



# East , West and South — what perspectives ?

In the first issue of RMR we stated that one of our aims was to:

"... introduce and analyze existing viable alternatives to the present exploitation of world resources by transnational corporations and the capitalist states."

It has proved difficult to find papers of a high standard dealing with such alternative resource policies. For this issue, however, we have been able to put together several articles on different aspects of the raw material policies of the socialist countries. In the future we hope to cover these issues more regularly.

When comparing production and consumption statistics for the socialist countries with the same set of data for the capitalist states and the "third world", it is striking that the socialist countries are virtually self-sufficient in minerals and metals.

## The key role of the USSR

The USSR is, by far, the leading mineral producer and consumer among the socialist countries. It imports only four metallic minerals of economic importance: bauxite/alumina, cobalt, tin and tungsten.

The USSR has become a major exporter to the capitalist world market and it is the main supplier of both metallic and energy minerals to the East European countries. This balanced supply situation is partly a result of the centrally planned economy and partly a reflection of the fact that the Soviet Union covers such a vast geographic area, in which almost all industrially utilized minerals occur.

The Soviet efforts to obtain self-sufficiency dates back to the early days of the revolution in the 1920s. Imperial Russia had suffered from a high import dependence for minerals. To change this situation was one of the main aims of the new revolutionary government. By and

large this effort has been very successful. The resources of the western parts of the USSR have, however, gradually been depleted and the planned production targets have, in the same period, continuously been raised.

During the 1970s the possibilities of the socialist countries, and of the USSR in particular, to rely on indigenous resources has been intensely discussed. Western experts have predicted shortages of minerals, mainly due to the following two reasons:

- Problems of waste and high specific resource consumption in the production. These problems are said to be inherent in the mechanisms of planning as practiced in the Soviet Union.
- The necessity to expand the industrial base of the country further east and north, into largely uninhabited areas, with very limited transport facilities and an extreme climate, makes mineral production from new findings prohibitively expensive compared to imports.

Both these problems have attracted high priority interest not only from Western experts, but also from the Soviet authorities. The new Soviet party leader Yuri Andropov has already stressed the need to focus on these particular problems.

The highly publicised 1976 CIA report predicting a shortage of petroleum products, is but one example of how these important scientific discussions have been deformed by a very one-dimensional political philosophy.

To some extent this kind of debate has its root in the very broad Soviet definition of national security. This is reflected in an almost total secrecy regarding statistical data, for example concerning production capacity and production of non ferrous metals, as well as precious and rare metals. It is, however, ob-

viously possible to get a fairly balanced picture of important sectors of the Soviet mineral industry (cf the article by T Shabad on the Soviet aluminium industry in RMR Vol 1 No 4).

### The importance of CMEA resource policies

The necessity of such a balanced analysis is increasing, for several reasons:

- Raw materials exports from the USSR now play an important role also in the capitalist world economy. Soviet export of natural gas to Western Europe is one example, copper export another.

Soviet raw material exports are changing the global trade patterns, especially for Western Europe and Japan. This opens up a possibility for these countries to pursue more independent policies vis-a-vis the United States, which hitherto has been both an important supplier and

guaranteed a stable supply of vital raw materials to those capitalist countries that are poor in natural resources.

- CMEA technology and expertise is an alternative to Western know-how for the "third world" countries building their resource industries in accordance with the development strategy of the NIEO.

In the long run a cooperation between the socialist and the developing countries will give the socialist countries access to new raw material resources, without increasing their dependence of the TNCs.

- CMEA imports of raw materials from the "third world" countries could also, depending on the terms-of-trade, trade volumes etc, stabilize the markets for certain commodities and, above all, limit the market control exercised by the leading TNCs.

- Finally Soviet raw material exports to other CMEA members are of vital impor-

tance to the economic and political stability of these countries. An understanding of developments in Eastern Europe must thus be based on a careful analysis of all aspects of the raw material policies adopted within the CMEA.

### Raw material policies and the threat of war

The articles in this issue clearly demonstrate the possibility of serious research in the field of natural resources. At present such research is extremely important not only for specialists, but also for the general public.

Factual and objective information is an imperative for all who want to contribute to a lessening of the very dangerous economic, political and military tensions that today dominate the relations between the capitalist and the socialist countries. ■

Table 1

Production and consumption of important minerals in the socialist countries, the industrialized capitalist countries and the "third world". (Per cent)

	Socialist countries		Industrialized capitalist countries		"Third world"	
	1966	1976	1966	1976	1966	1976
<b>Copper</b>						
Production	17.0	22.7	43.4	37.8	39.6	39.5
Consumption	19.0	24.5	78.2	69.5	2.8	6.0
<b>Bauxite/ Aluminium</b>						
Production	16.7	14.1	24.7	41.2	58.6	44.7
Consumption	19.5	20.5	76.4	73.2	4.1	6.3
<b>Iron ore</b>						
Production	33.8	34.8	45.0	40.9	21.2	24.3
Consumption	33.9	36.8	60.0	56.6	5.5	6.6
<b>Nickel</b>						
Production	28.8	23.0	53.7	50.9	17.5	26.1
Consumption	24.6	26.1	74.9	71.4	0.5	2.5

Table 2

Soviet imports in per cent of production 1980.

Alumina/ Bauxite	55%
Copper	24%
Tin	21%
Tungsten	12%
Cobalt	10%

Table 3

Soviet exports in per cent of production 1980.

Aluminium	40%
Chrome	31%
Copper	24%
Iron ore	16%