



# TRADE AND COEXISTENCE



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# **TRADE AND COEXISTENCE**



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## СОСУЩЕСТВОВАНИЕ И ТОРГОВЛЯ

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**Nikolai Patolichev**

## **PREFACE**

### **The Strategy of External Economic Relations of the CPSU at the Present Stage**

The Communist Party of the Soviet Union is the leading and guiding force of Soviet society. Its policy which is based on the fundamental principles of Marxist-Leninist science and takes into account both the general laws of social development and the specific conditions of separate historical periods is of decisive significance for the activity of the Soviet state and for the Soviet people's creative endeavour in all spheres of life.

Expressing the basic interests of the Soviet people, this policy has always met with their complete understanding and wholehearted support.

That is why the aims of the Soviet state in the sphere of economic relations with other countries, the forms and methods of its activity can only be understood in the context of the CPSU's general economic strategy mapped out by the supreme Party organ—the Party Congress.

The 26th Congress of the CPSU (February 23-March 3, 1981) promoting further the cause



of the Great October Revolution has charted the Leninist guidelines in home and foreign policy of the USSR for 1981-1985 and for the period ending in 1990. "We intend to concentrate all our efforts in two related directions. One is the building of communism, the other is the strengthening of peace."<sup>1</sup>

The interdependence of these two directions in the Party's activity comes out very clearly in the constant efforts of the Soviet Union to expand and strengthen its external economic ties which play an increasing role in communist construction and are simultaneously instrumental in promoting good-neighbourly, just and equitable relations between the Soviet Union and other countries.

The development of such economic ties springs from the very nature of socialist society. Socialism and peace are inseparable. Indeed, it is only in the conditions of peace that socialism can translate into reality its potentialities for the development of the country's economy, for the growth of the welfare of the socialist society's members and for the moulding of a new individual. There are no, and cannot be any classes, social groups or strata in socialist society which could be interested in achieving their aims by military means.

Normal, equitable and friendly relations among states, including in the sphere of economy, constitute a most important element of

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<sup>1</sup> *Documents and Resolutions. The 26th Congress of the Communist Party of the Soviet Union*, Novosti Press Agency Publishing House, Moscow, 1981, p. 153.

the general conditions conducive to the fulfilment of the plans of building socialism and communism.

The fundamental principles of the CPSU's external economic strategy were developed by Lenin who could not but realize that the Communist Party would need a scientifically sound long-range strategic plan for the development of economic relations with other countries if it was to consolidate the victory of the socialist revolution and set about building communist society.

The founder of the Communist Party and the Soviet state worked out the new strategy in the conditions of utter economic dislocation—the harsh legacy left for the young republic by World War I, the Civil War and the foreign intervention. This dreary background sets out all the more clearly the greatness and prevision of Lenin's plan which not only provided for the establishment of economic links with other countries, a task of enormous scope and difficulty in itself, but also for a radical transformation of economic relations with other countries.

Foreign trade, ever since it became a separate branch of economy, had always served the interests of the ruling exploiter classes and had been used by economically and militarily stronger states to subjugate weaker ones, to exploit, enslave and oppress the colonial and dependent nations.

The Soviet state was faced with the task of building its economic relations with other countries on an entirely new basis cor-

responding to the nature of the new social system.

For the first time ever foreign trade was to be conducted in the interests of all the people, for the benefit of the working masses, rather than for the enrichment of privileged classes.

The Soviet foreign trade has proved equal to this task first and foremost because it has always been and is firmly based on Lenin's principles.

In its economic relations with foreign states the Soviet Union proceeds from the principles of true equality, respect for sovereignty, non-interference in internal affairs, mutual benefit and strict observance of assumed obligations with regard to all countries without exception.

Lenin foresaw that after the emergence of new socialist states the relations of the Soviet Union with them would have to be governed not only by the above-mentioned general principles, but also by the requirements of socialist internationalism which implies all-round brotherly mutual assistance, co-operation and solidarity of nations in the pursuit of their common goal—the building of communist society.

The emergence of the world socialist system has created conditions for the development of basically new interstate relations, the economic ones inclusive. The socialist countries are vitally interested in the successful development of each member of the community and of the community as a whole.

Lenin viewed the establishment and development of economic relations with the countries of Asia, Africa and Latin America from the position of proletarian internationalism and pointed out that the policy of the Soviet state in relation to these countries was based "on a complete break with the barbarous policy of bourgeois civilisation, which has built the prosperity of the exploiters belonging to a few chosen nations on the enslavement of hundreds of millions of working people in Asia, in the colonies in general, and in the small countries".<sup>1</sup>

Lenin also attached great importance to economic relations with capitalist countries. He predicted with the foresight of a genius that the foreign economic policy of the socialist state would have to proceed from the objective necessity for establishing economic links between states with different socio-economic systems.

In his speech at the Ninth All-Russia Congress of Soviets in 1921 Lenin said: "There is a force more powerful than the wishes, the will and the decisions of any of the governments or classes that are hostile to us. That force is world general economic relations, which compel them to make contact with us."<sup>2</sup>

Now, when life has proved the utter futility

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<sup>1</sup> V. I. Lenin, "Declaration of Rights of the Working and Exploited People", *Collected Works*, Vol. 26, Progress Publishers, Moscow, 1972, p. 424.

<sup>2</sup> V. I. Lenin, "Ninth All-Russia Congress of Soviets", *Collected Works*, Vol. 33, 1973, p. 155.

of all attempts to foil the idea of mutually beneficial economic co-operation between the capitalist and socialist countries on an equitable basis, these words acquire particular significance and sound as fresh as ever.

Developed socialist society built by heroic efforts of the Soviet people has become a self-sufficient social system, with tremendous productive forces, advanced science, high culture, and boundless possibilities for further development.

The growth of the Soviet Union's economic potential and the formation of a single national economic complex with its intricate system of production links have radically changed the conditions for the development of foreign trade and other economic relations between the Soviet Union and other countries, adding simultaneously new dimensions to these activities. From the purchasing of necessities and concluding elementary purchase and sale contracts with a limited number of partners the Soviet Union has passed to intergovernmental treaties and agreements on trade, economic and scientific and technological co-operation with many countries of the world. The foreign trade turnover has increased accordingly—from several millions to tens of billions of roubles. Foreign trade has begun to play a more important role in the socialist economy and new fields of external economic activity have been opened connected primarily with the increasing and systematic participation of the Soviet Union in the international division of labour.

The guidelines for external economic relations are being worked out today by the CPSU Central Committee and its Politbureau as a component part of the Party general economic strategy defined for the forthcoming historical period on the basis of the theory of developed socialism.

Proceeding from the Leninist teaching applied creatively to the new socio-economic conditions, the Party has also set the principal objectives of its strategy for the present stage—they have been outlined in the decisions of the 24th, 25th and 26th Congresses of the CPSU.

The 26th Congress of the CPSU has made a new valuable theoretical and practical contribution to the development of the Party's strategy of external economic relations at the stage of developed socialism.

In guiding the external economic activity of the Soviet state the CPSU firmly adheres, as before, to the Leninist principle of the state monopoly of foreign trade and other forms of economic co-operation with foreign countries. This principle has found legislative embodiment in the new Constitution adopted by the Supreme Soviet of the USSR on October 7, 1977.

The correctness and viability of this principle have been proved by the rich practical experience of the Soviet state.

The emergence of new and ever more complex tasks, the growing needs of Soviet society in both the production and consumption spheres lead to the broadening of this principle and

to the steady improvement of the forms and methods of its application.

The state monopoly of foreign trade and other forms of external economic activity is absolutely essential for successful co-operation of socialist countries within CMEA. As a result of the strengthening and improvement of the state monopoly mechanism, it becomes possible to co-ordinate the economic development of the CMEA member states, promote socialist economic integration and bring the economies of socialist countries closer together.

The state monopoly of foreign trade is a powerful instrument of the specialisation and co-operation of socialist production aimed at fulfilling by joint effort long-term co-operation programmes in such important fields as the power industry, engineering, consumer goods production, etc.

The state monopoly of foreign trade and other economic relations with the capitalist countries protects the Soviet economy from the upheavals characteristic of the world capitalist economic system. Without this effective tool it would hardly be possible to overcome the adverse effects of inflation and other evils of the capitalist economy given the present level of economic relations between the USSR and the Western countries.

It is quite natural, therefore, that many developing countries searching for ways and means to avoid or minimise the dire effect of the anarchy of world capitalist market and neo-colonialist tendencies on their economy show keen interest in the experience of the

Soviet Union in foreign trade.

In present conditions the principle of state monopoly of foreign trade acquires new dimensions. Many years' experience shows utter groundlessness of the contentions of some Western politicians and economic observers to the effect that this principle acts as a brake on the development of economic relations between the USSR and developed Western countries and that trade and economic ties with Western partners would only gain if the USSR abandoned it. Western companies which maintain constant business relations with the Soviet Union know quite well that the USSR is a reliable partner. In the conditions of utter instability characteristic of the present capitalist economy the trade with the Soviet Union plays the role of a stabilising factor in international economic relations. The reliability of the Soviet Union as a trade partner is rooted in the immunity of the Soviet economy from any crises and in its steady, uninterrupted growth which would be impossible without the state monopoly of foreign trade. Moreover, this important tool provides a solid basis for transition to long-term trade and economic co-operation with Western countries that has been markedly gaining in scope. Many political figures and representatives of business circles in the West regard such co-operation as highly beneficial for the development of international economic relations and consider it to be an important factor in the strengthening of peace and in the security of all nations.



The extension of business contacts with foreign countries which play an increasing role in the development of the Soviet economy results not only from the rapid growth of the economic potential of the Soviet Union, but also from the successful implementation of the Soviet foreign policy aimed at preserving and strengthening peace.

The increasing importance of external economic ties for the Soviet Union is attested to by the growing volume of foreign trade in the tenth five-year plan period which rose from 50.7 billion roubles in 1975 to 94.1 billion roubles in 1980.

The successful fulfilment of the tasks set by the Tenth Five-Year Plan in the sphere of foreign economic relations provides a good basis for the rapid growth of Soviet foreign trade in the next five-year plan period.

The year 1981, the first year of the eleventh five-year plan period occupies a special place in the history of Soviet foreign trade. For the first time ever the foreign trade turnover exceeded the round figure of 100 billion and ran to 109.7 billion roubles. The next year it rose to 118 billion roubles.

The rise in the absolute figures of Soviet foreign trade turnover, being important as it is, highlights a far more significant process of the increasing participation of the Soviet Union in the international division of labour and the growing role of external economic ties in its economic development. Indeed, there is hardly any branch of Soviet economy which is not involved in foreign trade