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# USSR Report

INTERNATIONAL ECONOMIC RELATIONS

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USSR WORLD TRADE

LONDON PAPER ANTICIPATES INCREASED GOLD SALES TO WEST

LD151227 London FINANCIAL TIMES in English 15 May 81 p 36

[Report by David Marsh: "Moscow 'May Sell More Gold'"]

[Text] The Soviet Union may sell more gold to the West this year because it needs foreign exchange to support the Polish economy and import grain, according to Consolidated Gold Fields, the London mining finance company.

In its annual review of the world gold market, published yesterday, CONSGOLD says that last year Moscow was able to cut bullions sales and build up reserves, partly because of increased revenues from oil and gas exports.

CONSGOLD believes net bullion sales to the West last year by communist countries (mainly the Soviet Union, but including China and Eastern Europe) fell to 80 tonnes from 199 tonnes in 1979.

Mr David Pott, the company's chief gold analyst, said yesterday that the gold price might fall further during its present relatively weak phase. But higher Russian sales "would not have a markedly depressive effect."

Bank for International Settlements figures published this week show Moscow has no pressing need for foreign exchange. The Soviet Union's identified currency holdings with Western banks rose 1.7 billion pounds during the final quarter of last year to 8.6 billion pounds at end-December, partly because of increased bank borrowings.

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USSR-CEMA TRADE

TRANSPORTATION AND ECONOMIC INTEGRATION OF CEMA COUNTRIES

Moscow VOPROSY EKONOMIKI in Russian No 6, Jun 81 pp 104-114

[Article by Valentina Aleksandrovna Shanina, candidate of economic sciences; senior research associate of the Institute of Economics of the World Socialist System, USSR Academy of Sciences]

[Text] One of the central problems in the further development and intensification of the socialist economic integration of CEMA countries in the 1980's is effective transportation.

The expansion of production and the increasing complexity of relations between CEMA countries in the 1980's make high demands on transportation. Transportation and economic relations between CEMA countries in this period will develop under conditions of the further increase in the volume of reciprocal shipping given the dynamic growth of output of branches in the manufacturing industry. At the same time, the raw material character of the shipments persists and shipping distance increases primarily as a result of the shift of the fuel and raw materials base of the USSR to the eastern part of the country. According to forecasts of CEMA countries, the reciprocal volume of foreign trade shipping will increase significantly.<sup>1</sup>

In the accountability report of the CPSU CC to the 26th Party Congress, L. I. Brezhnev stated: "Today it is impossible to conceive the assured development of a given socialist country, its solution of such...problems as the problem of energy resources and raw materials supply and the problem of utilizing the latest advances of science and technology unless it has ties with other fraternal countries." The 26th CPSU Congress' "Basic Directions of Economic and Social Development of the USSR in 1981-1985 and in the Period up to 1990" envisage the further active participation of the Soviet Union in the intensification of socialist economic integration, in the realization of the DTsPS [Special Long-Term Program of Cooperation in the Development of Production Relations] of CEMA countries, and in the development of foreign economic and international transport relations. Between 1981 and 1985, reciprocal deliveries between the USSR and CEMA countries will be increased by 40 percent and according to tentative estimates will amount to 260 billion rubles.

Progressive structural changes in trade and international shipping of socialist countries stem from improvements in the national economic structures in the division of labor and integration, from the rationalization of production and consumption of the products of fuel-energy and raw materials branches and from international specialization and cooperation.

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The relative lessening of the raw material character of international shipping is one of the leading trends in the development of transportation and economic relations of CEMA countries that became particularly apparent in the second half of the 1970's. The realization of the coordinated strategy adopted within the framework of the DTsPS at the 32d Session of the CEMA (1978) for resolving the fuel-energy and raw material problem of satisfying economically substantiated needs for the basic types of energy, fuel and raw materials up to 1990 will in the future reduce the volume of fuel and raw materials in the structure of shipping. At the same time, the predominantly raw material character of shipping (which relates primarily to the USSR's relations with CEMA countries) will retain its significance. From 1971 to 1979 (inclusive) alone, the USSR supplied to countries in the socialist community: 650 million tons of oil and petroleum products, 86.9 billion cubic meters of natural gas, 86.2 billion kilowatts of electric power, 323.7 million tons of iron ore, 28.3 million cubic meters of round timber, 29.9 million cubic meters of sawn lumber<sup>2</sup>, etc. While the share of fuel and raw material commodities in the structure of shipments between CEMA countries will decrease in the future (Table 1), their absolute volume will grow thereby creating complex shipping problems. Between 1981 and 1985, shipments of fuel and energy commodities from the USSR to CEMA countries alone are slated to increase by 20 percent compared with the last quinquennium<sup>3</sup>.

Table 1. Dynamics of Output of Fuel-Raw Material and Manufacturing Branches in the Structure of Shipments Between CEMA Countries (in %)\*

Indicator	1970	1975	1985	1990
Output of fuel-raw material branches	86	84	78	77
Output of manufacturing industry branches	14	16	22	23

\*Computed on the basis of national statistical foreign trade yearbooks for 1970 and 1970 and general forecasts based on published data in CEMA countries.

Despite the difficulties associated with the conditions under which oil is extracted the delivery of oil from the USSR in the current five-year period will be raised to almost 400 million tons. The considerable volume of delivery of iron ore, rolled ferrous metals, nonferrous metals, sawn lumber, chemical products, cotton, etc., to the socialist countries is envisaged during the same period. The increase in trade and in international shipments of products of the fuel and raw material branches of CEMA countries will be furthered by the joint construction of integrated facilities within the framework of the Coordinated Plan for Multilateral Integration Measures in the Soviet Union and in Other CEMA Countries<sup>4</sup>.

The intensive expansion of international specialization and cooperation of production and the development of branches of the manufacturing industry and of foreign trade deliveries, particularly in the field of machine building, coordinated on this basis will be the decisive trend in the structural changes in reciprocal transportation and economic relations of CEMA countries in the 1980's. The scale of production cooperation between CEMA countries, the correlation of interbranch and intrabranh specialization of production, the scale of its concentration, and the territorial division of labor directly influence the volume, structure and direction of trade. Transportation guarantees stable cooperative relations between enterprises of socialist countries, is an important factor in raising the level of concentration of production and the acceleration of scientific and technical progress, and promotes the formation of optimal national economic structures and the intensification of social production.

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The practical implementation of the DTsPS in the realm of machine building and bilateral programs for the specialization and cooperation of production between the USSR and European CEMA countries up to 1990 will be the basis for the further dynamic increase in the volume and expansion of the geography of foreign trade shipments and the shipment of machinery and equipment. Exports of machine building products, e. g., from the USSR to CEMA countries in 1981-1985 will amount to 35 billion rubles or 40 percent more than in 1976-1980. Soviet imports of machinery and equipment from countries in the socialist community during this five-year period will amount to more than 60 billion rubles. There are plans to draft and sign 104 multilateral agreements (including those already concluded) by way of implementing the DTsPS of CEMA countries in the field of machine building<sup>5</sup>.

Study of structural change in international transport relations of CEMA countries under the influence of intensive cooperation in the development of the manufacturing industry, specialization and cooperation in production, especially in machine building, suggests that there has been change not so much in the volume of shipping as in their qualitative characteristics. This means above all the significant expansion of the mix of shipments of output of the manufacturing industry and especially of the machine building industry. In the commodity group of machines and equipment, there is dynamic increase in specialized production<sup>6</sup> and in the delivery of parts and assemblies<sup>7</sup>, of large and heavy equipment for atomic energy, for the chemical, metallurgical, and other branches. In the course of international specialization and cooperation of production (particularly with regard to parts and assemblies), there is a substantial increase in the intensiveness and degree of ramification of freight shipments.

The Agreement on Multilateral Specialization and Cooperation of Production and Reciprocal Deliveries of Equipment for Atomic Power Stations Between 1981 and 1990 should be noted among the signed agreements that implement the DTsPS in machine building and that characterize the development of intensive relationships and large-scale international shipments on this basis. The cooperative effort includes approximately 50 industrial associations in the People's Republic of Bulgaria, Hungarian People's Republic, German Democratic Republic, Polish People's Republic, Socialist Republic of Romania, USSR, Czechoslovakian Socialist Republic, and the Socialist Federal Republic of Yugoslavia. These countries are assigned a certain product mix<sup>8</sup> and volume of equipment deliveries which will form the reciprocal shipment flows of the given products. The Soviet Union will supply CEMA member nations with approximately 50 percent of the basic equipment required to equip atomic power stations<sup>9</sup>.

The greater breadth and depth of international specialization and cooperation of production and the establishment and strengthening of direct cooperative ties between CEMA enterprises advance higher demands on their transportation on the general scale of development of the transportation infrastructure. They are for the most part due to the accelerated and broad specialization of the entire complex of transport means in connection with changes in the structure of shipping in branches of the manufacturing industry. The use of progressive transport technologies, the precise organization of the transport process, the rhythm of shipping in order to insure the continuity of cooperative processes, and long and stable direct ties under the conditions of development of this form of international division of labor become exceedingly important.

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Transportation support of the cooperative effort of CEMA countries in various branches of material production in the 1980's will be associated with the resolution of territorial problems in the development of economic relations, with further change in the location of the productive forces and especially the raw materials base of the USSR to the eastern part of the country. The transportation problem is also complicated by the growth of internal raw material flows, especially the flow of fuel and energy from the eastern to the western regions of the Soviet Union. The November (1979) and June (1980) plenums of the CPSU Central Committee called transportation one of the key problems and stressed the role of transportation in connection with the accelerated development of industry in Siberia and the Far East and increased specialization and cooperation. "The eastward shift of energy and the raw materials base," L. I. Brezhnev noted at the 26th CPSU Congress, "requires the acceleration of the development of roads, pipelines and airports in Siberia and the Far East."

The transportation factor exerts the greatest influence on the development and location of branches of the extractive industry. This applies in equal measure to cooperative processes and integrative processes in CEMA countries in these branches. The data in Table 2 are evidence of change in the transportation component in the price of individual commodities of the extractive and manufacturing branches in Soviet trade with CEMA countries as a function of shipping distance.

Table 2. Change in the Share of Transportation Costs in the Price of Individual Export Commodities in Soviet Trade With CEMA Countries Depending of Shipping Distance (in %)\*

Commodity	Distance (in kilometers)									
	100	300	500	1000	2000	3000	4000	5000	6000	
Metalcutting machine tools	--	--	--	0.1	0.2	0.3	0.4	0.5	0.6	
Passenger cars	0.2	0.5	0.9	1.6	3.1	4.7	6.2	7.8	9.3	
Industrial fittings	0.1	0.3	0.4	0.7	1.4	2.1	2.8	3.6	4.3	
Organic synthetic dyes	0.1	0.2	0.3	0.6	1.1	1.7	2.3	2.9	3.4	
Synthetic resins	1.5	4.4	7.0	12.9	25	37.8	50.6	63	75.5	
Iron ore	11.5	32.8	53	95.8	187	282	386	470	517	
Cast iron	2.6	7.5	12.1	22	43	65	86.8	108	130	
Coal	4.5	12.9	20.8	37.6	73.7	111	148	185	222	
Round timber	3.6	10.7	17.2	31.2	61	92	122	153	183	
Sawn lumber	1.2	3.6	5.8	10.5	20.6	31	41.4	51.8	62	
Cellulose	0.6	1.7	2.8	5.0	9.9	14.8	19.7	24.8	29.7	

\*Calculated on the basis of: "Mezhdunarodnyy zheleznodorozhnyy tranzitnyy tarif MTT" [International Tariff for the Transit of Goods by Rail], Moscow, 1977; and "Vneshnyaya trgovlya SSSR" [USSR Foreign Trade] for 1976, 1977 and 1978.

At the same time, the transportation factor acquires ever greater significance in the development of cooperation of CEMA countries in various branches of the manufacturing industry, in the specialization and cooperation of production, especially



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in machine building. The absolute shipping costs of these branches, notwithstanding their smaller share in foreign trade prices, increase at a rapid rate with distance. The evaluation of the effectiveness of international specialization and concentration of production and the optimal size of the enterprise participating in this form of cooperation depend on shipping costs that can exert a decisive influence on the choice of enterprise of a given type. The intensive development of production cooperation of CEMA countries and the dynamic growth of the volume of international shipping of products of branches of the manufacturing industry will be the basis of considerably higher costs of transportation and will be associated with the solution of the problem of making their shipment effective.

In the process of implementing the Comprehensive Program of Socialist Economic Integration and the five-year plans for 1976-1980, CEMA countries have achieved significant results in the development of the transportation infrastructure. Their cooperation in transportation as it relates to foreign economic relations, especially in the second half of the 1970's, is characterized by the intensive growth of shipping, by the improvement of its forms and methods. They have begun carrying out DTsPS for the development of transportation ties and measures specified in the given agreements. CEMA countries have carried out major measures to strengthen individual types of transport in the process of implementing the Comprehensive Program of Integration. The introduction of progressive types of traction has been the leading direction in the development of railroads. At the beginning of 1980, 26.1 percent of the entire rail network of CEMA countries was electrified: a 1.3 fold increase in comparison with 1970.<sup>10</sup> The combined rail freight car fleet (OPV) numbers approximately 300,000 units<sup>11</sup> (the fleet trebled in the last 10 years).

The dynamic development of oil and gas pipeline systems has provided an effective solution to the problem of transporting oil and gas to countries in the socialist community. The oil pipelines of CEMA countries increased 1.8 fold in length between 1970 and 1979. From its inception to the beginning of 1979, the jointly built "Druzhba" pipeline has delivered 508 million tons of oil from the USSR to CEMA nations<sup>12</sup>. The "Soyuz" gas pipeline--a major integrated transportation facility--has been put into operation. In the second half of the 1970's CEMA countries carried out a number of measures to make the work of maritime and river transport more effective. The Il'ichevsk-Varna ferryboat system, the Soviet-Bulgarian "Dunaytrans" partnership, and the international economic navigational enterprise "Interlikhter" have been established and are in operation. The Unified Container Transport System (YeKTS) has undergone appreciable development.

Despite significant advances in transportation and the implementation of important DTsPS measures, unresolved problems and difficulties remain in transportation with regard to the foreign economic relations of CEMA countries. The development of transport still lags behind the growth of freight traffic. This results in the still more intensive growth of pressure on transport involved in international freight traffic. The capital investments of CEMA countries in transport in the past were not sufficient and the rate of development and formation of transport's material-technical base have been affected accordingly. The Soviet Union's major transportation arteries are working very intensively. The carrying capacity of railroads in a number of directions is practically exhausted<sup>13</sup> whereas the optimal load should not exceed 75 percent of total capacity<sup>14</sup>. The carrying capacity of frontier stations, sea and river ports still does not fully secure the uninterrupted shipment of exports and imports. This is one of the complex problems involved in

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the development of the CEMA countries' reciprocal relations. There is an appreciable shortage of rolling stock. In some countries, there is a persistent tendency toward higher rail car turnaround time--an important indicator and major reserve for increasing the carrying capacity and accelerating the delivery of national economic freight by rail. For example, goods simultaneously in rail transit in the USSR in 1979 were valued at 9 billion rubles.

Analysis shows that the problem of securing the complete and timely shipment of goods in foreign trade of CEMA countries is to a considerable degree complicated by a number of factors of a non-transport character. Among them, we should note first and foremost the untimely and unrhythmic demands made at various times of the year by shippers in the Soviet Union and other CEMA countries for the shipment of foreign trade goods, and also shortcomings in the organization and technology of transferring exported and imported goods at border points.

The result is the lack of uniformity in the shipment of foreign trade products to border railroad stations, seaports and river ports for final delivery to the importers. The increase in deliveries usually takes place at the end of a quarter or year, which is an additional strain on transport--a strain that is sometimes beyond transport's capacity. The untimely demand for the the export of foreign trade goods creates serious complications in transport. Coupled with the deficient level of development of the material-technical base of transport, the result is the accumulation of vehicles at frontier transfer stations, on transit lines, and in seaports and river ports. Rolling stock stands idle in expectation of loading and unloading operations, the effectiveness of the transport process is diminished and export-import goods are not delivered on schedule. What is more, under the conditions of development of international specialization and cooperation of production and the assembly and part forms of production, the normal process of the production cooperation process is disrupted and the appropriate effect of the international division of labor is not secured. Notwithstanding the continuous increase in large-scale investment in the development of the transport infrastructure in recent years and the execution of DTsPS in this area, the effect of the investment cannot be fully realized to the fullest if such unevenness of deliveries continues.

In the 1980's the solution of transport problems associated with foreign economic relations and the further development of cooperation and integration of CEMA countries in the most important branches of material production is primarily linked to the DTsPS in transport adopted at the 33d Session of CEMA (1979). It is based on the coordinated strategy of modernization and retooling of all types of transport based on advances in science and technology and the increase in the carrying capacity of transport of CEMA countries in international traffic. The accelerated introduction of scientific and technical advances in transport is of decisive importance in the realization of the tasks posed in the DTsPS on the development of transport-economic relations. Its realization requires the conclusion of 20 multilateral agreements, 15 of which have already been signed.

The complex of DTsPS measures and agreements<sup>15</sup> will serve as the basis for a coordinated transport development plan for 1981-1985 with regard to the international shipping requirements of CEMA countries. The following top-priority and high-priority measures (vis-a-vis the investment process) that are of decisive importance for the effective development of transport relations and the uninterrupted international shipments of CEMA countries already in the current five-year period are:

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--the accelerated technical retooling and modernization of international railroad lines and on this basis the rapid augmentation of their carrying capacity chiefly through the electrification of railroads, the construction of second tracks and double-track inserts, the introduction of automatic blocking systems and central dispatching systems, and the reinforcement of the upper structure of tracks;

--the development and retooling of transportation hubs of CEMA countries' transport systems, the creation of new and refurbishing of existing frontier railroad stations and the augmentation of their processing capacity through the construction of new transloading complexes and their broad specialization. At the same time, special attention should be devoted to the modernization of stations and tracks and to the mechanization and automation of station work;

--the technical retooling and modernization of sea- and river ports, the construction of highly mechanized and specialized piers and warehouse enterprises;

--the development and improvement of international motor highways on heavily traveled routes; the construction of better roads with progressive parameters; the modernization and retooling of international airports on a new technical basis; the establishment of new air routes;

--the augmentation and improvement of rolling stock in all types of transport through broad specialization and through the application of progressive technical parameters, through the standardization and unification of vehicles; and

--the accelerated introduction of container shipping within the framework of the YeKTS; the creation of container lines and terminals for handling large-tonnage containers.

These measures and their stage-by-stage implementation together with other measures will retain their significance in time to come as well. A coordinated policy of retooling and modernizing the material-technical base of transport, the improvement of the capacity and maneuverability of the transport system, the accelerated growth of its carrying capacity and its requisite reserves are the main task in the resolution of the problem of satisfying the national economic shipping needs of CEMA countries in the 1980's.

In addition to the technical retooling of transport, CEMA countries will have to implement measures to increase the complete and complementary use of its individual types, to ensure the more rational distribution of shipping operations among them, and to ensure the solution of the problem of securing the all-round, broad intensification of international transport ties under conditions of the reciprocal division of labor. Structural changes in the reciprocal transport relations of CEMA countries in the 1980's will be characterized by the following data:

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Table 3. Share of Various Types of Transport in Shipments Between CEMA Countries (in %)

Type of transport	1975	Projected	
		1985	1990
Rail	54.8	46-49	45-50
Sea*	18.1	20-21	20-21
River	3.9	4-5	4-5
Truck	0.2	0.3-0.4	0.3-0.5
Pipeline	23.0	26-30	25-30

\*Including sea ferry crossings.

Source: EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV, No 5, 1979, p 44.

Notwithstanding the lowering in the share of rail transport in the shipments, it will continue to play a leading part in the current decade. This is the priority direction and a most important task of CEMA countries within the framework of the DTsPS. The implementation of a complex of measures of the DTsPS for the development of the network of USSR railroads on (East-West) approaches to western frontier stations and transport hubs, for the improvement of organizational and technological processes in their work, and broad specialization in accordance with the structure of trade is of paramount importance in 1981-1985. These measures are slated for implementation first on the most heavily loaded railroads lines in the direction USSR-Hungary-Czechoslovakia and at the frontier stations Chop, Uzhgorod, Batevo, etc. Important directions requiring such work are the USSR-Poland-GDR and USSR-Romania-Bulgaria directions. Frontier stations and rail centers in these directions (Brest, Malasheviche, Reni, Ungeny, etc.) are also greatly overloaded. Frontier stations and junctions between European countries belonging to CEMA (North-South) and between the USSR and the Mongolian People's Republic must also be developed.

Additional reserves should be explored for reducing the load on railroads and frontier stations particularly by transferring foreign trade shipments to river transport on the Danube (ore, coal, metals, machines, equipment, foodstuffs, and manufactured goods) and by increasing the share of river transport in the international relations of CEMA countries. A similar task confronts trucking. It is planned to convert a wide range of foreign trade goods--household appliances, instruments, chemical goods, perishables, consumer goods, etc.--to this type of transport.<sup>16</sup> The significance of motor transport also grows in the rhythmic and continuous realization of international production cooperation processes. This also applies in equal measure to air transport, the use of which may be authorized for small-lot shipments of highly processed products.

One of the important problems that should receive especially great attention in the 1980's is the accelerated development and expansion of progressive container shipments within the framework of the Unified Container Transport System in accordance with measures specified in the DTsPS in this area. As analysis shows, the

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transport relations of CEMA countries contain major reserves for increasing container shipments and for expanding the mix of goods shipped by container. The "door to door" container shipments of goods with minimum shipping costs and the shortest delivery time are effective in the development of integration processes and the division of labor particularly within the framework of specialization and cooperation of production.

The problem of increasing the containerization of international shipments requires the accelerated implementation of DTsPS measures in this area and especially the intensive development of its material-technical base, including the coordinated production of technical means--specialized and general-purpose large-tonnage containers, rolling stock, terminals, hoist-transport equipment, etc. Considering the fact that capital investments in the development of the YeKTS as the bulk of DTsPS transport measures are of a national character and are primarily due to the development of internal shipping, the countries may define these investments as priority investments based on the importance and high effectiveness of containerization.

Study of structural change in transport relations between CEMA countries and consideration of the urgency of reducing the load on rail transport and excessively important organizational and planning problems of foreign trade deliveries suggest the expedience of the further investigation of a number of directions of effective shipment of foreign trade products that go beyond the framework of the DTsPS.

Analysis of world trends and basic directions of accelerated introduction of scientific and technical progress in the development of transport--especially pipeline transport--suggest that it has greater potential and the possibility of raising its role in the development of relations of CEMA countries in the 1980's and 1990's. The reference is to the use of pipelines for the shipment of products of the mining industry (ores, coal, etc.)<sup>17</sup>. CEMA countries are studying this problem with the aim of reaching a joint solution in accordance with the Comprehensive Program. Such cooperation already exists between some CEMA countries and capitalist countries. In particular, plans have been developed for a pipeline to transport Polish coal between Poland and Austria and between Poland and Italy<sup>18</sup>.

The Soviet experience of using pipelines to transport solids attests to the highly economical results in a number of cases. At the present time, a feasibility study is being made of plans for building an experimental 250-kilometer pipeline between Kuzbass and Novosibirsk for the hydraulic transport of solid fuel through pipe 400 millimeters in diameter. Every year the pipeline will deliver 3.5-4 million tons of coal that will satisfy the needs of Novosibirskaya TETs [Heat and Electric Power Plant] No 5. With the experience gained in the operation of this pipeline, it will be possible to lay major coal pipelines between Kuzbass and the Urals and between Kuzbass and Tsentr with a carrying capacity of up to 30-50 million tons a year. The "Basic Directions of Economic and Social Development of the USSR in 1981-1985 and the Period Up to 1990" note the need to develop the transporting of coal by pipeline. The use of pipelines for the transporting of mining products, in particular coal, in the relations of CEMA countries--initially over short distances--appears possible in the 1980's and early 1990's. It will subsequently be possible to study the question of using pipeline transport for the delivery of iron ore and other products in international traffic.

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Great prospects for the solution of transport problems in internal and international relations are opened up by the construction of high-voltage LEP [electric power transmission lines]. In 1979 the decision was reached to build a direct current 1500 kilovolt high-voltage LEP between Ekibastuz and Tsentr over a distance of 2500 kilometers which will use the rich, inexpensive coal of the Ekibastuz Basin<sup>19</sup>. The LEP will make it possible to transport 6 million kilowatts of energy to energy-deficient regions in the European USSR. The "Basic Directions of Economic and Social Development of the USSR in 1981-1985 and in the Period Up to 1990" envisage the activation of the first phase of this LEP and an alternating current LEP with a voltage of 1150 kilovolts between Ekibastuz and the Urals.

With the acceleration of scientific and technical progress and the application of new engineering solutions, the role of pipelines and high-voltage LEP as an effective means of transport in internal and international relations will grow continuously<sup>20</sup>. For example, the transmission of electric power over LEP existing in the USSR in 1976 alone (over a distance of 638,400 kilometers) replaced the shipment of 100-120 million tons of natural fuel<sup>21</sup>. The planned construction of atomic power stations with a combined capacity of 37 million kilowatts in CEMA countries and their activation will save 75 million tons of ideal fuel annually.

The unification of national power systems and the organization of their operation in parallel are important directions in the further development of cooperation of CEMA countries in the field of electric power<sup>22</sup>. The activation of the 750 kilovolt Vinnitsa-Al'bertirsha LEP and the subsequent development of the network of electric power transmission lines of the same or higher voltage will promote the continuous increase in deliveries of electric power to CEMA countries. The higher role of these progressive types of transport for internal and international shipments will reduce the load of railroads, will facilitate the passage of products through frontier stations without reloading, will reduce the intensiveness of their work, and will increase the effectiveness of the transport process.

The construction of new types of Soviet-gage railroads by interested countries thereby facilitating the passage of goods through frontier stations without reloading to the point of consumption may be a cardinal path to the effective and uninterrupted shipment of foreign trade goods, especially fuel and raw materials, in relations between the USSR and CEMA countries. Positive experience in such cooperation has already been amassed and can be disseminated. Trunk lines of this type that have already been built and are in operation from the border of the USSR to metallurgical combines in Kosice (Czechoslovakian SSR), Galati (Socialist Republic of Romania) and Katowice (Polish People's Republic). Existing reserves of the carrying capacity of existing activations should be used more completely.

The joint construction of distribution centers for export-import commodities at border stations, in seaports and river ports may become one of the directions in increasing the effectiveness of shipment of foreign trade goods in the '980's and 1990's. This is especially important in the case of uneven receipts of shipments and the resulting accumulation of foreign trade goods at transfer points. Distribution centers may make a major contribution to the solution of the problem of securing the uninterrupted supply of transport facilities for international production cooperation, the timely delivery of assemblies, parts, etc. The study

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of the given question should be accelerated with due regard to the existing world practice of building and operating such distribution centers for all manner of products<sup>23</sup> as an important component part of the general problem of increasing the effectiveness of transport. The functioning of such distribution centers will permit the more uniform shipment of export-import goods over various periods of the year at individual frontier points and make it possible to take their capacities and specialization into account.

Already in the next five-year period, the effectiveness of measures indicated in the DTsPS will to a considerable degree depend on solutions to comprehensive interbranch problems. The precise and uniform action of suppliers of goods for export on schedule becomes a matter of paramount importance.

The "Basic Directions of Economic and Social Development of the USSR in 1981-1985 and the Period Up to 1990" poses the task of "improving the organization of deliveries in international traffic." The realization of this task will depend to a considerable degree on the greater cooperation and reciprocally coordinated action of planning, material-technical supply and foreign trade organs and of branch ministries and departments in improving the mechanism for managing foreign economic relations under the conditions of integration. A large part in the solution of the given problem can be played by the elaboration and introduction of measures to stimulate the activity of material supply enterprises and organs and foreign trade in the delivery of goods for export.

The practical implementation of comprehensive measures for the development and intensification of transport-economic relations of CEMA countries predetermines the further all-round improvement of the economic mechanism underlying the cooperation of CEMA countries and above all the pricing of international shipments. This is one of the most important problems of present time and requires independent, fundamental and comprehensive investigation. The elaboration of a scientifically substantiated, mutually advantageous, sophisticated system of transport prices is a necessary condition to the successful solution of the problem of supplying effective transport for the cooperation of CEMA countries in the most important branches of material production and the development of socialist economic integration.

Reciprocal consultations of CEMA countries on basic directions of long-range transport policy envisaged in the Comprehensive Policy acquire ever greater importance in the effective realization of the comprehensive tasks of international transport under integration conditions. This is all the more important in the light of the 26th CPSU Congress task of supplementing the coordination of plans with the coordination of economic policy as a whole.

FOOTNOTES

1. See EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV, No 5, 1979, p 44.
2. Calculated on the basis of "Vneshnyaya torgovlya SSSR" [USSR Foreign Trade] and national statistical yearbooks on the foreign trade of CEMA countries for the given years.

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3. See EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV, No 4, 1979, p 44.
4. The Soviet-Mongolian "Erdenet" Combine, the capacity of which doubled in 1980 following the activation of the second phase (see PRAVDA, 30 Jun 80), makes it possible to increase international shipments of copper-molybdenum concentrate. Cooperation in the development of nickel production in the Republic of Cuba for the satisfaction of its own needs and the needs of other CEMA countries will undergo further expansion.
5. See EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV, No 3, 1980, p 30.
6. The share of specialized products in total exports of machinery and equipment of CEMA countries (in terms of value) in 1979 was 35 percent compared with 24 percent in 1975. The number of specialized products is in excess of 10,000. The volume of exports of specialized machine building products between CEMA countries is growing approximately twice as fast as the overall exports of machines and equipment (see PRAVDA, 28 Apr 79; PLANOVOYE KHOZYAYSTVO, No 9, 1980, p 91).
7. Cooperation in the production of "Zhiguli" automobiles can serve as an example of large-scale international cooperation and reciprocal deliveries of parts and assemblies. Approximately two-thirds of its parts are manufactured at more than 250 cooperating enterprises outside the Volga Auto Plant. Thus, Bulgaria and Poland each supply 10 types of component parts and assemblies; Hungary--18 (300,000 units of each item); Czechoslovakia--electrical equipment, etc. (see VOPROSY EKONOMIKI, No 8, 1980, pp 85-86).
8. Thus, within the framework of specialization the USSR will produce the bulk of the products of the atomic machine building industry--powerful reactors as a package, steam turbines, and a large assortment of instruments and apparatus. To this end, the "Atomash" Plant is being built and the capacities of other enterprises are being expanded. Czechoslovakia plans the manufacture of reactors, steam generators, and main circular pipelines; Hungary--reactor servicing mechanisms; Poland--volume compensators and diesel generators; Bulgaria--biological protection systems and fittings (see EKONOMICHESKAYA GAZETA, No 13, 1979, p 20).
9. PRESS-BYULLETEN' SEKRETARIATA SEV. Moscow, No 8; 1980, p 3.
10. Calculated on the basis of: "Statisticheskiiy yezhegodnik stran-chlenov Soveta Ekonomicheskoy Vzaimopomoshchi" [Statistical Yearbook of Member-Nations of the Council of Mutual Economic Aid], Moscow, 1980, pp 275-276.
11. See EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV, No 5, 1979, p 45.
12. See "Sodruzhestvo stran-chlenov SEV" [Community of CEMA Member Nations], Politizdat, 1980, p 112.
13. During the 8th and 9th five-year plans (from 1966 to 1975), the increase in the carrying capacity of Soviet railroads was lower than the increase in freight traffic by 328.5 billion ton-kilometers. The ratio of the increase in the freight traffic to the carrying capacity of USSR railroads in various five-year plans is characterized by the following data (in billions of ton-kilometers): 1961-1965--600:733; 1966-1970--860.5:686; 1971-1975--977:823 (see PLANOVOYE KHOZYAYSTVO, No 5, 79, p 63).



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14. See PRAVDA, 18 Feb 79.
15. For more detail on the DTsPS on the development of transport relations of CEMA countries and agreements implementing it, see V. Biryukov, "Combining National and International Efforts" (EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV, No 5, 1979); B. Gorizontov, "Integration of CEMA Countries in Transport" (VOPROSY EKONOMIKI, No 3, 1980); N. Mozharov, "Long-Term Special Program for Cooperation in the Development of Transport Relations of CEMA Member Nations" (VNESHNYAYA TORGOVLYA, No 11, 1979), etc.
16. It should be noted that motor transport has become a common feature in international shipping between EEC countries. The share of trucking in international shipping within the framework of the EEC in 1965-1977 was approximately 16 percent; its share in individual countries ranged between 8 and 22 percent. Trucks are used in international shipments of fresh fruits, foodstuffs, chemical goods, mineral raw materials (excepting ores), construction materials, finished goods (see S. S. Nikitina, "Truck and River Transport in Foreign Trade Shipments in EEC Countries," BIKI, Appendix No 4, 1980, p 4).
17. Pipelines in foreign countries find ever broader application in the transporting of solids, and especially coal. This method is successfully used to deliver coal to electric power stations 200-450 kilometers distant from the point of mining. Today there are plans for coal pipelines, in the United States, for example, 1046-2687 kilometers long with a carrying capacity ranging between 10 and 40 million tons a year. It is proposed that a number of them be built by the mid-1980's (BIKI, 11 Mar 80).
18. "Kohle schwihmit im Methanol zum Kraftwerk," VDI--NACHRICHTEN, No 25, 79, p 4; "Glyukauf," No 6, 1980, p 51.
19. Problems involved in transporting gas from Western Siberia by pipeline in comparison with the construction of powerful electric power stations at the point of extraction and LEP for the transmission of electric power, etc. are studied in connection with the investigation of possible variants of transporting fuel and energy from the East to the Urals and to the European parts of the nation. (for greater detail, see T. S. Khachaturov, "Effektivnost' kapital'nykh vlozheniy" [The Effectiveness of Capital Investments], Izdatel'stvo "Ekonomika," 1979, p 221).
20. The view of V. Shafirkin and other economists regarding the necessity of including high-voltage electric power transmission lines in the Unified System of Pipeline Transport and of counting them in the planning of development and in the evaluation of the effectiveness of its work in national economic transportation seems correct and substantiated.
21. V. I. Shafirkin, "Povysheniye effektivnosti gruzovykh perevozok" [Increasing the Effectiveness of Freight Shipments], Izdatel'stvo "Transport," 1978, p 18.
22. Parallel work of unified power systems of CEMA countries at the beginning of 1979 was conducted with 31 LEP intersystems: 1 with 750 kilovolts; 10 with 400 kilovolts; and 12 with 220 kilovolts. Between 1960 and 1978, the exchange

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of electric power between CEMA countries increased more than 15 fold  
(see EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV, No 2, 1980, p 49).

23. For example, in the industrial zone of the port of Rouen (France), there is a distribution center for the batching, packaging and shipment of automotive parts to shipped to the auto assembly plants of a French firm in Western Europe, South Africa, America and Asia. A distribution center for spare parts of a Japanese automotive firm has been opened in Great Britain. In the region of Hengelo in the Netherlands, there is a distribution center that serves the EEC countries. It handles a broad assortment of finished goods (textiles, cameras, bicycles, etc.). Such centers have highly mechanized warehouses and their work is highly computerized (JOURNAL MARINE MARCHANDE, No 2895, 1975; FREIGHT MANAGEMENT, No 143, 1978).

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