

necessity....

It is known that the appearance of nuclear missile weapons and other means of attack creates the real danger of their sudden use by an aggressor. Also, the rate of qualitative improvement of weapons grows.... The party develops and implements a realistic and far-sighted military-economic and military-technological policy.... On a strictly scientific basis, it coordinates the activity of industrial enterprises and scientific research institutions and organizations, directs the work of the defense industry and ensures the necessary conditions for it to function. Thanks to the concern of the party, the Soviet economy, science and technology are on a level sufficient to create, if necessary, in the shortest period of time, any type of weapon which the enemies of peace might want to place their stake on.

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## East-West Trade Activities

*The following is a grid of East-West trade and trade-related diplomatic visits occurring over the last two weeks.*

### West Germany

**May 19:** Soviet Ambassador to West Germany Valentin Falin addressed the Duesseldorf Chamber of Commerce, calling for a doubling of Soviet-West German trade to 22 billion deutschemarks by the end of this year. Falin reported that 1500 West German firms now carry on trade relations with the Soviet Foreign Trade Organization.

**May 25:** The Dresdner Bank announced that a standing loan to the CMEA International Investment Bank of \$400 million will be increased by \$100 million. This constitutes the largest Western loan to a Soviet banking authority ever.

**May 26:** West German Chancellor Helmut Schmidt arrived in Belgrade, Yugoslavia for scheduled talks with President Tito. Leading subjects will be nuclear power development as an agenda item for the Belgrade international conference.

### Italy

**May 19:** An East German bankers delegation headed by the president of the DDR's Export Bank arrived at Rome to meet with bankers before going to Milan. The DDR Export Bank announced plans to open up a subsidiary in Italy.

**May 20:** Italy signed a ten-year research agreement with the Soviet Union which includes research on the following areas: light industry, peaceful use of energy, and food industry.

**May 25:** Italian Premier Giulio Andreotti and Foreign Minister Arnaldo Forlani arrived in Rumania for an official visit.

— It was announced in Italy that a top level Hungarian delegation, including the Foreign and Trade ministers will visit Italy June 7-9.

— Italian Transport Minister arrived at Moscow for talks with the Soviet Transport Minister.

### Britain

**May 13:** British Energy Secretary Anthony Wedgewood Benn is in Moscow for discussions on possible joint projects and energy-related trade deals. According to the *Financial Times*, Benn called for a "joint European approach" to energy policy, and specifically called for the study of possible Soviet link-up into a European electricity grid.

**May 18:** The largest-ever Anglo-Soviet trade deal, worth £147 million (\$250 million), is announced involving the construction of two methanol plants in the Soviet Union by Davy Powergas, a subsidiary of Davy International.

**May 17:** Gordon Richardson, chairman of the Bank of England is in Moscow for a three to four day visit, returning the visit to London of the head of the Soviet Gosbank earlier in the year.

**May 23:** Trade Secretary Edmund Dell is in Moscow for the sixth annual meeting of the Anglo-Soviet Trade Commission. According to the *Financial Times*, Dell, who is urging the Soviet government to make full use of the still-outstanding £600 million worth of credits extended to them by the British in 1974, will be following up on energy-related trade deals discussed during Energy Minister Benn's earlier trip. Representatives of ICI and British Petroleum will be meeting with Soviet officials to discuss specific projects. In particular, BP is believed to be discussing possible oil explorations in the Barents Sea with the Soviets, as well as a contract for an oil-rig fabrication yard for oil exploration in the Caspian Sea.

### Finland

**May 18:** Agreement has been reached between Finland and the Soviet Union, in which thirteen Finnish companies will join in building the first phase of an iron plant in the USSR near the Finnish border. This iron plant will produce three million types of iron pellets per year and housing for 9,000 Soviet workers. The plant will provide jobs for 5,000 Finnish workers and will cost \$900 million.

One-third of the plant's output will be used in Finnish steel mills. The Soviets anticipate that the project will function at an eventual 26.5 tons capacity.