

Troubles of Socialist Economic Integration: Czechoslovakia and Joint Projects within the CMEA in 1970s and 1980s¹

Jan Lomíček

KEY WORDS

Socialist Economic Integration — CMEA — The Comprehensive Program — Czechoslovakia — Joint Projects — Orenburg Gas-Pipeline

INTRODUCTION

Czechoslovak participation in international joint projects within the Council of Mutual Economic Assistance (CMEA) demonstrated analogous problems, which during the seventies and eighties accompanied multilateral attempts to integrate socialist economies of CMEA-member countries on a large scale. On one hand there was an image of CMEA (widely spread through official discourse) showing organization as institution which was successfully functioning and was suffering only from „particular organizational imperfections“. On the other hand in contemporary archives we can find a description of many systemic difficulties caused by the settings of the organization itself.² Difficulties that originated out of the nature of a socialist economic system, or more precisely planned national economies, were particularly connected with coordination problems of the national five-year plans, fulfilment of contracted terms of delivery, fixing of long-term prices, credit repayment etc. In the same way on one hand CMEA was representing the organisation (based on the hegemony of formal language)³ which was unselfishly fulfilling principles of socialistic mutuality and ideas of proletarian internationalism. On the other hand we can find large volume of archival of legal character as a result of long-lasting negotiations of national expert groups whose aims were to guarantee (despite mutuality and unselfishness) that no country would be put in disadvantage. In case of many projects within the CMEA (integration joint projects, economic organisations) these negotiations were the only result of their functioning, whereas other real outcomes were at least disputable. The following paper will at

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2 Some selected problems are further discussed in Randall W. Stone, *Satellites and commissars. Strategy and conflict in the politics of Soviet-bloc trade*, Oxford: PUP, pp. 3–71.

3 See Alexej Yurchak, *Soviet Hegemony of Form*. In: *Comparative Studies in Society and History* 45, No. 3, July, 2003, p. 480–510.

first outline development of multilateral economic integration attempts within the CMEA during the seventies and eighties. After that it will focus on questions of the motivation of Czechoslovak side and role of its industry in participation in integration joint projects on given examples. Alongside it will deal with issues connected with dichotomy of medial discourse of socialistic economic integration and problems that were accompanying it in real.

Problems connected with „double image“ of CMEA functioning are reflected also in the case of so called integration joint construction projects, in which Czechoslovak Socialist Republic participated in during the 1970s and 1980s. The topic of this paper focusing on international joint projects within the CMEA was selected because of necessary specification as it was impossible to cover the problems of Czechoslovak role in CMEA *in toto*. Integration joint projects as such also repetitively appear in contemporary papers and publications from that period. Besides so called *international organizations* were above mentioned integration projects within CMEA one of the branches in which socialist cooperation and integration on multilateral level was (according to the official discourse) to a certain extent successful. This hegemony of formal language lasted until the year 1989, but in contemporary non-public documents the reality appeared considerably different.⁴ As a historical source for this paper were used sources deposited in archival collections of the National Archives of Czech Republic in Prague, particularly collections *Presidium of the Central Committee of the Communist Party of Czechoslovakia*, *Office of Presidium of Czechoslovak Government* and *Gustav Husák* and from Slovak National Archives, collection *Presidium of Central Committee of the Communist Party of Slovakia*. Reconstruction of contemporary official discourse was based on publications dealing with history of CMEA in general,⁵ from the Czechoslovak point of view⁶ and from the point of view of Czechoslovak media, where the main source was daily *Rudé Právo* as the official newspaper of the Communist Party of Czechoslovakia. Besides it there is also literature which records the point of view of direct participants of these integration projects (workers, project architects, consultants), either contemporary (of official propagandistic character)⁷ or of memoir character originated in the following period,⁸ but the second category is in the case of Czechoslovak participants so far limited.

4 Public discourse concerning successes of socialist economic integration changed immediately also in public propagandistic press. Good example is monthly journal *Maják*: celostátní noviny pracujících KTUK Dolinská, where problems of construction appeared almost overnight. See *Maják*, Prague, 1989, no. 1-12 and 1990, no. 1-3.

5 See Boris Djakin, RVHP: problémy a perspektivy integrace, Prague 1980, 199 p.

6 See Bohumil Lehár, Rada vzájemné hospodářské pomoci, Prague 1989, 192 p.; Vaclav Libánský, Mezinárodní socialistické organizace pro hospodářskou a vědeckotechnickou spolupráci, Prague 1980, 260 p.; Miloslav Jenšík, Progress, Karačaganak, Dolinská: Československý podíl na integračních stavbách v Sovětském svazu, Prague 1988, 30 p.; Josef Smrčka, International Economic Organizations and Multinational Corporations, Prague 1986, 52 p.

7 See Jiří Stano, My z Orenburgu, Prague 1979, 192 p.

8 See Rolf Junghans et al., (eds.), *Geheim! — Das eiserne Problem des Sozialismus*, Berlin 2009, 515 p.

SOCIALIST ECONOMIC INTEGRATION ATTEMPTS

During the sixties the attempts to implement multilateral economic cooperation within CMEA began. This process enabled the first joint construction of huge industrial and transportation projects. Overall it included construction of more than 20 objects with total amount of 2 billions of transferable rubles. These objects included for example the Družhba pipeline, Transcontinental gas pipeline, Hungaro-Polish joint company Haldex etc.⁹ Well-known is the fact that until the beginning of the seventies was within CMEA between officials for the joint activity of socialist countries in the field of economy promoted the term cooperation. Only few economic experts advocated the term socialist integration. Certain turning point on this field (and pronouncement of new course) represented *The Comprehensive Program for the Further Extension and Improvement of Cooperation and the Further Development of Socialist Economic Integration*, which was approved in the year 1971.¹⁰ At the time of its approval on the XXV. session of CMEA in Bucharest this program defined a new concept of creating interconnected economic area of Eastern bloc countries, which would enable economic integration based not only on bilateral economic relations of individual countries. *Comprehensive program* aimed to reform the dismal state the socialist cooperation showed. The signers of this program also hoped to achieve competitive ability of integrated socialist economies in relation economic communities of so called developed capitalistic countries. In this meaning the program represented kind of delayed reaction against development of western markets. The term cooperation was finally substituted in official terminology with integration and with that turn a new period of economic experiments from rhetorical as well as practical perspective started.¹¹

In the realm of economy and science the integration based on Comprehensive program found the expression in establishing new types of transnational collaboration. Those involved so called International economic organizations within CMEA which were further divided into interstate organizations and international organizations. The whole system of CMEA-related international economic organizations was a bit unsystematic, but it is essential to explain it a little. According to economic experts interstate organizations were divided into two groups: a) organizations with general authority, which was in fact CMEA in general and b) organizations with special authority (those included for example Joint rolling stock, Intersputnik, Interelektro, Intermetall, the International Investment Bank, the International Bank for Economic Cooperation, international scientific institutions etc.). These organizations were established by individual states which acted as members. They were functioning as interstate institutions established to accomplish specified goals in various areas of

9 Joint investments in CMEA in pursued period are analyzed in László Csaba, *Eastern Europe in the World Economy*, Cambridge, 1990, pp. 99–124.

10 For further analysis see Randall W. Stone, *Satellites and commissars. Strategy and conflict in the politics of Soviet-bloc trade*, Oxford 2002, pp. 115–147.

11 In media discourse process of term substitutions lasted much longer. See L. Hrudka, *Ve štábu Orenburgu*, *Rudé Právo*, 11. 5. 1975, p. 3.

economic activity. In particular they were acting on fields where fast solution rather than ungainly procedures carried by CMEA apparatus was necessary. Therefore these organizations according to their characteristics (field of activity, organizational structure, seat, legal basis, financing) constituted a highly heterogenous complex.¹²

The second category according to *Comprehensive program* was made of so called international socialist economic organizations. They were based on (mainly bilateral) interstate agreement or established after the agreement of other interested economic institutions. Their aims were at first coordination of activities of their members, or their own economic activity, namely in the areas of material production, architect projects and construction, foreign trade and scientific research. International economic organisations were supposed to operate on the level of domestic economic institutions. Unlike interstate economic organizations they shouldn't participate in relations defined by international law and their expected members were first of all economic institutions. In general those organizations were further divided into international economic associations, joint enterprises and international economic partnerships.¹³

The category of international economic associations included for example Interatominstrument, Intertextilmash, Interchimvolokno and others, joint enterprises were Haldex, joint german-polish spinning mill Druzhba, Erdenet, in category of international economic partnerships were included for example Internephtprodukt, Dunajtrans etc. Besides these there was one special category, so called „other international economic organizations“ which included especially institutions engaged in geological surveying or solving other scientific problems. The above mentioned text showed that the system of so called international economic organizations within CMEA was at least quite heterogenous. In spite of several unifying regulations of these organizations approved repeatedly by the CMEA Executive Committee (in 1973 and 1976), the situation hasn't changed.¹⁴

As it was written above, international socialist organizations issues were little bit disorganised. Some of them were active on the field of activity why they were constituted, and their successor organizations have been in some form functioning up to the present. Others remained only in the form of their legal base. Besides international economic organizations was the realization of accepted *Comprehensive program* expressed namely in the form of integration arrangements which led to mutual investment and economic activity of CMEA states, thus also to the cooperation in so called integration construction projects.

The Comprehensive Program for Further Extension and Improvement of Cooperation suggested the set of measures which were according to the contemporary materials divided into three spheres: 1) measures improving the system of cooperation, 2) mea-

12 See Václav Libánský, *Mezinárodní socialistické organizace pro hospodářskou a vědeckou spolupráci*, Prague 1980, pp. 12–36.

13 Ibid. For another approach see Harriet Matejka, *More joint enterprises within CMEA*. In: John P. Hardt, Carl H. Mc Millan, *Planned Economies: Confronting the Challenges of the 1980s*, Cambridge 2010, pp. 171–189.

14 Ibid, p. 27.

asures focused on intensifying cooperation of CMEA member states in the material sphere which were supposed to put the integration of particular branches of production into practice and 3) set of measures in legal and institutional sphere to gradually enhance the activity of existing CMEA authorities. The adoption of *Comprehensive program* started a new period in investment activities of CMEA members. During the seventies and eighties the mutual investment activity was supposed to exceed from industrial branches of mining, processing and transportation of fuel and raw materials to manufacturing industry and should be ensured both legally and institutionally. This process was to be provided by the approval of *Arranged plan of multilateral integration measures for the period 1976–1980* accepted by XXIX. CMEA session in Budapest and second *Arranged plan* for period 1981–1985 accepted by XXXV. CMEA session in Sophia. In the first period the value of investment activities of CMEA states reached the level of 9 billions of transferable rubles, in the following period the value of investments doubled. The plan itself for the years 1981–1985 contained approximately 200 measures of various scale. Compared to the sixties, interested states began to participate in more joint investment actions beyond their own borders. That is why the International Investment Bank was established in 1970 in Moscow. It was supposed to enable these investment activities of CMEA members. A significant part of these projects was to be realized in the Soviet Union. According to the measures adopted on the basis of *Comprehensive Program* to the focus of attention should come the sphere of manufacturing industry, but most significant investment actions from the Czechoslovak point of view were realized in heavy industry.¹⁵

Particular examples of joint investment actions during the seventies, in which Czechoslovakia took part, were on the first place gas pipeline Soyuz (Czechoslovak participation was 10% of budget price, which was around 460 millions of transferable rubles), in addition other projects were asbestos processing plant in USSR (Czechoslovakia — 3% of budget price), power line from Vinnitsya (USSR) to Albertirsa (Hungary) (Czechoslovak part — 10% of budget price), feeding yeast processing plant in Mozyr (USSR) (Czechoslovak part — 6,6% of budget price), airline personnel education centre in USSR and so called Mutual Complex Automatic Telecommunication System. Without Czechoslovak participation were at the time realized projects such as constructing cellulose processing plant in Ust-Ylim and also some projects of joint enterprises such as soviet-mongolian Erdenet.¹⁶

In the first half of the eighties the key investment issues from the Czechoslovak point of view were especially cooperation in the construction of Khmelnytskyi Nuclear Power Plant (USSR) (Czechoslovak participation — around 15% of budget price) and cooperation in power line construction from Khmelnytskyi Power Plant to Rzeszow (Poland). Also investments into construction facilities realized in Mozyr and in Mutual Complex Automatic Telecommunication System continued. Following objects of mutual investments within CMEA were investment activity in reconstruction and further construction of international railway and road network.

15 See Bohumil Lehár, *Rada vzájemné hospodářské pomoci*, Prague 1989, pp. 136–158.

16 See Vratislav Válek, *Společná investiční činnost členských států RVHP*, Prague 1984, pp. 42–54.

Further progress in integration attempts within CMEA was *The Comprehensive Program for Scientific and Technical Progress up to the Year 2000* which was ratified in December 1985 during XLI. extraordinary CMEA Session in Moscow. The general secretary of Communist Party of the Soviet Union (CPSU) Mikhail Gorbachov on that occasion said: "In today's world with complicated conditions of economic growth, steep drop of economic boom and severe competition have clear perspective and security great importance for the future. And such perspective and security gives to the comrade countries socialist economic integration and their bilateral and multilateral cooperation within CMEA. But this wealth doesn't lay on the surface. We have to do a lot of work to take advantage of it. We have to accomplish collectively a lot and carry out many large tasks."

As it was from the speech despite formal stereotypized language clear, CMEA members started to realize the necessity of closer cooperation as an escape route from difficult economic situation. Integration attempts found expression also in the adopted formal rhetoric of Communist party of Czechoslovakia. In the document called *Principal directions of economic and social development of Czechoslovakia for years 1986-1990 and prospects to the year 2000*, which was ratified on XVII. congress of Communist party of Czechoslovakia in year 1986, it is mentioned not only the necessity of securing 22% growth of foreign trade with CMEA member countries, but also the necessity "...to develop first of all interbranch and intersectoral exchange. Special attention must be paid to integration joint projects, which provide supplies of fuels, energies and raw materials and strengthen economic resistance of the partnership."¹⁷

This started a bit hectic endeavour to catch up with western economies which included intensifying the integration attempts. It was manifested by accelerated realization of further joint integration projects, such as gas pipeline Progress and iron ore processing combined plant in the area of Krivoy Rog in Ukraine.

INTEGRATION CONSTRUCTION PROJECTS

The principle of so called integration construction projects was in fact partial involvement of CMEA members in project realization in exchange for the percentage share of the final production during the given period. Integration participants in fact provided with their construction capacities, machines, facilities and manpower an investment credit to the target economy (above all to the USSR). This credit had to be subsequently repaid for the contract period in the form of mined fuel, raw materials or final products.

Out of joint integration projects of the seventies and eighties were in Czechoslovak media and official materials accented first of all projects of gas pipeline Soyuz (gas mining and gas transportation from the reservoir in Orenburg), gas pipeline Progress (gas mining and transportation from reservoir in Jamburg), gaswork compound Karachaganak and iron ore processing combined plant in the area of Krivoy Rog, site Dolinska.

¹⁷ See Miloslav Jenšík, *Progress, Karačaganak, Dolinská: Československý podíl na integračních stavbách v Sovětském svazu*, Prague 1988. p. 3.

1) Soyuz. Project Orenburg (which was also a popular name of the whole gas pipeline) included participation of all CMEA European countries in the construction of gasworks complex in Orenburg and 2677 km long gas pipeline Soyuz from Orenburg to the western borders of the USSR. The construction ended in year 1979.

2) Project Progress. In case of Progress gas pipeline (from Jamburg) Czechoslovakia took part in construction of a 300km long section overcoming the Carpathian mountains and four compression stations in years 1986–1988, participation also included a supply of construction facilities (materials, portable buildings and means of transport).

3) Project Karachaganak. Participation included the construction of section of Ural gaswork complex Karachaganak in Aksay locality during the period planned at first for the years 1986–1990. It included namely construction of building facilities — communications, construction bases and central offices of Soviet companies, housing constructions and public facilities. Construction was planned to be extended also after 1990.

4) Project Dolinska. Iron ore processing (enriching) combined plant in Dolinska locality in the area of Krivoy Rog in Ukraine represented one of the last huge investment projects just immediately before the start of the period of economic transition of centrally planned economies of Eastern Bloc. Czechoslovak participation included construction of magnetic separation shed, 1500 apartments, kindergarten, school and other public facilities (Czechoslovak investments made 13,7% of total costs of construction), around 200 Czechoslovak builders took part in construction works.¹⁸

The following part of this paper will examine some problems arising from Czechoslovak participation in two integration joint projects mentioned above — project Soyuz and enriching combined plant in Dolinska. Soyuz (Orenburg) gas pipeline was later promoted by Soviet party as a model type of integration project and was used also as a contractual pattern in the case of other integration construction projects. In some ways it also prefigured the problems which accompanied the Czechoslovak participation in CMEA integration attempts in next period.

PROJECT ORENBURG

In years 1970 and 1971 the intergovernmental agreements between Czechoslovakia and USSR and Czechoslovakia and GDR over contracts for capacity extension of so called Transit gaspipeline were already concluded. The gaspipeline in question transported Soviet gas in western direction. According to these agreements the supposed transporting capacity till 1980 should reach 28 billions m³, where more than one half (16,5 billions m³) was destined for the transport of Soviet gas to the countries of Western Europe (Austria, Italy, France, West Germany).¹⁹

¹⁸ Ibid, p. 5–28.

¹⁹ See The National Archives (NA), Prague, Presidium of Government, cart. 189, 203/1/33, 1975, Report from bargaining over import of natural gas to Czechoslovakia, construction of Transit pipeline.

Project Orenburg was designed to tie together the finishing network of Transit gas pipeline and Orenburg natural gas reservoir and supplement in this way required capacity of Soviet natural gas for the export (not only) to the western countries. General agreement on cooperation during utilization of Orenburg gas reservoir and construction of long-distance gas pipeline Orenburg — western borders of USSR was signed in the summer of 1974. The Content of above mentioned agreement is important particularly because of later references during bargaining with Soviet party about following integration projects. It is logical that in the case of Orenburg project what was emphasized was its integration function with respect to the socialist system rather than mentioning the priorities of Soviet energetic export. A similar situation can be found with machine equipment used during the construction — emphasized was the fact that the construction is almost self-sufficient using machines from Eastern Bloc, not mentioning the inevitability of utilization of machinery from developed capitalist countries.

General provider of Czechoslovak section of construction was Transit gas pipeline Prague, national corporation (n. c.), which was to provide handover of turnkey constructions, foreign trade activities were under the competence of Foreign trade organization Simex. According to the original agreement the Czechoslovak party was supposed to provide a completed construction of the second section of gas pipeline from Alexandrov Gay to Sokhranovka in the length of 562 km, including the construction of five compressing stations (localities Kalininskaya, Antipovka, Pallasovka, Frolovo, Sokhranovka) and other related constructions, period of handover was fixed on the third quarter of 1978.

The project was from the very beginning facing several troubles; first of all it was a difficulty with meeting the deadlines of the project, which was on the other hand de facto the problem of the whole system of planned economies.

Five-year plan setting didn't count too much with "sudden actions" which weren't planned sufficiently in advance and that was also the problem of Orenburg project. The project was running late from the very beginning, in fact from the phase of project documentation authorizing which was completed by the Soviet party behind schedule. On the other hand the Soviet party demanded one-year shortening of construction period of Czechoslovak section, which meant finishing in autumn 1977. This was not the only demand Soviet party had. They also requested the increase of Transit gas pipeline transportation volume (from 28 bil. m³ to 37 bil. m³ till 1980), which meant not only extending of pipeline itself, but also construction of compressing stations. What was behind it was clear — declared internationalism had to stay back behind, the growth of Soviet foreign trade demands was above all.

At the same time Czechoslovak party got into problems in the sphere of machine provision of the construction. The Soviet Ministry of Foreign Trade declared that for the year 1975 (in spite of the demand for shortening of the construction) the Czechoslovak section could count only with approved supplies and in the case of acquisition of foreign specialized machinery from capitalist countries it was to expect delay of supplies both in the matter of capacity and the date of delivery (according to the General agreement was Soviet party supposed to maintain the equipment of the construction site with specialized machinery). Czechoslovak party was in that way forced to

try to maintain supplies on its own. In addition during Czechoslovak-Soviet negotiations Czechoslovak leadership put a strain on administration and organization of Czechoslovak providers related to the resources saving, especially in the sphere of machine equipment supplied to the Czechoslovak section of Soyuz construction.

Prolonged negotiations were conducted because Soviet side was to take on some of the Czech obligations due to the shortening the construction period of the project. In these negotiations Czechoslovakia metaphorically got a raw deal. Soviet partners insisted on disadvantageous compensational conditions for Czechoslovakia. In given speech minister of oil and gas facilities construction Scherbina said that “demands of Soviet party are adequate, because Czechoslovak partners would have to buy in any case all demanded (and even more) machinery and would have much higher costs connected with realization of contracted works, demand of several thousand of workers, housing capacities and realization of construction in difficult climatic conditions.”²⁰

After the negotiations the Soviet side after all agreed to take on the construction of the part of the Czechoslovak section of pipeline. The sections involved the passage over the Volgograd dam, over the Don river and part of pipeline ranging from 150–200 km. All with one condition — that Czechoslovak partner will request the Soviet help. However this required appropriate compensation from the Czechoslovak side worth 30 millions of Soviet rubles (or in the form of transfer of already purchased construction machinery from capitalist states) and in addition supplies of 1000 Tatra trucks during period of 1975–1978.²¹

After the Czechoslovak-Soviet negotiations project Orenburg got dispensations in miscellaneous sectors — in case of construction materials supplies, supplies of construction facilities, construction equipment, including supplies from domestic production and from production of capitalist countries. And finally the project got also exception of the Czechoslovak centrally-planned economy in general. The report on Orenburg project from January 1975 for Presidium of government stated: „It is expected that necessary equipments (of the project) will be not possible to cover from planned production without disruption of already made contractor-customer contracts. Therefore it is necessary (for the project) for the State Arbiter of Czechoslovakia to exempt contractors in substantiated cases from financial sanctions resulting from non-realization of earlier made economic contracts with regard to high priority provision for construction of Czechoslovak section of gas pipeline Orenburg.”²² The

20 See NA Prague, Presidium of Government, 203/1/33, 1975, report Construction of Czechoslovak section of Orenburg gas pipeline, 28. 5. 1975, p. 4.

21 This term appeared as one of the biggest problems, because during 1975–1976 were these vehicles taken from supposed capacity designated for the domestic market, during following period thereafter from the export capacities designed for the western countries. Earlier Soviet suggestion demanded supplies even higher up to 2500 trucks in that period beyond standard export rates to the USSR. For illustrative purposes 1000 trucks of contemporary produced model T148 represented one sixth of overall year export of these trucks.

22 See NA Prague, Presidium of Government, 203/1/33, 1975, Report on preparation and realization of Czechoslovak section of Orenburg gas pipeline, 31. 1. 1975, p. 6.

project had priorities in financing as well, for the Czechoslovak participants special recruitment supplementary charge was assigned. However, that was accompanied by alteration of labour-law relations. Under the terms of “economical utilization of labour resources” it was permitted to increase amount of overtime work in case of specialized professions at first up to 1200 working hours per year (following the negotiations this extent was corrected to 700 overtime working hours, that is 87,5 eight-hour work shifts per year). Simultaneously working week was adapted and also holiday taking.

Formal opening of the construction was on May 15th 1975. During the first stage mainly problems with logistics appeared. First came the construction of housing capacities for the participants of the project. Czechoslovak side was complaining particularly about the delay of project documentation from responsible Soviet authorities. Further pivotal issues in first stage were particularly questions of transportation capacities, supply provision and health care delivery. Last two issues were according to the agreement within Czechoslovak competence. Heavy emphasis was put on the fact that project could be used also for propaganda and that’s why the attention had to be paid to the cultural and educational activities of construction participants. It included discussions in their free time which should besides „deepening the knowledge of Soviet country and of work of Soviet people, dealing with climatic conditions [...] bring Czechoslovak workers to the responsible behaviour of Citizen of Czechoslovak Socialist Republic.“²³

Construction works took place in the localities of Volgograd (project coordination), Pallasovka, Antipovka, Frolovo, Nizhne Krivskaya, Kalininskaya, Sokhranovka. During the first stage till the end of 1976 it was mostly about construction of housing capacities, road and infrastructure network, service providing objects and public facilities (kindergartens, nurseries, hospitals). From the very beginning the construction suffered from problems with project documentation, connecting the building sites with infrastructure network, and also problems with Soviet supplies.

Compared to the original agreements Czechoslovak side stated that concerning question of materials Orenburg project will require disproportionately higher resources from Czechoslovak production (in case of several objects — compressing stations and housing capacities — overcoming 75% of some sorts of materials — particularly electroinstalation material and instrumental facilities). That meant also influencing Czechoslovak domestic production where it was essential through intervention of State Planning Commission to arrange reallocation of material funds in related branches of industry. Shortened handover term demanded by Soviet side and Czechoslovak problems connected with that situation in no way averted that immediately after ratification of these agreements started between Czechoslovak and Soviet partners protracted bargaining for fixing the price levels of gas transit fee across the territory of Czechoslovakia.

Despite many reversals Czechoslovak state television at the end of 1978 gave public information about the construction in positive way. They announced that labour ef-

²³ See NA Prague, Presidium of Government, 203/1/33, 1975, Report on visit of Orenburg gas-pipeline construction sites of emissary for trade Mišovský, 20. 10. 1975, p. 6.

forts of Czechoslovak workers are in spite of difficult conditions achieving success.²⁴ The same positive information about the integration project was contained also in the book of reports written by Jiří Stano called *My z Orenburgu* [We from Orenburg] which was published in the autumn of the same year. There wasn't a word either written or spoken about the fact that the construction was delayed in comparison with earlier agreements.²⁵ Soyuz gas pipeline was put into the operation in year 1979 and for the next ten years it was appearing in the Czechoslovak media discourse as the example of successful integration joint project.

PROJECT DOLINSKA

The construction of Krivoy Rog Mining-Processing Combined Plant of the oxygenated iron ore was decided by XXXVII. CMEA-session in year 1983 in Berlin. But the co-operation agreement concerning joint construction was not signed until September 2nd 1986, subsequently were concluded partial contracts about activities of Czechoslovak organizations on the territory of Soviet Union. Czechoslovak participation represented 13,7% of investments — so the expected return was also 13,7% of plant production in the period of 10 years after the end of project construction. Contracted supplies were in the long term perspective to supplement iron ore capacity supplied under the terms of Czechoslovak-Soviet trade agreement. They were also designated for providing iron ore after 1990 when ended the previous agreements on stock exceeding beyond so called “traditional supplies“ signed in 1974. Preservation of iron ore supplies capacity was then dependent just on the Czechoslovak participation on the construction of Dolinska plant. In the case of non-participation would the overall capacity of imported Soviet iron ore fall just by the expected production from Dolinska, that means by one fifth of overall Soviet import of iron ore (by 1036 kilotonnes of overall capacity 5583 kilotonnes). According to the Soviet side had Czechoslovak participation on construction in Dolinska “crucial significance for provision of iron ore supplies to Czechoslovakia, not only so called “traditional”, but also others, following the remaining bilateral agreements”. In case of Czechoslovak non-participation “remain all questions concerning supplies of iron ore from Soviet fully opened“. It follows that Czechoslovak side in case of bargaining didn't have many options.²⁶

Overall participation on the project represented the construction of magnetic separation hall, 1500 apartments, school, kindergarten, shopping centre, cinema, hotel, service centre. General provider was ČKD Prague, other providers were Industrial constructions Brno, Ground constructions Banská Bystrica and others. Assumption of overall investments was in year 1986 15–17 billions crowns.

24 See Tepna přátelství, Czechoslovak television, broadcasted 30/11/1978. author Ivan Koudelka, available on http://euscreen.eu/play.jsp?id=EUS_73F41D1262A0490FB3EAE913199081F2

25 See Jiří Stano, *My z Orenburgu*. Prague 1979, 192 p.

26 See NA Prague, Presidium of Government, 201/203/1, 1986, Information for prime minister L. Štrougal, 30. 12. 1986, p. 4.

The construction started with one year delay. Construction works began in October 1985, even before the formation of bilateral government agreement. The reason was, again, fulfilling of shortened term of construction handover. Despite delay Czechoslovak side agreed to hand over the construction up to the end of 1990, two years earlier than formal projection. The beginning of construction met usual problems, especially insufficient preparation of Soviet project plans. Delayed was also geological conditions check of magnetic separation hall construction site, which represented the biggest compound intended to build in Dolinska.

First realized part of the construction was building the housing complex Mayak which had capacity of 2043 inhabitants and was handed over in the end of October 1986. Following construction was afflicted by difficulties particularly with deficiencies supplies of technologies. Construction of principal part of the plant, which was the magnetic separation hall, began in June 1986 and half a year later in December assessed Czechoslovak side the situation on the construction site as critical, particularly with respect to the lack of cement and related poor quality of concrete pillars which were supporting the foundations of the hall due to the unstable bedrock. When speaking of the problems connected with construction, Czechoslovak side at that time decided to establish extensive cooperation particularly with participant of the integration project from East Germany, especially in the way of experience sharing. This was also one of few official manifestations of socialist integration, besides collective leisure time activities, which were methodically solved as one of the key problems.²⁷

The construction went on with problems until the disband of CMEA, when Czechoslovak side withdrew from the contract in connection with reduction of domestic iron production. After the dissolution of Czech and Slovak Federal Republic were construction interests (including debts) conveyed to East Slovakian Ironworks Košice. Particularly because of disorganized contractual situation, which originated as early as the beginning of the project organizing, despite repeated negotiations in 1995 and 2001 remain the state of affairs around former integration joint project in Dolinska unclear.

MOTIVATION OF CZECHOSLOVAK PARTICIPATION IN INTEGRATION JOINT PROJECTS

If we think about the motivation of Czechoslovak participation in integration projects within CMEA during seventies and eighties, it is necessary to consider several spheres in which these projects represented benefit for the socialist regime. First of all they meant extension and in particular provision of natural gas supplies capacity. Gas as fuel provided a partial replacement of crude oil within the concept of energy security. Following the oil crisis in the seventies crude oil didn't represent such a stable commodity as in preceding years. The oil prices were fixed on the basis of five-year averages and so it is question, if we can speak about subsidization of CMEA

²⁷ See Rolf Junghans et al. (eds.), *Geheim! — Das eiserne Problem des Sozialismus*. Berlin 2009, 515 p.

market by Soviet Union in general. Uncertain situation on the markets was one of the causes of efforts to secure potential resources in case of another crisis.

Alongside the gas provided by Czechoslovak participation was of course intended also to cover increasing demand for this commodity. Another fact that influenced a decision to participate in integration projects especially connected with gas infrastructure was that the construction of Soyuz pipeline preceded putting into operation the Transit gas pipeline network crossing the Czechoslovak territory. This way Transit pipeline gained more importance due to sales provision of Soviet gas not only to the East Germany, but particularly to the western countries. For the Czechoslovak economy this meant benefits at least in the form of transit fee. Besides that the increase of gas supplies capacity was to partially provide energy security until sufficiently effective network of nuclear power plants would be built. Volume of the imported natural gas increased in observed period from 1,3 billions m³ in year 1970 to 10,4 billions in year 1985. Motivation in case of participation in construction of Progress pipeline and gaswork complex Karachaganak was analogous — provision of supplies and connection to already existing infrastructure of transporting network (and resulting transportation fee).

In the case of Czechoslovak participation in construction of iron ore enriching plant in Dolinska the motivation was primary to provide long-term supplies of enriched iron ore from locality close to the Czechoslovak borders. Iron ore was at that time a key commodity for the metallurgical industry before its restructuralization. The combine-plant production from Dolinska designated for Czechoslovakia was to cover one fifth of domestic industry consumption. However at the same time during negotiations Soviet side presented Czechoslovak partner with a *fait accompli* — in case of non-participation there was a threat of at least prolonged bargaining for the iron ore price. Potential completion of Dolinska construction promised provision of Czechoslovak industry with one of the key commodities.

A neglected aspect of integration joint project is also their propaganda value. In fact they represented for the state propaganda (not merely in ideological sense but also as legitimization of the system based on the positive image — as a parallel to contemporary PR) the best utilizable field of socialist economic integration. Besides international space project Interkosmos, which represented at that time probably most newsworthy topic, integration joint projects with participation of thousands foreign workers were one of few areas where it was possible to display achievements of socialist economic integration.

In the case of Soyuz construction we can find (at least in Czechoslovak medial image) several motives which this construction symbolized. The most distinctive legacy was successful functioning within the socialist integration based on the principles of mutuality and internationalism. This was accompanied with the image of “unselfish assistance” of particular states on the territory of USSR. From the perspective of Czechoslovak propaganda the constructed image is also influenced by the return to the propagandistic motives of socialist realism on the beginning of so called normalization. — concept of bringing nature under control of human kind, using of all working collective strength in difficult conditions due to the harsh climate (not due to the problems of centrally planned economies or integration troubles). The

fundamental message was self-sufficiency of economic activities within the CMEA and the ability to construct international projects of great extent.²⁸ What was forgotten in some materials was the fact that part of the equipment used during Soyuz construction was from the production of capitalist economies. Also the number of people participating in the constructions is partially played down. In the eighties 70 000 foreign workers took part in the integration joint constructions. Their memories are partially recorded in German documents.²⁹ It is not the case of CSSR, we are still missing that approach. When looking at official reports from constructions, it is clear that possible controversies cannot be found there.

CONCLUSION

Czechoslovak participation in above mentioned integration projects seems to be a good starting point when dealing with the topic of CSSR within the CMEA in seventies and eighties. The projects were for the CMEA of crucial importance as they represented the results of its functioning (besides so called *international economic organizations* within the CMEA). Constructions got great attention in media, they also brought extraordinary experience to their participants (in Germany they still organize meetings for people involved in integration constructions, however that is not the practice in the Czech republic). Propagandist function was not of the biggest importance here. Constructions represented a long-term credit which was for the participants more or less advantageous. Several of these projects fulfilled also their economic function, also in later years. Some of them were not successful, such as combined plant in Dolinska. This complex symbolizes the failure of the attempt at socialist economic integration.

When dealing with the topic of integration constructions, it would be beneficial to look at them from the corporate point of view. Also, the methods of so called oral history could be employed here (interview the participants on these constructions) for the future. The research of corporate archives is in the case of Czechoslovakia very problematic as these archival materials are not processed to great extent, sometimes not at all. They are also not fully accessible, especially those dislocated in National Archives of Czech Republic. That is why the methods of oral history would be more than useful. The participants are not only workers but also people on other positions (in infrastructure, transport). These people would offer different points of view.

²⁸ See Jiří Stano, *My z Orenburgu*. Prague 1979, 192 p.

²⁹ See Rolf Junghans et al., (eds.), *Geheim! — Das eiserne Problem des Sozialismus*. Berlin 2009, 515 p.