of the final product may be effected by one partner with the subsequent shipment of the finished article to the other.

A most tangible advantage derived by the partners in cooperative projects is their saving on investments and time. As an example of joint production cooperation we may mention the projects being implemented by Hungarian and Yugoslav enterprises in conjunction with Western firms.

The Csepel automotive factory (Hungary), together with the West German ZF, has set up the production of controlling parts for gearboxes, some of which are shipped to the West German firm. They also plan the joint production of gears and shafts for a newly developed gearbox. It should be noted that the Csepel factory is Hungary's major supplier of automobile units and assemblies. It manufactures engines, rear and front axles for buses, gearboxes and steering control systems with hydraulic boosters, frames and cardan shafts. The factory's

plans provide for the further expansion of cooperation with other foreign firms in manufacturing steering mechanisms and clutches. The Ikarus Bus Factory is a major consumer of products turned out by the Csepel works. The CMEA countries as well as some capitalist firms (Renault and Scania) participate in the manufacture of Ikarus buses on a cooperative basis.[3]

Another big Hungarian supplier of components for the automotive industry is the enterprise Bakony, producing various types of electrical equipment for passenger cars and lorries. It also takes an active part in international cooperation. For instance, the output of ignition distributors has been jointly organized with the West German firm Bosch. With the same firm the Bakony enterprise has signed a long-term agreement on cooperation in manufacturing special assembly conveyers for electrical apparatus; under this agreement the Hungarian side produces the mechanical units for these conveyers, and the FRG, the pneumatic ones. Moreover, in line with this agreement, the Bakony factories are delivering over 30 parts and units for mechanizing assembly operations to this particular partner.[4]

In 1980 the Bakony enterprise signed an agreement with the British Smith Industries on spark-plug production. The agreement is for an output of 10 million plugs a year and their joint realization.[5]

The Ikarus bus factory and the French Renault have jointly developed a new minibus. It is 6.5 m long, has a diesel engine (67 kW) and a body made of Hungarian-manufactured plastics, the French firm supplies the chassis. It is planned to manufacture about 400 of these buses. They are chiefly intended for export to Algeria.[6]

The experience of industrial cooperation through joint production has in a number of cases widened its limits and helped to give it a multilateral outlook. An example of this is the cooperation of Hungarian and Romanian motor works with the West German MAN. Jointly with this firm the Roman factory in Romania has set up the production of cabs and some units, and part of the output is being shipped to MAN for subsequent assembly, adjustment of engines and then mounting the complete installation on lorry chassis. Under the same agreement Romania delivers these cabs to the Hungarian Raba factory which, in turn, ships diesel engines for lorries and buses to the latter country; the production of these engines was undertaken with the aid of MAN.[7]

The recent period has also witnessed the emergence of such a form of cooperation as the creation of joint enterprises. They are set up in socialist and capitalist countries, and in some of the newly independent states. Socialist enterprises and capitalist firms now have joint companies for the manufacture and marketing of motor vehicles.

Romania, Hungary and Yugoslavia are among the socialist countries with such joint companies.

The Oltcit car-building company was founded in December 1976 in Romania in conjunction with the French Citroen. The company has a capital of 500 million

francs (around 100 million dollars), of which 36 per cent belongs to Citroen and 64 per cent to the Romanian side.

Investments in the construction of the factory amounted to 2,500 million francs (some 570 million dollars) of which 1,000 million francs (about 220 million dollars) were extended by Citroen as credit.

Under the agreement Oltcit turns out small passenger cars developed jointly by Romanian and French specialists; their engines have a cylinder capacity of 652 cu. cm and 1,150 cu. cm. The Romanian model is not included in those manufactured by Citroen.

The factory plans to achieve the rated capacity, 130,000 cars a year, by 1985.

Fifty per cent of the output is intended for the home market and for export to the socialist countries, and the remainder Citroen will sell through its own marketing network.

In the joint enterprise Volcom, 48 per cent of the shares belongs to the Swedish Volvo and the Hungarian foreign trade enterprise Mogurt and Dsepel automotive factory each own 26 per cent. Under this long-term industrial cooperation agreement the enterprise is manufacturing the Volvo-Laplander vehicle with a heightened cross-country characteristic. Volvo provided part of the equipment and technical documentation requisite for the production of these automobiles. At present the Swedish firm has discontinued making such vehicles in Sweden and covers all its needs by importing them from Hungary. The Csepel factory is producing vehicle bodies as well as chassis which are then fitted with some of the Volvo-manufactured components to the amount equal to 40 per cent of the total cost of the vehicle.

It is envisaged that in the future the Csepel factory will start manufacturing certain accessories (transmission, steering mechanisms), which will reduce the number of components sent by the Swedish firm.

The foreign trade enterprise Mogurt deals with the export and import of finished parts while the joint company Volcom takes care of all the necessary settlements between the partners, i.e., between Volvo and the Csepel automotive factory.

The agreement was signed in 1977 for a period of 10 years; shipments of motor vehicles to Volvo amount to several hundred vehicles a year.[8]

In the same year an agreement was signed between General Motors and the Yugoslav metallurgical plant in Kikinda (near Belgrade) on establishing a joint enterprise for manufacturing automobile parts. Yugoslavia is the major shareholder, 51 per cent. The construction of this enterprise was estimated at 60 million dollars. According to the agreement, the enterprise, over a period of 15 years, will manufacture and ship to General Motors' European subsidiaries driving axle casings, wheel hubs, cardan joints, brake discs and drums to an amount of 20-25 million dollars a year.[9]

The Yugoslav enterprise TAS, where 51 per cent of the capital belongs to the Yugoslav side and 49 per cent to the West German Volkswagen, assemblies around 20,000 Golf and Getta cars annually. It is assumed that this enterprise will take an active part in developing and manufacturing a new model of the Golf Pick-up for its subsequent selling on the West German market.[10]

Since the end of the 1960s business has been conducted on a cooperation-and-compensation basis; it is rather widespread in relations between the socialist and capitalist countries. In essence it means the establishment of cooperation relations between two or several partners on the basis of mutually supplied technologies in the form of the sale (transfer) of licences, know-how and technical documentation with subsequent compensation for the incurred expenses by shipments of products manufactured according to the supplied technology.

Such projects have been implemented in many European socialist countries. In 1977, for instance, a contract was signed between relevant organizations in the GDR and the French Citroen on the latter's participation in building a plant in Zwickau to turn out automobile parts.

The plant is designed to annually manufacture 675,000 equal angular velocity ball-and-socket joints for motor vehicles with a front axle drive; half of this quantity is shared between the French Citroen and the Oltcit factory in Romania.[11]

Among the other arrangements signed on a cooperation-and-compensation basis mention should be made of the agreements between Citroen and the Yugoslav Simos factory. It provides for the organization of production at the Yugoslav enterprise of certain units and assemblies and for the shipment of some of them to the French firm to the amount of 70 million dollars annually. The agreement was signed in 1980, its validity is 10 years.[12]

Regarding contract cooperation it should be noted that it is most frequently practised as a component of the cooperation-and-compensation projects when capitalist firms purchase large quantities of complementary units and assemblies from the socialist countries.

In some cases this form of cooperation is fully independent, i.e., does not concern compensation shipments. Ford, for instance, on the basis of a contract, receives starter motors from Yugoslavia, General Motors' subsidiaries get their rear axles from Hungary.

Contract cooperation is under way between the Ikarus works and American firms. Over the past five years some 200 tandem buses for city services have been shipped to the United States. US-made units and assemblies account for approximately 50 per cent of the cost of a bus.[13] This is in large measure due to the fact that the American safety and toxicity standards for exhaust gases markedly differ from those accepted in Europe. Moreover, automobiles with such a high percentage of American-made parts are subject to much lower customs duties.

As stated above, cooperation on the basis of joint production as well as that organized on the principles of joint enterprises and compensation are the prevailing forms of international cooperation in the automotive industry in East-West relations. This is largely attributable to the fact that over the past 10-15 years a tendency has grown for the transition from relatively simple forms of cooperation, such as the unilateral transfer of licences and know-how, to ever more complex forms envisaging much larger volumes of exchanged technical services and knowledge, and wider mutual shipments of finished products.

Of course, a positive influence on international cooperation in the automotive industry between East and West has been exerted by the socialist countries acting within the CMEA framework, which was and will be the basis of their participation in the international division of labour. At the same time international specialization and cooperation in production within the socialist community can in a number of cases be effectively supplemented by that with capitalist firms. Past experience shows this.

At the same time there still exist quite a few unsettled problems hindering the further raising of international cooperation. For instance, cooperation projects now being implemented in the CMEA countries require a more careful all-round working-out, especially during the design stage and when choosing partners. It is important to take into account the interests of all interested parties and set up large modern enterprises on the basis of multilateral cooperation. A significant role should be placed here on the socialist countries' coordination of their economic plans, as it serves as a starting point for developing cooperation.

There are certain difficulties in international cooperation between East and West in the automotive industry, largely due to the deterioration of general trade and economic relations between countries with different socio-political systems.

The policy of boycotts and discrimination on the part of some capitalist countries, aimed at sharply restricting trade with the socialist countries in modern technology is having an adverse effect on cooperation in the automobile industry. The attempts of certain Western firms to place the socialist countries in an unfavourable position by trying to tie automobile manufacture in these countries to their own technology do not promote the mutual advantage that cooperation can give.

The record has shown that such a policy has no future. Great potentialities are available for raising the efficiency of East-West cooperation in the automobile industry, for improving the forms and methods of cooperation, the credit mechanism, the organization of marketing, as well as for the wider introduction of scientific and technical advancements in the interest of this industry.

FOOTNOTES

1. UN ECE Document, Trade (R 385) Add. 1, 1979, p. 16.

2. Czechoslovak Foreign Trade, 1980, No. 12, pp. 33-35.

3. Hungarian Foreign Trade, 1979, No. 3, pp. 36-38.

4. Ibid, 1978, No. 4, p. 41.

5. Rynki Zagraniczne, April 22, 1982.

6. Truck and Bus Builders, November 1982, p. 4.

7. Economic Bulletin for Europe, March 1981, Vol. 33, No. 1, pp. 92, 101, UN ECE Document, Trade (R 385) Add. 1, 1979, p. 41

8. Economic Bulletin for Europe, March 1981, Vol. 33, No 1, pp. 103-109.

9. Ibid, pp. 91, 94,

10. Car, June 6, 1982.

11. Economic Bulletin for Europe, March 1981, Vol. 33, No. 1, p. 91; UN ECE Document. Trade (R 385) Add. 1, October 1979, p. 41.

12. Rynki Zagraniczne, 1981, No. 4, p. 1; 1982, No. 36, p. 5.

13. Truck and Bus Builders, November 1982, p. 4.

CSO: 1812/55

IBEC USE OF TRANSFER RUBLES REVIEWED AT 20TH ANNIVERSARY

Moscow EKONOMICHESKAYA GAZETA in Russian No 43, Oct 83 p 20

[Article by Yu. Konstantinov, professor, under rubric "CEMA: Integration in Action": "Dynamic Mechanism: The 20th Anniversary of the International Bank for Economic Cooperation"]

[Text] Twenty years ago, on 22 October 1963, the empowered representatives of the CEMA member countries signed an Agreement Concerning Multilateral Settlements in Transfer Rubles and the Organizing of the International Bank for Economic Cooperation (IBEC). This laid the beginning for the creation of an independent currency system for the countries in the socialist community.

The need for multilateral settlements and the creation of a collective bank for the socialist countries was brought about by the objective process of internationalization of their economic life. During the initial period (late 1940's and part of the 1950's) the reciprocal cooperation among the CEMA countries developed chiefly in the sphere of circulation. In order to make payments for their foreign-trade transactions they employed the clearinghouse method of settlements, as a rule, on a bilateral basis. That method stipulated the mandatory equality of the commodity shipments and payments between the partners. At that time that corresponded to the nature of their reciprocal economic ties, contributed to planned commodity turnover, and made it possible to carry out settlements without involving gold or convertible currency.

However, with the deepening, by the beginning of the 1960's, of the international socialist division of labor, there began to appear a definite contradiction between the chiefly bilateral system of credit-settlement relations among the CEMA countries and the needs for intergovernmental economic cooperation, to which there was gradually given an increasingly multilateral, integrational nature. The bilateral settlements did not allow the trade partners to use their favorable balance to purchase commodities in third countries.

In order to overcome that contradiction, it was necessary first of all for the settlement unit -- as which, in essence, the clearinghouse ruble was acting -- to be replaced by a monetary unit capable of executing the basic functions of currency -- the measure of value, a means of payment, and a means of accumulation. Taking into consideration the nature of the new-type international

relations in the socialist community -- relations that were truly just, based on equal rights, and fraternal -- the CEMA country consciously took the path of creating a currency which, judged on the basis of its socio-economic content and legal status, would be not a national, foreign currency, but, rather, a general, collective one. And the currency that became that currency was the transfer ruble -- the international collective socialist currency that currently rests upon the joint economic potential of the ten CEMA member countries.

The creation of the collective currency, completely naturally, required the establishment also of a collective financial institution (the IBEC) which would carry out all the operations in that currency: settlement, credit, and deposit.

At the present time, when many years have gone by, it is, obviously, possible to make a number of conclusions. First of all, as experience shows, there have been created reliable economic and organizational conditions that have made it possible to bring the reciprocal credit-settlement relations among the CEMA countries into more complete conformity with the integrational nature of their economic cooperation. The trade partners received the opportunity to make free use of the currency means that were proceeds from the sale of commodities to one CEMA country, for the purpose of making payments to any other one participating in the settlements in transfer rubles. Functioning in interaction with the credit mechanism, this system of settlements promotes the growth of reciprocal commodity exchange among the CEMA countries, and the carrying out of the large-scale economic projects that were stipulated in the Comprehensive Program for Socialist Economic Integration, the long-term special cooperation programs, and the coordinated plans for multilateral integrational measures.

Here are the facts. The volume of the reciprocal foreign-trade turnover among the CEMA countries, the share of which is more than half their foreign trade, increased from 22 billion rubles in 1963 to more than 149 billion in 1982, or increased by a factor of almost 7. For coordinated contingents in exchange for transfer rubles, the trade partners deliver to one another a broad variety of different commodities.

At the same time, the credit-settlement mechanism in transfer rubles guarantees the continuous and prompt carrying out of settlements for all types of operations that have been coordinated among the CEMA countries. In the event that the payer-banks encounter a shortage of their own funds for making payments to a partner, the IBEC grants them credit, thus actively promoting the development of export in the reciprocal trade of the fraternal countries.

The credit-settlement operations in transfer rubles have been growing from year to year, as can be seen from the following figures:

Volume of Reciprocal Settlements Among the IBEC Member Countries
(in billions of transfer rubles)

1964.....	22.9	1980.....	122.9
1970.....	35.4	1982.....	161.8

It is expected that, during the 20 years of the activity of the IBEC, the volume of the operations carried out by the bank in the collective currency, taking 1983 into consideration, will exceed 1.4 trillion transfer rubles, and the total amount of credit grants will reach 100 billion.

At the present time, in essence, there is not a single area of reciprocal economic cooperation among the CEMA countries where the transfer ruble is not employed.

The 20 years of the functioning of the credit-settlement mechanism in transfer rubles have also convinced people of such an important advantage of it as the lack of the need to create, for the carrying out of settlements, any special monetary reserves in the convertible capitalist currencies or in gold. That makes it possible for the CEMA countries not to carry out the additional export of commodities to the capitalist market, and not to withdraw from their national economy major material resources, but instead to use them for the dynamic development of the national economy, to raise the national standard of living.

The transfer ruble to a considerable degree protects the reciprocal economic cooperation of the fraternal countries against the consequence of the currency crisis and dictate of the dollar, which has a destructive effect upon the economy of the capitalist and developing countries. As a result, the CEMA countries in their economic region can carry out a currency and credit policy that is independent of the capitalist countries, and that promotes the planned, proportional development of the national economies.

As we are convinced by experience, the settlement and credit mechanism in transfer rubles promotes the equalizing of the levels of economic development of countries which in the past were backward. The IBEC renders effective credit assistance to the Socialist Republic of Vietnam, Mongolia, the Republic of Cuba. When obtaining credit in that bank, they enjoy preferential interest rates. At a time when, for all the CEMA European countries, the interest rates that are in effect for IBEC credit are within the range of 2 to 5 percent annually, for Vietnam, Mongolia, and Cuba the rates have been established at a preferential level: 0.5 to 2 percent annually. This provides them with a low average cost of credit and thus an economizing of currency funds. During 1981-1982 alone, by this means, they saved more than 30 million transfer rubles.

Meanwhile, in the worldwide capitalist markets, the rates for credit have frequently been reaching "double-digit" figures, which sometimes cannot be distinguished from usurious rates of interest.

The facts and figures that have been cited attest to the fact that the settlement and credit mechanism of the CEMA countries during the 20-year period of the functioning of the IBEC has withstood its durability test. It has demonstrated its advantages over the currency system of capitalism, a system which is in the vise of a severe recession.

The CEMA countries have a policy that is completely devoid of autarchy. They are in favor of mutually advantageous, completely equal economic cooperation

with all the countries in the world. Therefore the IBEC, which, practically speaking, began its activity in January 1964, began by the second month of its operation to carry out operations in convertible currencies. By multiplying the experience being accumulated, the bank consistently reinforced its authority in the international markets and expanded its network of correspondents.

Over the period that has elapsed, the credit-settlement mechanism of the CEMA countries has not remained unchanged. As various prerequisites developed, it consistently improved itself as applicable to the specific tasks of economic and scientific-technical cooperation. That mechanism was noticeably improved in the early 1970's, on the basis of recommendations from the 24th Meeting of the CEMA Session. Effective 1 July 1970 there has been an increase in the deadlines and a reduction in the number of types of credit and a reinforcement of the principle of reciprocity; the planning of credit has begun to be tied in more closely with the planning of the national economy and foreign-economic relations of the CEMA countries.

Subsequently the credit-settlement mechanism in transfer rubles adapted flexibly to everything new that was born in the economic cooperation among the fraternal countries. When, for example, they decided to create a network of international economic associations, the IBEC began actively promoting that. For example, in 1973-1975, to the extent required, it granted credit to the CEMA countries for making payments to the statutory capital of Intertekstil'mash, Interatomenergo, and Interkhimvolokno. With the development of the activities of those and other international economic associations, the IBEC worked out the mechanism for granting credit to them.

In 1977-1978, during the period of the most intensive financing by the CEMA countries of their very large-scale joint construction project -- the Soyuz main gas pipeline -- the IBEC granted the International Investments Bank loans for more than 180 million transfer rubles in order to supplement its credit resources.

The present-day stage in the development of socialist economic integration requires the further improvement of the credit-settlement mechanism of the CEMA countries. This is dicated by the need to raise their economic integration to a higher level. At the June 1983 Plenum of the CPSU Central Committee, Yu. V. Andropov said, "We are striving. . . for a qualitatively new level of economic integration. Without that integration it is impossible today to imagine the life of the countries in the socialist community. And in the long-term view, integration will become increasingly profound, all-encompassing, and effective, reliably guaranteeing the reinforcement of the national economies of the participating countries."

In this regard it is important to improve even more the credit-settlement mechanism in transfer rubles, to increase the role of the collective currency, to increase its monetary functions, and to increase the importance of bank interest as an economic lever.

5075
CSO: 1825/16

BRIEFS

CEMA COAL COMMISSION MEETING--The latest session of the CEMA Standing Commission for Cooperation in the Area of the Coal Industry has been held in the Hungarian city of Jyonjyos. The commission considered a report on the rate of development of a program for the development of the coal industry until the year 2000, as well as the measures for coordinating the national economic plans of the CEMA member countries in the area of the coal industry for 1986-1990 and the more prolonged period. As a result of the need for the most rapid introduction of new and improved means of mechanizing the labor in the mining of coal under various geological conditions, there was a consideration of the recommendations for developing economic and scientific-technical cooperation in that area, as well as a discussion of the opportunities for increasing the reciprocal deliveries of mining equipment as a result of specialization and cooperation in production. (TASS). [Text] [Moscow EKONOMICHESKAYA GAZETA in Russian No 43, Oct 83 p 20] 5075

SOVIET ENERGY EQUIPMENT IN HUNGARY--In accordance with Energomasheksport [All-Union Foreign Trade Association for Export of Power Machinery] contracts with the Hungarian organizations "Transelektro" and "Khemolimpeks" the USSR will deliver to the VNR [Hungarian People's Republic] stepdown transformers and electric motors with a capacity of 100 kw, for mechanizing and automating production at a number of industrial enterprises; a large shipment of power transformers is to be supplied as well. [Text] [Moscow EKONOMICHESKAYA GAZETA in Russian No 42, Oct 83 p 21] 9006

MEETING OF CEMA METALLURGISTS--Paths for further development of cooperation among metallurgists of the CEMA member nations were discussed at a session of the Scientific-Technical Council of the Socialist Countries on Metallurgy of Light Metals, which was held in Baku. Taking part in the work of the council were delegations from the NRB [People's Republic of Bulgaria], VNR [Hungarian People's Republic], GDR [German Democratic Republic], PNR [Polish People's Republic], CRR [Socialist Republic of Romania], USSR, and CSSR [Czechoslovak Socialist Republic], as well as Yugoslavia. Those taking part in the session were given information on the activities of the scientific-technical council and developed a plan for its work for 1984-1985. The council examined problems of developing principally new methods for obtaining aluminum through use of non-traditional types of raw materials, and assuring protection of the environment. A forecast for scientific-technical development in the field of light metals metallurgy up to the year 2000 was approved. A seminar of specialists was held during the session on the subject: "The Development of Technology and Equipment for Producing Aluminum by the Chloride Method". A motion was adopted to hold the next session of the scientific-technical council next year in October in the Polish People's Republic. [Text] [Baku BAKINSKIY RABOCHIY in Russian 23 Oct 83 p 3] 9006

CSO: 1825/26

USSR-EAST EUROPE BILATERAL TRADE

INTERNATIONAL INVESTMENT BANK CHAIRMAN INTERVIEWED

Moscow TRUD in Russian 20 Sep 83 p3

[Interview with A. N. Belichenko, chairman of the board of the International Investment Bank (IIB), by R. Radulov, special correspondent of the Bulgarian labor union newspaper, TRUD, and P. Negoitsa, special correspondent for TRUD, in the column, "Our Interview": "One Credit Differs from Another"; date and place not given]

> [Text] A. N. Belichenko, chairman of the board of the International Investment Bank (IIB), answers the questions of the special correspondents for labor union newspapers.

[Question] Is it good or bad to live in debt--this is not an idle question. Since the time that credit appeared on the scene of world trade and economic relations and became a natural component of them, Western creditors have not abandoned the temptation to extract political benefits from it, in addition to the commercial benefits...

[Answer] I understand what you are saying. The efforts to use credits as an expression of slowed activity in regard to a particular state have often been undertaken by certain circles in the West.

"The calculation of the representatives of world imperialism was simple: Under the guise of 'charitable' aid, to destroy the Polish economy and, in that way, to implement their political goals. A very serious blow was inflicted. For example, the United States sharply restricted the export of agricultural and other products to Poland and, at the same time, sharply increased customs tariffs on Polish goods; this made it impossible to sell them to the USA. From this cruel example, we have drawn the conclusion that what applies today will apply in the future" (From the statement of T. Nesterovich, the minister of foreign trade of the Polish People's Republic).

In speaking of the IIB, its "debtors" have nothing to fear. Our goals are clear: Credits are given for construction and modernization of projects which are in the collective interests of the IIB member countries. As a rule, the capacities constructed with its capital aid the development of the process of the international socialist division of labor and the specializa-

tion and cooperation of production. During the 12 years of its work, the IIB has allotted credits for a sum of more than 3.5 billion converted rubles for 83 projects. The estimated cost of these projects is approximately 10 billion converted rubles. In this way, the credits of the IIB have also improved the currency-financial situation of a particular country.

[Question] That is very important, Al'bert Nikolayevich. Would you give specific examples to support what you have been saying?

[Answer] Machine building is one of the most important industrial sectors in which the IIB has given credits for development. The recipients include: the GDR national enterprise, Fortshritt Landmashinen, which produces grain harvester and ensilage harvester combines and self-propelled reapers, and the Hungarian plant, Gants Mavag, which produces high quality equipment for atomic power plants, and many other projects. I would like to discuss at length here the GDR combine, Umformtekhnik. Its forging and pressing equipment competes easily today with analogous products of many Western firms in the world market. One can ask what IIB has to do with this. The fact is that the period of intensive export of its products followed soon after the capital modernization of the combine, which was carried out with the assistance of our bank's credit. When giving credits, the IIB was interested in the fact that the combine's collective had fully incorporated the latest achievements of science and technology as applied to manufacturing. And the result is evident. An analogous example can be cited in Bulgaria. With the assistance of the bank's credits, the Rekord Combine for motorcar production in the city of Plovdiv has modernized and expanded. Acting jointly in this way in the future, the socialist countries will be able to make significant advances in decreasing imports from capitalist governments and simultaneously increasing trade with each other in high quality products.

In this connection, I would like to mention the Soyuz gas pipeline. For years, its real significance has stood out, especially under the conditions of the energy crises in the Western economy. In due course, the IIB made its contribution to the pipeline's construction. It regularly extended credit to a whole complex of pipeline projects. Bulgaria, Hungary, the GDR, Poland, Romania, and Czechoslovakia are receiving valuable fuel from it today.

[Question] It appears that the IIB's credits, in the end, increase the export capabilities of a particular country. Does not the problem of the connection between issuing credit to a particular country and the country's payment to the bank's capital arise from this?

[Answer] I have already said earlier that the bank regards the collective interests of the member countries as being of paramount importance. Of course, working discussions may arise when projects for extension of credit are being selected. But there is never any reference in this case to attempting to obtain any concessions from the interested party by means of credits; incidentally, this frequently happens in the West.

"The International Monetary Fund openly dictates its conditions to debtors and threatens not to issue loans otherwise" (from THE NEW YORK TIMES).

"The long-term financial-economic prospects of developing countries who have tied their fortunes to the economy of the West remain dismal. By 1995, they will have a negative balance of payments of more than 270 billion dollars, and their foreign indebtedness will reach the astronomical figure of 2 trillion dolllars" (from the report of the International Bank of Reconstruction and Development).

Issuing credit does not depend on the amount paid to the bank's capital. For persuasiveness, I will refer to these figures: For example, the USSR's alloted payment to the authorized capital consists of 37 percent, while such countries as Mongolia and Hungary pay only 0.4 and 7.8 percent, respectively. But, in spite of this, Mongolia, Hungary, and the USSR have the same right to obtain credit from the bank. It must also be noted that the bank credits in converted rubles are cheap in cost and are allotted for a period of 5 to 15 years based on an annual interest rate of 3 to 5 percent. At the same time, such countries as the Mongolian People's Republic, the SRV, and the Republic of Cuba have the right to obtain credits at more preferential rates. In addition, the extension of credits for the most important integrated projects, as was the case with the Soyuz gas pipeline, may be implemented with preferential interest rates. The IIB's extension of capital for projects is subordinated to our general efforts to strengthen the economy of socialist countries and to develop their most important sectors to the farthest limits. For this purpose in recent years, the bank has participated in the work on coordinating the national economic plans of the CEMA member countries for the 1981-1985 period and in preparing long-term cooperative target programs.

[Question] When becoming familiar with the materials on the IIB's work, one gets a convincing picture of the "penetration", so to speak, of the bank's funds in the widest variety of sectors of the national economy...

[Answer] Yes, the sphere of our work is really extensive. We do not have any sectorial or regional specialization. For example, in Bulgaria the high-speed beltway between Sofiya, Burgas, and Varna was built with the IIB's credit. And in the Republic of Cuba, sugar plants are being built. Textile and knitted-goods enterprises in Bulgaria, Hungary, Mongolia, and Poland have been built. However, it should not appear to anyone that the bank's work encompasses only simple dispersal. Such a conclusion does not correspond to actual practice. The export commitments accepted by borrowers in loan agreements are met and exceeded for the majority of projects. Here is just one figure. During the 12 years that the International Investment Bank has issued credit for construction and modernization projects in the CEMA member countries, products worth approximately 15 billion converted rubles were exported. These products include metal-cutting lathes and pressing equipment, agricultural and polygraphic machines, and products of the chemical, rubber and food industries.

[Question] As the facts above illustrate, the IIB's credits play a positive and creative role. Do member countries of the bank plan further expansion of its credit work?

[Answer] We have such plans, and their realization will naturally require further concentration of funds. For example, the possibility of extending credit to the enterprises of the metallurgical industry, the widespread introduction of microprocessor technology and industrial robots is being studied in detail. The efforts of CEMA to develop agriculture further and to make basic improvements in providing our countries' population with food products have not escaped our attention. These plans have been calculated for the future up to 1990 and for a longer period. In the future, the bank will be trying to have the modernization or construction of a particular project in an interested country be carried out on the basis of the latest achievements of scientific ideas, and through that, the final results, that is, the finished products, would help decrease imports from capitalist countries. By its work, the bank will try to make a contribution to the coordination of economic policy as a whole with interested countries. I am sure that the implementation of such measures will result in a further increase in the effectiveness of the IIB's credits.

12478
CSO: 1825/01

USSR, CEMA BASIS FOR INDUSTRIAL TRADE WITH WEST DETAILED

Moscow EKONOMICHESKIYE NAUKI in Russian No 9, Sep 83 pp 49-56

[Article by V. Chekurov and N. Chekurova, candidates of economic sciences: "Production-Technical Ties in the Economic Relations Between the CEMA Member Countries and the Capitalist Countries"]

[Text] A distinguishing feature at the present-day stage of the development of the countries in the socialist community is the considerably broader inclusion in the international division of labor than had been the case previously, the gradual conversion of their foreign-economic ties into an essential factor in the intensification of all the economic processes occurring in those countries. During the period 1970-1980 alone the foreign-trade turnover of Bulgaria, Hungary, and Poland increased by more than 3.8 times; East Germany, 3 times; Mongolia, almost 3.5; Romania, almost 5; USSR, more than 4.2; and Czechoslovakia, by 3 times[1].

The greatest opportunities for using the foreign-economic ties to resolve the strategic tasks of increasing the effectiveness of production, accelerating scientific-technical progress, and raising the material and cultural standard of living for the workers were created in the sphere of the reciprocal cooperation among the fraternal countries in the socialist community. A cooperation that is based on the consistency of the principles of internationalism, mutual benefit, and mutual aid which are being implemented, and a cooperation that is stable and expanding in a planned manner, it enables the socialist countries to carry out in a planned manner the improvement of their national-economic complexes within each country, to carry out the modernization of the production apparatus, and to implement successfully the goals that have been set for socioeconomic development. The indisputable advantages of the economic cooperation among the socialist countries within the framework of the CEMA are graphically attested to by the fact that during the 1981-1985 five-year period they plan to increase their reciprocal commodity turnover by 36 percent as compared with 1976-1980, and the reciprocal exchange of specializied output, by twice[2]. The development and deepening of socialist economic integration leads naturally to the further increase in the commodity turnover among the CEMA member countries and to the constant improvement of its structure.

While giving indisputable priority to the reciprocal cooperation, the CEMA member countries are also guided by the principle that is firmly established

in the Comprehensive Program, the principle to the effect that the international socialist division of labor is construction with a consideration of the worldwide division of labor[3], and those countries keep in mind the large political importance of international economic relations as a factor in detente and the consolidation of the peace. Therefore the countries in the socialist community strive to deepen the complete and mutually advantageous ties in various areas of the economy, science, and technology with all the interested countries, including the capitalist ones. "We are in favor of the broad cooperation -- cooperation that is fruitful and free of *diktat* and interference in other people's affairs -- among all the peoples of the planet to their mutual advantage and for the good of all mankind," Comrade Yu. V. Andropov said in his report "60 Years of the USSR"[4]. At the June 1983 Plenum of the CPSU Central Committee Comrade Yu. V. Andropov re-emphasized that "we are striving for the fundamental improvement of international relations, the consolidation and development of all the good principles in those relations"[5].

Under conditions of detente that arose and developed as a result primarily of the stable and consistent efforts of the USSR and the other socialist countries, the sphere of the foreign-economic relations, which is arbitrarily called "East-West," became a highly dynamic area in world-economic ties. In 1960-1980 the volume of trade between the CEMA member countries, on the one hand, and the capitalist countries, on the other, increased from 4.9 billion rubles to 67.4 billion, that is, increased by almost 14 times, with the average annual growth rates being approximately 15 percent[6]. During the 1970-1980 decade alone the commodity turnover between the USSR and the capitalist countries increased by 6.7 times[7]. It is important, however, to note that the real opportunities that exist for the expansion of the foreign-economic ties between the countries in the socialist community and the industrially developed capitalist countries are still a long way from being exhausted; suffice it to state that the share of the commodity turnover between these two groups of country in world trade has not reached even 4 percent.

The present-day system of foreign-economic ties between the CEMA member countries and the developed capitalist oountries, reflecting worldwide tendencies, is realized in various forms: in foreign trade, in scientific-technical and production ties, in currency-financial relations. A question that is of extreme practical importance is the question of the degree of influence exerted by each of the mentioned forms upon the general economic situation in the relations between the different systems. The determination of the real significance and scope of the development of the basic trends in the economic interrelationships between the CEMA member countries and the capitalist countries depends upon a number of factors. Several of them are of a universal importance when developing the foreign-economic policy with respect to any foreign state, in particular: the concrete economic situation in the particular socialist country and the peculiarities of the economic tasks at the definite stage of its development; the scope, trends, and forms of its inclusion in the international division of labor, with a consideration of the import needs and the export opportunities for covering them; the situation on the world market; etc.

Obviously, when determining the scope and trends in the foreign-economic relations with the capitalistic countries it is necessary first of all to proceed

from the specific nature of those countries as partners in intergovernmental cooperation. One must not fail to take into consideration the not particularly consistent or successive foreign-policy course taken by the bourgeois countries, the sharp changes in which course frequently depend upon various subjective factors, including the change of political leaders[8]. This has been discernible with particular clarity in the most recent past, when the reactionary imperialistic forces, and primarily the United States, took a course aimed at the undermining of the detente, when, as was noted in the June 1983 decree of the Plenum of the CPSU Central Committee, "there is occurring on the international scene a sharp aggravation, which has been completely unprecedented during the entire postwar period, in the struggle between the two social systems,the two diametrically opposed political philosophies"[9]. It is understandable that under those conditions there has arisen the need to take greater consideration than used to be the case for the degree of the potential interrelationship between the socialist and capitalist economies, an interrelationship that is capable of forming as a consequence of the development of a particular form of economic ties with the imperialist countries. Nor should one forget the persistent attempts on the part of definite ruling circles in the capitalist countries to use the economic ties as a means of exerting political pressure upon the socialist countries. The experience of the events of recent years in Poland, and the measures taken by the U.S. administration to exert economic pressure upon the Soviet Union and the Western countries that are ready to cooperate with the Soviet Union, eloquently attest to the great importance of taking into consideration the aggressive nature of imperialism when evaluating the different versions of developing the economic relations with the capitalist countries.

Among the other very important factors one must also mention the complete consideration of the opportunities for the prompt and efficient resolution of various specific tasks by the means of national efforts and by means of the trade-economic relations within the framework of the CEMA in the course of the development of the processes of socialist economic integration. The protection and further consolidation of the technical-economic independence of the countries in the socialist community is not only the pledge of the successful resistance to any sanctions on the part of the imperialist countries, but also a determining prerequisite for increasing the effectiveness of the entire system of economic ties with them.

An analysis of the practice of developing the most widespread forms of the foreign-economic ties between the socialist and the capitalist countries attests to their inequality from the point of the national-economic and political consequences, as well as the specific contribution made by each of the forms to the resolution of the tasks in the area of the relations with the capitalist world.

The different contribution to the achievement of the goals that are set in the sphere of the foreign-economic ties with the capitalist countries, in its turn, is determined by the existence of extremely specific problems that exist in the development of each of the forms. However, inasmuch as the overwhelming majority of them, in the final analysis, are implemented by means of the foreign-trade relations, it is precisely during the analysis of the commodity

turnover that one can detect the problems and difficulties that exist in the economic interrelationships between both groups of countries. And, conversely, the improvement of the situation in some specific area of cooperation exerts an influence in the positive changes in foreign trade.

As is well known, a serious problem that is linked with the development of the trade between the CEMA member countries and the developed capitalist countries continues to be the lack of balance between the volumes and structure of export and import. This is explained primarily by trade, tariff and non-tariff, discrimination by the Western partners in export from the East. The creation of various kinds of artificial limitations on the part of the capitalist states in trade with the socialist countries is seriously restraining the growth in the export from the latter countries to the Western markets. Factors that are especially telling are the economic barriers that have been erected by the EEC in the economic ties with the CEMA member countries: the so-called protective customs tariff that is directed against the most promising types of export from the CEMA member countries (articles with increased amount of processing); the preservation of quotas for commodities that are in highest demand in the West; so-called administrative obstacles (delays in the granting of licenses or authorizations for importing from the socialist countries; an arbitrary division of quotas by periods, countries, and importing companies, which is detrimental to the interests of the socialist countries). The protectionistic terms of the EEC cause an especially large amount of harm to the exporting of agricultural and edible commodities from the CEMA member countries. The import tax on many types of agricultural output from those countries greatly exceeds the level of the taxation of the same commodities when they are being imported from countries that are part of the EEC.

This discriminatory practice threatens the implementation of one of the most important benefits of present-day foreign-economic ties -- their long-term nature. The resultant lack of clarity with regard to the long-term prospects has a particular influence upon the scope of the production cooperation and seriously hinders the growth of its effectiveness. Only the complete rejection by the capitalist countries of all forms of discrimination -- a rejection that is possible, obviously, only if there is a substantial improvement in the political climate -- will enable the countries of both world systems to make the maximum benefit from the mutual economic cooperation.

Keeping in mind the existence of these external difficulties that are not caused by the CEMA member countries, which difficulties exist on the paths of the development of their trade and economic relations with the West, it is necessary at the same time to emphasize the need to improve the quality of the output being exported from the socialist countries, and to increase its competitive capabilitity. The basic means for the attainment of these goals in conformity with the fundamental principles of the party and governmental agencies of the countries in the socialist community is the further improvement of the export potential for the substantial expansion of the export to the world markets and the balancing of the structure and volumes of the reciprocal commodity flows between the countries in the different systems.

The socialist countries are taking effective steps to improve the situation that has developed in the trade with their capitalist partners. However, in this area there remains much more to be done. The lack of balance in the volumes of trade between the countries of the different systems is in a direct cause-and-effect relationship with the lack of balance in its structure. The different level of prices for raw-material and manufactured goods and the resultant difference in the effectiveness of their sale on the world market have influenced the value disproportion in the commodity counterflows between the CEMA member countries and their capitalist partners. The major decision of this problem is the improvement of the structure of export from the CEMA member countries and the quality of the commodities going to the foreign market. But one cannot fail to see that this decision requires a large amount of time. That circumstance presupposes the need to take effective steps to overcome the difficulties existing there. It would appear that a definite role in eliminating them can be played by the new forms of cooperation between the CEMA countries and the West, which forms have already had a certain checking and accumulation of experience. The exchange of technological schemes and the development of industrial cooperatives and specialization, combined with the improvement of marketing and informational activities in the CEMA member countries, in our opinion, can contribute to positive changes in the structure of the commodity turnover of the countries of the socialist community and the capitalist countries. The increase in the role of the production and scientific-technical ties between the CEMA member countries and the developed capitalist countries in a system of long-term bilateral agreements dealing with trade, economic, and scientific-technical cooperation is confirmed by the fact that during the past decade one noted a considerable increase in their share as compared with the purely trade relations.

Production-technical ties have for the CEMA member countries a number of real advantages over the purely foreign-trade relations with the capitalist countries, inasmuch as, first of all, they make it possible to replace the periodically renewed import of finished technology by the import of complete sets of equipment or licenses to produce it, and that has a favorable effect upon the equalizing of the volumes of trade between the countries in the different systems. In addition, certain forms of production cooperatives (for example, compensatory agreements, joint production, subcontracts) improve the structure of the export by the CEMA member countries to the West and guarantee its expansion, and this is legally established by contracts. The purchase of licenses not only frequently becomes the basis for further production cooperation with Western companies, but also provides a powerful impetus to the development of anti-import production, thus making its contribution to the improvement of the trade balances. All these advantages predetermine the key position that are occupied by the previously mentioned forms in the present-day economic relations between the countries in the socialist community and the developed capitalistic countries.

It seems to us that the basic reserves for the further increase in the effectiveness of the production and scientific-technical ties between the CEMA member countries and their capitalistic partners lie in the system of organizational factors. Among the first-priority tasks one should note the improvement of the comprehensive nature of the foreign-economic ties. The essence of that nature, as everyone knows, lies in the fact that the individual

forms of the foreign-economic activity cease to exist as isolated or weakly interacting ones, but, rather, develop in inseparable unity, one form penetrating into another, and becoming intertwined. As a result, it becomes a persistent need to develop those elements of international cooperation which are, in essence, a symbiosis of a number of forms, a kind of "docking unit" for connecting the particular form of foreign-economic ties with their other forms. In our opinion, the totality of these "docking units" for the individual forms of scientific-technical cooperation and the formation of production cooperatives should be isolated as production-technical cooperation, the differentiating feature of which is the transfer of the advanced technological schemes within the framework of the cooperative[10]. The existence of these "units" is typical of most of the practically known forms of production cooperatives between enterprises in the CEMA member countries and Western companies.

As a rule, the specialists who study the problems of production cooperatives between countries of different systems rely on the classification of its forms that was developed in the United Nations system, which classification includes the granting of licenses on terms of paying by means of shipments of finished output; shipments of complete equipment or technological lines on terms of payment by means of finished output; joint production and specialization; subcontracts; joint enterprises; joint research, designing, or construction of projects[11]. If one orients oneself on the attribute of the transfer of technological schemes, one should concluded that the "units" of production-technical cooperation act most clearly in the first four forms of cooperative action, and also in joint enterprises that carry out production and scientific-technical activities. And one sees especially isolated here the very first of them -- the purchase of licenses on terms of payment by means of finished output. This form not only is the one that has been best tested, but is also one of the basic ones in the system of the production ties with the capitalist countries.

A noticeable role in the system of the transfer of technological schemes in recent years has been played by compensatory agreements dealing with the delivery of complete equipment and technological lines. As a rule, the cost of the transmitted technological schemes is a component part of the cost of the equipment. These agreements usually stipulate, in addition to the delivery and installation of the machine tools, the rendering of assistance in starting up and the adjustment of production and the occupational training of the personnel.

A form of cooperation that is higher than the granting of licenses and the shipments of complete equipment on a compensatory basis is joint production and specialization, which are typified by the comprehensive system of relations between the partners. Here one usually uses technological schemes that have been developed by one of the participants, but there are not infrequent instances when each of them applies his own technological scheme or it is created as a result of joint scientific research. Usually the agreement dealing with the joint production and specialization also includes the marketing agreements. A typical situation is the one when the finished output has the trade mark of both partners and is sold separately by each of them in

"its own" market and jointly in the markets of third countries. The exchange of technological schemes along the channels of joint production and specialization is used by many enterprises in the countries of the socialist community in their relations with the capitalist countries. A special role in the resolution of the scientific-technical tasks is played by the development of specialization and cooperative action in the area of applied research.

A definite contribution to the transfer of technological schemes is also made by such a form of the production cooperation between the countries of the different systems as subcontracts. As a rule these are short-term agreements, in conformity with which the enterprises in the socialist countries, on the basis of documentation that has been furnished by the Western countries (and sometimes machinery and equipment), produce and deliver to them the quantities of finished output or semifinished goods that have been agreed upon. Sometimes the subcontract exists for an extremely prolonged period of time; the relations that arise in such instances are similar to those which are established in the event of the granting of licenses, deliveries of complete equipment, and joint production.

There has been a lesser scope of development at the joint enterprises at which the socialist economic organizations and their capitalist partners carry out the joint administration and participation in the profits and losses on the basis of joint ownership.

The development of production and scientific-technical ties under conditions of an interrelated situation complicated the administration of them as a combined activity. The resolution of the resultant tasks is possible only along the lines of the consistent realization of the socialist principles of state monopoly in foreign-economic ties. It is precisely on that basis in the countries of the socialist community that steps are being taken at the present time for the further improvement of the system of administering the foreign-economic activity, including the production-technical ties with the capitalist partners.

In Hungary, for example, there has been formed a system of state agencies that are responsible for the development of cooperative-type cooperation with the capitalist countries. With a consideration of the combined nature of international production-technical ties, the central place in this system is occupied by the Interdepartmental Commission on Cooperative Action. The basic tasks of that commission include: the development of the strategic trends and instruments for administering the development of production cooperatives with the capitalist companies; the evaluation of the possible versions of cooperation from national-economic positions; and other fundamental questions. Important functions are also carried out by such organizations as Intercooperation, Interag, Hungagent, Generalimpex. The Intercooperation joint-stock society that was created in 1970 unites more than 20 departments and organizations, including the interested foreign-trade and industrial enterprises, the Ministry of Foreign Trade, the Hungarian Foreign Trade Bank, and the Committee for the Development of Technology. The society engages in the study of the capabilities and results of cooperative action with Western companies, executes functions as an intermediary, and itself carries out foreign-trade operations[12]. Intercooperation has established a cooperative-type exchange -- the "We're

Looking for a Partner" intermediary office[13]. The Hungarian organizations that participate in the cooperative ties have the right to receive preferential bank credit and enjoy the assistance of the National Bank in the rental of the necessary equipment abroad (leasing)[14].

A large amount of attention to questions of the development of international production cooperatives is paid in Romania. A system of specialized agencies that carry out the management of that activity is formed by the Department of International Cooperatives, of the Ministry of Foreign Trade and International Economic Cooperatives, as well as a number of enterprises, and the appropriate departments of ministries and associations.

An important impetus for the further intensification of cooperative ties between Czechoslovakian enterprises and companies in the nonsocialist countries was the decree adopted by the Czechoslovakian government in 1980, which stipulates the paying of special attention to the guaranteeing of the preparatory conditions for cooperative action. There has been an improvement in the planning of cooperative ties, and the enterprises are having created for them the opportunities to make purchases -- with payment to be made from the output to be produced -- of the necessary production and technological equipment, licenses, and know-how. For purposes of increasing the self-interestedness of the enterprises, it has been established that after three years of their active participation in cooperative ties they are given the right to the maximum satisfaction of their needs for currency funds to be used by the enterprises at their own discretion. The functions have been refined for the Transacta foreign-trade organization, which provides paid services for production enterprises (consultative sessions, the providing of the necessary information when developing the draft versions of agreements, etc.)[15].

In the USSR, steps are being taken for the further improvement of the mechanism for organizing foreign-economic ties on the basis of the decisions of the 24th, 25th, and 26th CPSU Congresses. It is especially necessary here to note the guaranteeing of the complete planning of all forms of foreign-economic activity, the expansion of the rights and responsibility of the branch ministries for the development of those forms, and the introduction of principles of cost accountability that are uniform for production and for foreign trade.

The organizational restructuring of the administration of the foreign-economic ties in the CEMA member countries has contributed to the increase in the volumes and effectiveness of the production-technical cooperation with the West. However, in this sphere of the foreign-economic activities of the socialist countries there still exist a number of problems that are awaiting their resolution. Some of them pertain to the entire system of organization of the foreign-economic activities of the socialist countries. Those problems are inseparably linked with the need to include the foreign-economic ties in general and the production-technical cooperation in particular in the national processes of reproduction as one of the factors for optimizing and intensifying the national-economic complexes. In essence, we are dealing with the further improvement of the methodology of substantiating and selecting the optimal trends for the inclusion of the national economy in the

international division of labor. As applicable to production-technical cooperation, this means the complete analysis of the opportunities for the development of the corresponding production within the country, and also by the proposed partner (which is possible only if the corresponding information is available), the guaranteeing of the closer interrelationship between that cooperation and the long-range national plans, including the plans for scientific-technical progress and other corresponding plans.

Considerable reserves also exist with regard to the improvement of the system of providing incentives for the production-technical ties between the socialist enterprises and their capitalist partners. Measures that have already been carried out in the CEMA member countries have contributed to the overcoming of the functional gap between production and foreign-trade activity, and to the introduction of "through" cost accountability. The further successive work has been called upon to guarantee the increase in the effectiveness of the foreign-economic ties and, in our opinion, should lead to a more active influence upon the producer, encouraging the prompt execution of the pledges with respect to the foreign partner's production of the output with the quality that is required on the foreign market.

Another important task is the further improvement of the organizational structure of the administration of production-technical cooperation, the more precise interaction and distribution of the functions among all its subjects, including the efficient expansion of the functions of the branch ministries in the resolution of the operational and technical questions with the strict observance of state monopoly, as well as the increase in the role in that structure of the state agencies that determine the scientific-technical policy. The directedness of the activities of the latter on accelerated industrial assimilation of the national scientific-technical achievements, the expansion of the base of their introduction, is the prerequisite for the improvement of the international production-technical ties of the countries in the socialist community. This can promote not only the absolute or relative reduction in the import of licenses, but also the expansion of their export, and this will have a positive effect on the balance of trade with the West. A factor that is extremely promising in this regard is the exporting of licenses on a compensatory basis, which will make it possible to resolve two interrelated tasks: first, the protection of scientific-technical achievements which, for various reasons, cannot be assimilated in a time-responsive manner by the industry in the CEMA member countries from possible obsolescence; and, secondly, the providing of the national economy with the necessary output. The sale of licenses on a compensatory basis takes on special importance for our country with its powerful scientific-technical potential.

Large opportunities for improving the entire system of economic relations with the capitalist countries are opened up by the further deepening of the interaction among the countries in the socialist community within the framework of the CEMA. The coordination of the connection of various forms of economic cooperation with third countries with the corresponding integrational measures within the framework of the CEMA makes it possible to increase the effectiveness of the entire foreign-economic activity of the socialist countries. A special role in this must be played by the competent agencies of the CEMA and

other international organizations in the countries of the socialist community. For example, as has been demonstrated by practical life, a substantial contribution to the resolution of the problems of the financing and the granting of credit for production-technical cooperation with Western partners can be made by the international banks of the CEMA member countries -- the IBEC and IIB. As for license relationships, the appropriate CEMA agencies will have to study the existing positive experience in the coordinated actions taken by the countries in the socialist community in the Western markets (joint acquisition and joint sale of scientific-technical achievements) and must promote its dissemination.

FOOTNOTES

1. See: Cherkasov, N., Posadskiy, A., "Socialist Cooperation -- The Embodiment of a New Type of International Economic Relations," EKONOMICHESKIYE NAUKI, No 12, 1982, p 94.

2. See: Leznik, A., "Effectiveness of International Specialization of Production," VOPROSY EKONOMIKI, No 4, 1982, p 122.

3. See: "Mnogostoronneye ekonomicheskoye sotrudnichestvo sotsialisticheskikh gosudarstv (sbornik dokumentov, 2-e, dop. izd.)" [Multilateral Economic Cooperation of the Socialist States (Collection of Documents, 2d edition, enlarged)], under general editorship of P. A. Tokareva, Moscow, 1972, p 31.

4. Andropov, Yu. V., "Shest'desyat let SSSR. Doklad na sovmestnom torzhestvennom zasedanii Tsentral'nogo komiteta KPSS, Verkhovnogo Soveta SSSR i Verkhovnogo Soveta RSFSR v Kremlevskom Dvortse s"yezdov" [60 Years of the USSR: Report at a Joint Solemn Session of the CPSU Central Committee, the USSR Supreme Soviet, and the RSFSR Supreme Soviet in the Kremlin Palace of Congresses], Moscow, 1982, p 27.

5. "Materialy Plenuma Tsentral'nogo Komiteta KPSS 14-15 iyunya 1983 goda" [Materials of the 14-15 June 1983 Plenum of the CPSU Central Committee], Moscow, 1983, p 25.

6. See: Faminskiy, I., "Economic Relations of the USSR With the Capitalist Countries," EKONOMICHESKIYE NAUKI, No 6, 1982, p 88.

7. See: Patolichev, N., "An Important Factor for the Reinforcement of the Peace," VNESHNYAYA TORGOVLYA, No 2, 1983, p 3.

8. For more concerning this, see: "Faithfulness to the Leninist Foreign-Policy Course," KOMMUNIST, No 3, 1983, p 25.

9. "Materialy Plenuma Tsentral'nogo Komiteta KPSS 14-15 iyunya 1983 goda," p 68.

10. This approach was already taken by P. S. Zav'yalov, who wrote, "Various types of cooperations on the basis of functional attributes, representing relatively independent spheres of economic activity, simultaneously become

part of various species of cooperation. Take, for example, international scientific-technical cooperation (NTS). A component part of that cooperation is cooperation that is directly linked with production cooperatives (for example, joint experimental-design developments for projects of production cooperatives, the joint assimilation of the technology of production of the articles being cooperatively produced, etc.). Other types of scientific-technical cooperation depart farther from international production cooperatives or are completely unconnected to it" (Zav'yalov, P. S., "Development of International Cooperative Production in the Machine-Building of the Western European Countries (Methodological, Organizational, and Economic Questions), BIKI [Bulletin of Foreign Commercial Information], 1977, Supplement 9, p 32).

11. See: "Analytical Report on Industrial Cooperation Among ESE Countries," United Nations, Geneva, 1973, p 2.

12. See: "Ekonomicheskiye svyazi Vostok-Zapad: problemy i vozmozhnosti" [East-West Economic Ties: Problems and Opportunities], Moscow, 1976, p 104.

13. See: "The Search for a Partner," VENGERSKAYA VNESHNYAYA TORGOVLA, No 2, 1982, p 44.

14. See: "Cooperation: Recommendation," VENGERSKAYA VNESHNYAYA TORGOVLYA, No 4, p 41.

15. See: Krots, V., "Opportunities for the Development of Cooperative Action," CHEKHOSLOVATSKAYA VNESHNYAYA TORGOVLYA, No 6, 1982, p 25.

5075
CSO: 1825/32

TRADE WITH INDUSTRIALIZED COUNTRIES

AUSTRIANS DISCUSS IMPORTANCE OF SOVIET-AUSTRIAN TRADE

Moscow EKONOMICHESKAYA GAZETA in Russian No 37, Sep 83 p 22

[Article by V. Filippov, from Vienna and Moscow in the column "In the Capitalist World": "Barometer of Austria's Economic Life"]

> [Text] A symposium on Austrian agricultural food supply technology opens on 26 September at the Moscow International Trade Center. By the end of the year, Austrian firms will participate in four international exhibitions organized in the USSR. At the invitation of the Federal Economic Chamber, a group of Soviet journalists visited Austria and had meetings and discussions with the political and economic leaders of the country and managers of industrial companies and got to know the partner-firms of the Soviet foreign trade organizations.

Since ancient times, Austria has been in a special situation. Located in the center of Europe, it has always been a convenient trade partner of many European countries. At the present time, too, the economic situation of the republic is determined in many aspects by foreign trade--the barometer of the country's life, which is very closely watched and not just by business and political circles. The fluctuation of this instrument's indicator has an immediate influence on many people's situation: When there are orders and trade develops, then there is also work. The main topics that are talked about in Austrian enterprises, parliament and on television are the problems of employment and the development of trade under the conditions of the severest economic crisis, the effects of which have spread to the borders of the Alpine republic.

The Soviet Union has been linked to Austria by long-established economic relations which become stronger every year. The Soviet Union supplies Austria with natural gas, oil, products of the chemical industry, Lada and Niva automobiles and other products. The products list of Austrian products is diverse. The USSR occupies sixth place in Austrian exports and third in imports. In the last 10 years, the goods turnover between our countries increased from 163.5 million rubles in 1972 to 1,209,800,000 in 1982, that is, more than 7 times greater.

Trade with the Soviet Union is free of recessions in market conditions; it generates stability and employment and ensures steady work in enterprises which fill Soviet orders.

"Trade Is a Bilateral Process"

On the eve of our trip, we were able to meet Doctor H. Liedermann, the Austrian ambassador to the USSR, and F. Drascyk, the Austrian trade represenative. The discussion concerned the status and the prospects of the development of Austrian-Soviet trade and economic relations. Our interlocutors highly valued the level and nature of the economic relations between the two countries. They spoke about the great possibilities for further development of these relations. Later, when we were in Austria, we did not hear a different viewpoint. Everyone, literally everyone, whom we met spoke of the mutual advantage of building economic ties and their interest in developing them.

In Vienna, we met Vice-Chancellor Norbert Steger. He is in charge of the Ministry of Trade, Handicrafts and Industry.

He said, "We are interested in good relations with the Soviet Union. The position of a neutral country gives us definite advantages in trade. The Austrian-Soviet long-term program for the development and extension of economic, scientific-technical and industrial cooperation for 1981-1990, signed in 1981, has been successfully put into effect. Cooperation in the areas of science and technology and joint projects in third countries is especially promising." The vice-chancellor emphasized that, with the complex conditions in the development of world economics, the stability of Austrian-Soviet economic relations creates good conditions for employment. As examples, the vice-chancellor named a number of firms, including the Heid Machine Building Plant.

The next day, we were given the opportunity of visiting Shtokkerau, where this plant is located. G. Dautzenberg, the general director of the Heid Firm, being familiar with the enterprise, noted that approximately 50 percent of the equipment produced by the plant is shipped to the Soviet Union. This helps the firm feel assured, unlike many other Austrian firms. "In recent years," G. Dauttsenberg said, "we have produced a 5-6 percent annual increase in production and we provide full employment for our personnel, who number 1,800 people."

To the question of what would happen without Soviet orders, he answered frankly:

"Nothing good. Although the firm also has an international reputation, it is now very, very difficult to get orders."

Heid is a long-established partner of Soviet foreign trade organizations. The firm once supplied the simplest sifting and winnowing machines to our country. Now the trade transactions involve the most complex equipment: grinding machines for the VAZ [Volga Motor Vehicle Plant] and other

equipment. Incidentally, the drilling equipment being supplied was created in close cooperation with specialists of the Soviet Union. This form of economic ties is being developed more extensively.

"Trade is a bilateral process. Our firm not only sells to, but also buys from, the Soviet Union," the general director remarked. "Our specialists and workers value Soviet machine tool production highly. Recently, for example, we purchased a processing center from the Ivanovo Plant and metal-cutting machines from Leningrad, Saratov and the Moscow Krasnyy Proletariy Plant. An agreement with the Ryazan Machine Tool Plant for joint production of machine tools with preset digital control has been put into effect."

The bilateral trade process was easily visible in tangible form in plant shops. According to tradition here, a small red flag is fastened to each machine tool obtained from the Soviet Union, so that, passing through the shop, you can determine the contribution of Soviet machine tool builders to supplying the firms with equipment, and when leaving the shop, in the packing section, you can see the equipment prepared for shipment to the Soviet Union. In general, it is a two-way street.

The Chemiefaser Lentzing Combine for producing chemical fiber also has long-established ties with Soviet organizations. "The annual volume of trade and scientific-technical cooperation," G.-I. Studt, board member of the concern, told us, "is from 70 to 140 million shillings. We are satisfied with the good relations in the area of scientific-technical cooperation. Steady contacts have been built up with institutes in Mytishchy and Kalinin. We often meet with workers of the Soviet State Committee for Science and Technology and other organizations. Recently, questions of further cooperation were discussed with the directors of the Ministries of the Food Industry and the Fruit and Vegetable Industry; their specific forms were agreed upon. With the conditions of the complex world market conditions, the stability of economic ties has a favorable effect on solving the employment problem."

The managers of the Masohinenfabrik Andritz Firm, which has steady economic ties with Soviet organizations, told about the beneficial influence of Soviet orders on employment. "We especially felt the force of the economic crisis last year. The orders from capitalist countries declined to two-thirds of their previous level."

The managers of the Steyer-Daimler, Grill-Grossman and KhAAS Firms, which are well known in Austria, displayed a desire to develop trade-economic relations with us.

"The Result of Our Neutrality"

A detailed discussion about the features of Austrian economics and the prospects for developing Austrian-Soviet economic relations took place at the Federal Economic Chamber, which had invited us to the Austrian Republic. Doctor K. Kehrer, the secretary general of the chamber, and

his associates who are involved with ties with the Soviet Union and the CEMA member countries, led the discussion.

The Austrian Federal Economic Chamber and the land economic chambers comprising it occupy an important place in business life. We have noticed that its representatives make up all of Austria's trade representation in other countries.

The chamber gives commercial advice to firms and concerns, informs them of the tax and customs laws in effect in a particular country and the existing economic market conditions, and it performs the function of intermediary when contracts and agreements are being concluded. The chamber organizes exhibitions and symposiums.

Under the existing laws, any firm, large or small, any employer is required to be a member of the chamber.

Doctor Kehrer began the discussion with a review of existing economic conditions.

He said, "Austria has fallen more seriously under the influence of the severest economic crisis. Our situation is better than that of many countries of the West. This is a result of our neutralism. But a strong slowing of growth can be detected even today. The gross national product grew 3 percent a year in the 1970's, 2.5 percent in 1981, and the increase was only 1 percent in 1982, and in industry, the recession in production came to 0.5 percent.

"Unemployment is increasing. There is less unemployment in Austria than in Common Market countries, but that is a poor consolation." Doctor Kehrer said, "Under these conditions, barter with the USSR is needed as a stabilizing factor in overcoming negative events in the world market.

"In accordance with the long-term program up to 1990, our relations are made up of three basic directions.

"The first is trade, including production; the second is cooperation in the area of science and technology, and the third is joint Austrian-Soviet planning and installation of projects in third countries. There is potential for further development in each of these. Incidentally, a reader of EKONOMICHESKAYA GAZETA can learn in detail about Austrian-Soviet relations in a special supplement to EKONOMICHESKAYA GAZETA issued jointly with Austrian representation in 1981.

"But," Doctor Kehrer said, "in order to use these potentials, we must know each other better. The economic chamber is trying to show the potentials of firms more widely and to explain the features of Austrian industry. These include, first of all, the fact that we have a small domestic market, and practically all industrial firms are interested in exporting. And one more feature. Austrian industry, with the exception of such large nationalized enterprises as Fiaest-Alpine, Chemie-Lintz

and other analogous enterprises, is dominated by small and medium enterprises which are mobile and capable of quickly meeting a client's demands."

The Austrian firms that we visited attach great importance to the symposium which is opening in Moscow. They know well about the extent of our Food Program and, naturally, hope to "enter" their business interests into our plans' course, especially since agrarian technology and food industry machinery are a singular blank space on the map of Soviet-Austrian economic ties. We were told in the Federal Economic Chamber that the symposium should show Soviet specialists and foreign trade organizations the potentials of Austrian industry and the directions of mutually advantageous cooperation in this area.

According to preliminary data, 38 Austrian firms, who have prepared 60 reports, will take part in the symposium. We had the opportunity to become familiar with the content of several of them.

Recently, Austrian statistics summed up the foreign trade turnover for the first half of this year. The statistics show the further development of Soviet-Austrian trade-economic relations. They show, first of all, that Austrian exports to the USSR are 13 percent higher than before. For a half year, the exports amounted to 5.2 billion shillings--a record-breaking figure.

It is a somewhat different situation with imports. The import volume amounted to 7 billion shillings, 21 percent less than the previous year. This is not due to some decline in economic relations. The decrease pertains mainly to pipeline transport. Here are some causes: In the first place, the favorable, warm winter of 1982-1983 meant that less gas was needed than in previous years; secondly, the work undertaken for conservation has had an effect. In just the last year in Austria, the demand was 3.1 percent less for energy and 5.4 percent less for oil and oil products. And, finally, the economic crisis has had an effect on the import volume.

The development of Soviet-Austrian trade-economic relations is greeted with understanding especially by those who are looking for work or who fear for the stability of their places of employment.

12478
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UZBEK ECONOMIC RELATIONS WITH AFGHANISTAN, SYRIA, OTHER LDC'S

Tashkent OBSHCHESTVENNYYE NAUKI V UZBEKISTANE in Russian No 6, Jun 83 pp 17-21

[Article by D. Rakhmanova: "Participation of the Working class of Uzbekistan in Strengthening the Economies of Developing Countries"]

[Text] An important area for economic cooperation between the USSR and foreign states is the rendering of all kinds of assistance to developing countries in order to insure their actual economic independence on the basis of intensive development of the national economy, above all large-scale industry, transportation, agriculture and others. All union republics are actively participating in this, including Uzbekistan, and primarily the working class of the republic, that glorious detachment of the multinational USSR working class.

Equipment for electric power stations and the mining industry, chemical and textile enterprises, diesels, excavators, electric bridge cranes, pumps and various fittings, cable products, compressor stations, centrifigual pumps, transformer substations, tractors, cotton harvesting and other agricultural machines, electrical and radio items, movie equipment, hydraulic presses, steel and iron equipment, ditch diggers, electric welding equipment and many other items created by workers of Tashkent and other cities of Uzbekistan go to dozens of countries of Asia and Africa. Thus the electrical equipment plant in Namangan exports pipe heaters to Afghanistan; the plastics plant delivers electrical equipment items to Afghanistan, Estonia and Sri Lanka; the Tashkent Pod"yemnik plant sends bridge cranes to India, Iran and Indonesia. Products of the Tashkent excavator plant go to Mali, Afghanistan and India, and those of the Kompressor plant go to Ghana, Nepal and so forth.

The contribution of the working class of soviet Uzbekistan to the developing countries is not limited to the deliveries of the necessary machines, equipment, various industrial items and materials. The Uzbek Republic is helping them to train national personnel and is rendering assistance in the planning and creation of many economic facilities. For example, the technical design of Uzbek specialists, along with their help, was used to construct the largest

hydroelectric power station in Afghanistan, in Naglu (55 kilometers from Kabul), whose festive startup took place in the summer of 1967. The design for the hydroelectric power station in Pul-i-Khumri on the Kunduz River was also drawn up in Tashkent, by the Central Asian Division of the Gidroenergoproyekt Institute.

Specialists of the Central Asian Division of the Energoset'proyekt Institute have conducted research work for designing three electric power transmission lines with 35,000 and 110,000 volts, which provide electricity for the Afghan cities of Kabul, Mazar-i-Sharif and Balkh.[1]

Workers of many industrial enterprises of Uzbekistan are rendering assistance in the construction of facilities in the Jalalabad Valley in the Democratic Republic of Afghanistan. Thus the general designer of the water management facilities of the Jalalabad irrigation system was the Sredazgiprovodkhlopok Institute, and the general supplier was the Uzbek SSR Ministry of Land Reclamation and Water Management.

On state mechanized farms, in addition to citrus and oil-bearing crops, they also raise grain and feed crops for large-horned cattle.[2] They have begun to raise pomegranate and wild orange trees which were previously not cultivated in Afghanistan, and the products of this branch of orchard raising are now being exported.[3]

It is important to note that in the construction of state farms in Afghanistan Uzbek land reclamation workers extensively utilize the rich experience in the comprehensive assimilation of the Golodnaya steppe virgin land.

Extensive work has been done for the construction of the Sarde irrigation system in the provice of Ghazni. The construction is being carried out with technical assistance from Soviet specialists, including from Uzbekistan. This irrigation system is an elaborate hydrotechnical complex which includes large structures. In October 1977 the Sarde irrigation system was officially put into operation by the Afghan side with an excellent evaluation of the quality of the work.

In 1981 work was done to reconstruct the irrigation systems in the northern regions of Afghanistan on an area of 1 million hectares. In order to increase the water supply for 76,000 hectares of previously irrigated land, dams and water reservoirs are being created in the region of Chashma-i-Shafo on the Balkh River.

Within the framework of Soviet-Afghan economic cooperation, it is intended to conduct joint work for extraction, processing and transportation of natural gas. It is planned to expand the production of chemical fertilizers, to construct and reconstruct enterprises of the cotton cleaning, textile and food industry, and to draw up plans for electricity supplied for the northern regions of the country and also a number of other projects.[4]

Items from enterprises of Uzbekistan can be seen at various national economic facilities of Afghanistan; for example, one can see operating successfully there high-quality spinning-twisting and carding machines of the Tashtekstil'mash plant, Pr-10m mobile rotation compressors of the Tashkent compressor plant, and others.

Very important for expanding the economic and trade cooperation between the USSR and Afghanistan was the opening of a branch of the Main Administration of International Highways in 1982 in Termez. The Termez branch provides for shipment of cargos between the USSR and Afghanistan, and also transit cargos from Europe to Asia and back.[6] The volumes of shipments have increased sharply since completion of the construction of the bridge across the Amu-Dar'ya, which joined the Soviet and Afghan banks.

With technical assistance from the Soviet Union, including Uzbekistan, many branches of the national economy of the Syrian Arab Republic are developing. Thus Uzbek geologists in the Syrian-Arabian desert have revealed large deposits of phosphorites which are suitable for open development. In this same region they have discovered and are working deposits of pure quartz sand, on the basis of which a large glass plant was constructed. Industrial enterprises of Uzbekistan have participated in the construction of a water line and in deep drilling for oil in Syria. Emissaries from Uzbekistan who have accumulated rich experience in comprehensive assimilation of large areas of land are also participating in the assimilation of virgin land and the construction of canals, collectors, pumping stations and other irrigation facilities in Syria.

The Euphrates hydroelectric complex is an extremely large object of Soviet-Syrian economic cooperation. Comprehensive assimilation of the Meskene area was carried out in this zone in 1973. In 1981 alone 21 Uzbeks along with other Soviet specialists worked on the combined pumping station (the largest in the Near East) which was created in the zone of the Euphrates hydraulic engineering system.[7]

With assistance from engineers and technicians from our republic, the organization of a state farm for cotton growing on an area of 4,000 hectares was completed. It will become a kind of laboratory for the assimilation of all northwestern Syria.

With the participation of Uzbek specialists, scientific centers for irrigation farming and forestry, scientific laboratories and so forth are being organized in Syria; work is being done for comprehensive mechanization of cotton growing.

The Soviet Union is rendering extensive technical assistance to Iraq. Thus a group of Tashkent geologists, topographers and chemists as early as the beginning of the 1960's discovered large supplies of minerals on the territory of Iraq. In particular, in the north, in the region of the city of Mosul, they

discovered a large deposit of sulphur. The supplies prospected here number in the hundreds of millions of tons. Considerable work is being done with the participation of specialists of Uzbekistan for developing the petroleum industry of Iraq, improving the water supply for large areas of land, and so forth.

From year to year economic cooperation between the Soviet Union and the People's Republic of Angola increases. Engineers, agronomists, scientists and other specialists from our republic are also working in the experimental centers that were created there with the help of the USSR. With their participation, state farms are being created which are equipped with modern technical equipment. The general contractor for the construction of the state farms is the Uzbek SSR Ministry of Land Reclamation and Water Management. Thus on a non-compensatory basis it has rendered technical assistance to Angola in organizing a state farm (with an area of 400 hectares) for raising graincrops in the province of Uila, a state cotton growing farm in the province of Luanda, and so forth.[8]

In June of 1979 the Tashkent tractor plant sent to Angola the first export batch of MTZ-80 tractors. The machines, which were created by Belorussian and Uzbek specialists and workers, are distinguished by a high capacity and good maneuverability. They proved themselves to be excellent during all agricultural work.[9] Other agricultural equipment manufactured at industrial enterprises of Uzbekistan is also operating reliably on the fields of Angola.

They have been planting cotton in Angola for about 200 years. But the strain that is cultivated here has never produced any more than 10 quintals per hectare. The situation changed when Uzbek strains were planted on the fields of the experimental center and the care for the planted areas was carried out under the leadership of specialists from our republic. Even during the first years on the experimental sections the productivity of cotton amounted to 40-41 quintals per hectare.

Soviet specialists have drawn up plans for irrigation in the more distant future for the development of cotton growing in the provinces of Angola--Luanda, northern and southern Cuanza and Malange. The implementation of these plans in Angola will make it possible not only to satisfy their own needs for cotton, but also to export it to other countries.[10] During 1981-1985 the Uzbek SSR Ministry of Land Reclamation and Water Management developed technical and economic substantiations for new plans, according to which five more state farms are to go into operation in Angola.[11] In 1981 a large amount of work was done in the province of Malange, where it is intended to extensively develop the production of cotton and grain crops. A group of specialists was sent here (the majority being Uzbeks) and a considerable quantity of agricultural equipment was delivered with the necessary spare parts for it.[12]

In March 1977 an agreement was signed for friendship and cooperation between the USSR and the People's Republic of Mozambique. During these years economic cooperation between our countries has considerably expanded. Specialists from Uzbekistan are also effectively participating in the creation of various economic facilities in Mozambique. The Uzbek SSE Ministry of Land Reclamation and Water Management has been made responsible for the functions of the state supplier for rendering technical assistance to Mozambique in the development of cotton production. On the assignment of the Uzbek SSR Ministry of Land Reclamation and Water Management, Uzbek specialists have participated actively in the organization of three cotton growing state farms, a scientific research center for cotton growing, a laboratory for biological protection of agricultural crops from pests, and other projects in the province of Nampula. Artesian wells are being drilled to provide these state farms with water.[13]

Economic ties between the Uzbek SSR and the Tunisian Republic are developing successfully. Thus as early as January 1968 emissaries from Uzbekistan, by the request of the Tunisian government, carefully studied the possibilities of cultivating cotton in this territory. In the spring of that year sample areas were planted and the productivity amounted to 20-25 quintals per hectare.

In 1969 500 hectares were allotted for planting Soviet strains of cotton. The growing period of Soviet strains of cotton turned out to be considerably shorter than that of American strains. The creative labor of the Uzbek master cotton growers convincingly showed the possibility of completely eliminating the imports of raw cotton from abroad for the Tunis textile industry.[14]

Soviet Uzbekistan and its working class are actively participating in the various kinds of economic assistance rendered by the USSR to the Democratic and Popular Republic of Algeria. As early as August 1963 a special Soviet economic delegation, headed by a candidate for membership in the politburo of the CPSU Central Committee, first secretary of the Central Committee of the Communist Party of Uzbekistan, Sh. R. Rashidov, went to Algeria to develop concrete measures for further expansion of economic cooperation between the USSR and Algeria.[15] In particular, it was decided to construct in the arid regions of Northern Algeria several small and medium-sized dams.

This country has a multitude of rivers which dry up during the summer and which turn into turbulent streams during the period of rains and the melting of snow. Therefore it was decided to construct dams on them in order to create artificial lake-water reservoirs, which will make it possible to irrigate tens of thousands of hectares of fruitful land.[16] The first of these dams was constructed in 1965. Uzbek specialists participated actively in the construction. In recent years our specialists, who have rich experience in assimilating the Golodnaya steppe and other desert areas, assisted the Algerian people in assimilating the Sahara desert. Hydrogeologists discovered the existence of water in the Sahara, and artesian well drillers drilled about 100 wells with a depth of from 150 to 1800 meters. The water brought up from beneath the sand can be used to irrigate thousands of hectares of agricultural land.[17]

Soviet irrigation workers, including those from Uzbekistan, are participating actively in the construction of water catchment dams, the drilling and building of artesian wells, the laying of main canals, and the construction of water distributors and other facilities in the People's Democratic Republic of Yemen.[18] Specialists from Uzbekistan have introduced in this country Soviet technology for cultivating cotton and a number of other agricultural crops. As a result, the productivity of cotton, for example, has increased two-three-fold.[19]

Along with other republics of the USSR, Soviet Uzbekistan is rendering a considerable amount of economic assistance to India, where they are continuously sending agricultural machines, equipment for the chemical and textile industries, diesel engines, compressors, excavators, electric bridge cranes, pumps, various fittings, cable products and many other items with the brands of plants in Tashkent, Andizhan, Chirchik, Kokand and other cities of our republic. Specialists and skilled workers of the Uzbek SSR participated in the construction in India of plants for heavy machine building, mining equipment and many other industrial facilities.[20] Even in 1967 the Uzbek SSR delivered to this country 35 kinds of industrial items.[21] The group of specialists of Tashtekstil'kombinat during the course of eight months assembled and installed equipment at the textile factory in India and trained skilled personnel for it. All the work was completed within the intended time period and with high quality.

In April 1969 a delegation from the Uzbek SSR paid a friendly visit to India and participated in the formal startup of the right-bank electric power station on the Sutlej River, which was constructed with the participation of Uzbek specialists.[22]

In 1971 a delegation from Uzbekistan participated in the Second Afro-Asian Conference on the Development of Local Industry, which was held in India. Representatives from India and a number of other countries noted that the very experience in the development of local industry in Uzbekistan and the practical assistance from our country contribute to advancing local industry in developing countries.[23]

One can give very many examples like these. They convincingly show that Soviet Uzbekistan, and primarily its working class, along with other union republics are actively participating in the growing economic cooperation between the USSR and the less developed countries, in all ways contributing to advancing their economy and strengthening their actual independence, thus manifesting international solidarity with all peoples who are struggling for authentic social progress.

FOOTNOTES

1. VECHERNIY TASHKENT, 7 Sep 1968.

2. VNESHNYAYA TORGOVLYA, 1976, No 3, p 23.

3. IZVESTIYA, 30 Aug 1975.

4. PRAVDA VOSTOKA, 27 May 1976.

5. TOSHKENT OKSHOMI, 23 Dec 1974.

6. SOVETSKIY UZBEKISTAN, 1982, No 4, p 4.

7. "Materialy Minvodkhoza UzSSR" [Materials of the UzSSR Ministry of Land Reclamation and Water Management] for 1981

8. "Materialy Minvodkhoza UzSSR" for 1978.

9. VECHERNIY TASHKENT, 27 Jun 1979.

10. SOVETSKIY UZBEKISTAN SEGODNYA, 1979, No 4, p 13.

11. SEL'SKAYA PRAVDA, 13 Aug 1980.

12. "Materialy Minvodkhoza UzSSR" for 1981

13. Ibid.

14. Gusarov, V. "Tunis" [Tunisia], Moscow, 1974, p 5; See also: SOVETSKIY UZBEKISTAN, 1982, No 5, p 14.

15. PRAVDA VOSTOKA, 2 Aug 1963.

16. PRAVDA VOSTOKA, 12 Aug 1964.

17. SOVETSKIY UZBEKISTAN, 1982, No 5, p 14.

18. Alkhimov, P. G., Gusarov, V. I., "Ekonomika Narodnoy Demokraticheskoy Respubliki Yemen" [The Economy of the People's Democratic Republic of Yemen], Moscow, 1976, pp 156-157.

19. SOVETSKIY UZBEKISTAN, 1982, No 5, p 14.

20. VECHERNIY TASHKENT, 26 Jan 1968.

21. Khashimov, I. M., Kutina, M. M., "20 Years of Indian Independence," OBSHCHESTVENYYE NAUKI V UZBEKISTANE, 1967, No 8, p 26.

22. PRAVADA VOSTOKA, 24 April 1969.

23. PRAVDA VOSTOKA, 23 April 1971.

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