

# Trade Contraction Slows Soviet Development Plans

Soviet President Leonid Brezhnev, and Defense Minister Dmitrii Ustinov, have just concluded a rail tour of Siberia, visiting units of the Soviet missile corps and troops on the Chinese border. The trip also included inspection and planning meetings at factories and construction sites in the oil towns of Western Siberia and new industrial centers to the East.

Brezhnev made no secret of his concern that some of the great Siberian building projects of the current Soviet five year plan (1976-1980) are running behind schedule.

Planned Soviet industrial growth, and energy production in particular, is tied to what Soviet planners call "the shift of the country's energy base to the North and East." The pace of Siberian construction is crucial to overall Soviet economic growth. It requires, as Brezhnev stressed to officials in the central Siberian district of Krasnoyarsk, the rapid development of construction and transport. The biggest project in the package is the second trans-Siberian railway, the Baikal-Amur Mainline (BAM). The behind-schedule sites Brezhnev singled out included an oil refinery, a box-car construction plant, and others in the priority industrial categories.

Not every Siberian slow-down can be traced directly to the contraction of East-West trade, but in some instances the connection is dramatically direct. The Yakutsk natural gas project awaits Japanese and U.S. commitment, and Soviet planners are reportedly anxious to know whether the deal is "on" or not, for purposes of drafting the 1981-1985 plan.

The more general problems responsible for the lags in Siberia and, more broadly, the scaling down of industrial production targets during the current plan period — targets which have already slashed Soviet growth rates to their lowest since World War II — are rooted in the aggravated accumulation of production bottlenecks, the burden of an underdeveloped agricultural sector employing over 30 percent of the workforce, and the requirements of defense spending.

Every one of these trouble-causers in the Soviet economy could be erased in a program of Soviet-American entente coupled with an international

economic recovery program. Current Soviet policy, however, has been determined with no expectation of such a program. Whether a capitalist recovery is in the Soviet national interest is still a matter of contention in Moscow between advocates of a political alliance with progrowth industrial capitalists and the shortsighted cheerleaders of collapse in the West.

Even to the extent the plan *does* count on Western supplier credits for needed technologies and equipment, the Soviets are in trouble. Their overall foreign trade growth is on target at an annual rate of 10 percent, but the portion of commerce with the OECD nations has recently turned downwards after expanding throughout the decade.

The effects are most evident in Siberia, as well as in other major projects.

## *Doing Moscow A Favor?*

The Soviet leaders who say "let U.S. industry go to hell," among the best friends of the financiers of London, will be finished if the U.S. and the USSR join forces in a strategic entente oriented towards economic recovery.

The corresponding victims of British ideological warfare in the U.S. are businessmen and politicians who find something legitimate in a prospective "security review" which Zbigniew Brzezinski's National Security Council would launch if U.S. business sealed a major Siberian energy deal.

Would the U.S. be doing Moscow a favor? Rescuing the Soviet regime from destruction? Freeing Soviet resources to prepare aggressions?

Not at all! The Soviets intend to develop Siberia with or without the U.S. — the USSR's national mobilization of youth to build the BAM is ample evidence of that commitment. But the acceleration of Soviet industrial growth which full-scale Soviet-American cooperation can bring, and especially the pooling of resources for research and development, will strengthen the Soviet leadership tendency which is accurately labeled "pro-American," a faction which will act on the mutual interest of the Soviet and American industrial republics.