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# EXTRACTS FROM THE SOVIET PRESS ON THE SOVIET NORTH AND THE ANTARCTIC

AUGUST 1990

External Affairs and  
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Canada



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## ARCTIC

### En Route to the Pole

A nuclear powered icebreaker which is carrying tourists from seven countries on the first international cruise to the North Pole is maintaining a course toward the northernmost point on the planet.

After three days of sailing, not far off the coast of the Taimyr Peninsula the nuclear powered vessel encountered a convoy of ships being guided eastward by the nuclear powered icebreaker "Sovetskii Soyuz". The leaders of the cruise took advantage of this opportunity to demonstrate the operation of a giant icebreaker as part of a convoy.

"I've done a lot of travelling, but I've never seen anything like it," said 87-year-old K. Streiff, a business man from Switzerland and the oldest participant in the cruise. "It is simply fantastic!"

It is not only the arctic landscapes that pique the guests' interest. They eagerly attend lessons in Russian. The birthdays of those taking part in the cruise are celebrated in style. Each passenger, via the satellite communication system, can communicate with his home and share his impressions with relatives and friends.

Up to now the weather has been smiling on the tourists. The nuclear powered vessel is overcoming the ice fields without great difficulty, but its biggest challenge lies ahead - on the approaches to the North Pole.

Vodnyi transport

7 August 1990

Page 1 (full text)

More On the Polar Cruise

1977, 1987... A ten-year interval separated journeys by the Soviet nuclear powered ships "Arktika" and "Sibir" through the ice to the North Pole. And now a new voyage: on the night of July 30 the nuclear-powered icebreaker "Rossiya" set off for the Pole. The tasks which the Soviet seamen are scheduled to tackle on this occasion differ markedly from the earlier ones. Essentially, a new international tourist line is being opened in the Arctic inasmuch as foreign passengers are taking part in the voyage.

Of course, the commercial aspect is far from the ultimate purpose in this instance. Given the new economic realities, the steamship line is looking for non-traditional ways of earning hard currency.

In response to a request from our correspondent, the director of the cruise to the North Pole, A. Lazutkin, spoke about the preparations for this unusual arctic voyage:

"The nuclear powered 'Rossiya' has successfully completed sea trials following pre-voyage maintenance. A great deal has been done to create comfortable conditions for the passengers. To this end, the crew gave up 36 cabins, the interiors of which were redone. Our people are being assisted in taking care of the tourists by associates of the West German company 'Polar Schiffahrts Consulting'. Together we are attempting to take account of all of the demands of our foreign guests. For example, we are taking along Swedish and German cooks who are experts in western cuisine."

It is hoped that those taking part in the voyage will remember not only their visit to the North Pole but also the interesting program while on board the ship. A. Lamekhov, the Captain, and N. Khvoshchinskii, expedition leader and head of the Icebreaker Fleet and Arctic Operations Service, will be speaking on the conquest of the Arctic in the course of the trip. Gunther Herber, a

representative of our partner company, will be speaking about international cooperation in the Antarctic. In addition, there are many things planned to make for an interesting vacation. Those who wish to can board a helicopter to view remarkable sights along the route, and it has been decided to establish a new maritime tradition when crossing the eightieth parallel - to celebrate a Polar Bear Holiday. There are plans to raise at the pole, in sequence, the flags of all countries represented by members of the crews, and to perform the national anthems. Paintings by northern artists will be auctioned, Russian souvenirs will be sold, there will be wine tasting evenings, and much more.

And now something about the people who wish to make this unusual journey. They include a large contingent from West Germany. Also taking part are citizens of the U.S.A., Canada, Austria, Switzerland, Australia and Saudi Arabia. Applications continue to come in, and it appears that many of them can already be satisfied next year.

It should be added that prior to the voyage, a modern navigational complex was installed on the ship to ensure total navigational safety. The complex includes a radar navigation system, a system for preventing collisions, and a satellite navigation system. All of these systems are based on the latest electronic technology. With the aid of this complex the position of the icebreaker can be determined at any moment to within 100 metres, and its course and speed can also be determined. Prior to this no such complex has ever been installed on an arctic ship of this steamship line.

Vodnyi transport  
2 August 1990  
Page 1 (slightly abridged)

## ENVIRONMENT

### Ecology Knows No Boundaries

The Prime Minister of Norway, Jan Syuse, in an address at the conference of the Conservative Party Kheire, proposed giving assistance to the Soviet Union to achieve a sharp reduction in harmful emissions from enterprises on the Kola Peninsula. The aid would consist of supplying western pollution control technology worth no less than 300,000,000 kroner.

"Is it not paradoxical", mused the Prime Minister, "that Norway is planning steps to preserve the environment in a neighbouring country which is spending huge sums on armaments in a nearby region? Yes, it is. But we are taking this step in order to resolve Soviet problems. We will work on problems of Norway, and especially on those which concern the fate of its province of Finnmark."

As the readers know, this province borders directly on the Murmansk Oblast. The people here are particularly worried by the presence, a few dozen kilometres from the border, of a Soviet nuclear submarine base and by the everyday poisoning of their environment.

But Mr. Syuse has shown himself to be more than a hard-headed rationalist. As the "Aftenposten" writes, he has declared that Soviet-Norwegian efforts to protect the environment may become a trampoline for broader cooperation in Northern Europe in the spheres of economics, business and culture.

The post-war division of Europe is still causing difficulties in trans-border cooperation. But today, he emphasizes, we must take a new look at the opportunities opening up.

In connection with this statement one should keep in mind that during M.S. Gorbachev's visit to Finland in October of last year an agreement was signed for a 50% reduction in sulfur emissions at the "Pechenganikel" and "Severonikel" combines by the mid-1990's. Very few practical steps have been taken to implement this agreement.

Ten months have passed and still the parties have not been able to reach a final agreement on what type of pollution control technology is best - the Finnish technology, proposed by the firm "Outokumpu", or the Soviet (the so-called Vanyukovskii method).

According to information published in "Helsingin Sanomat", use of the Finnish technology, which has been proven in practice, could reduce emissions by 98%. According to our neighbours' experts, the Vanyukovskii method is cheaper but less efficient.

At the beginning of the summer it seemed that everybody had reached the conclusion that the Finnish technology was preferable. But, on the trip home, our specialists promised once again to weigh all of the pros and cons.

The slowness of the governments of both countries is causing concern among the public. There is a reason why representatives of the Northern Finland communes held a "crisis" conference at the beginning of the year. And one can understand them: the environment in Lapland is dying, and it is the habitat of the aboriginal peoples. In June a Finnish parliamentary group appealed to N. Vorontsov, Chairman of the USSR State Committee on the Environment (Goskompriroda), in the hope that the Soviet government would accelerate decisions aimed at reducing emissions on the Kola Peninsula. The way things now stand, it isn't even possible to look for sources of financing without knowing from which side - Finnish or Soviet - things are to begin.

At the same time one must keep in mind that, as regards the question of financing, the Finns intend to involve their northern colleagues - and not without reason as the declaration by the head of the Norwegian government indicates. In the final analysis, we are talking about billions in "eco-investments".

People in the region understand that giving assistance not only to the USSR but also to other countries of the former Socialist bloc, which possess a huge arsenal of "killer enterprises", will demand more than merely the surpluses of comfortable life. As the Prime Minister of Finland, Harri Holkeri, once said, the West will even have to lower the living standards of its people. President Mauno Koivisto has also remarked that the development of Eastern Europe "demands sacrifices from the West". Of course, people had in mind primarily economic assistance, but environmental protection ranks among its highest priorities.

"Glasnost" was so effective in exposing such ecological neglect in the GDR, Poland and the USSR that the Chairman of the International Commission on the Environment and Development, Gru Harlem Brundtland, the former Prime Minister of Norway, was compelled to declare:

"Very serious international cooperation is needed to dismantle and rebuild industry in these countries, which is still operating at the cost of catastrophic damage to the environment and to people's health..."

In speaking these words the leader of the Norwegian Workers' Party does not intend to gloat over former "ideological enemies". His word, I think, expresses that same pain and shock which we are now experiencing from decades of mismanagement and abuse of nature.

It is here, in the realm of ecology, that the West seems to be ready to help us immediately. And this is because, as we are seeing, it is the salvation of the West itself that's at stake.

## MINERAL RESOURCES/MINING

### Diamond Mines in Yakutiya Receive Latest Heavy Cargo Aircraft

Miners of the "Yakutalmaz" production association (Yakut State Trust for Diamond Mining), located in the city of Udachnyi, have first-hand knowledge of the transport potential offered by the giant air cargo ship created by the Antonov Design Bureau (OKB) in Kiev. They have been enjoying the services of the "An's" for two decades, and under very difficult conditions, as rule. For example, when they had to transport from Vladivostok to Polyarnyi BelAZ (Belorussian Automobile Plant) vehicles weighing 90 tons each, or giant modules and parts of the Japanese dump truck "Komatsu", the job was entrusted to An-22's ("antei").

A superpowered quarry dump truck produced by the American-Canadian firm "Euclid" arrived here on the wings of an An-14 working for the "Ruslan" Company, the first operational flight of which was to this northern territory.

Now the An-225 ("Mriya") has come to the Arctic. This time diamond miners have gotten from the sky the superpowered tractor T-800, built at the Chelyabinsk Tractor Plant. Ordinarily, nearly six months would have been needed to transport this tractor.

This did not suit the miners: they needed the new tractor urgently. The T-800, equipped with a ripper and a cutter, can break up the hardest rocks without difficulty. It has only been in service a short time, but it has already demonstrated its merits in mining operations in Uzbekistan and the Southern Urals. Now it will be undergoing a test in the permafrost of the Udachnyi quarry of Yakutiya.

For more than two days an engineering-technical brigade of the Antonov OKB headed by V. Tkachuk worked in Chelyabinsk to load and carefully secure the non-standard one-piece load aboard the An-225.

Only five hours were needed to make the journey to Yakutiya. Upon landing in Polyarnyi, the "Mriya" was immediately engulfed in a crowd of people and remained so for three entire days as the unloading proceeded and the crew rested. Aviation workers, miners, students from schools and kindergartens, in groups and singly, decked out as if for a holiday, came to have a look at this equipment never seen before: a giant airplane and a powerful tractor. The "Mriya" met with the same interest on the Kamchatka Peninsula, where it flew to pick up cargo before setting course for its home base.

The expedition to the Arctic is not only of economic importance but also of major experimental significance since it furnishes valuable material for studying the scope of the transport capabilities of the new very heavy cargo aircraft. Incidentally, with this journey the "Mriya" topped its own world record - set in 1989, for maximum weight on take-off.

Most likely, the Antonov people's farewell to the tractor builders of Chelyabinsk and the diamond miners of Yakutiya is not forever. Both the one group and the other will have need in the future for the services of these giant aircraft. While this type of transport operation is not cheap, it depends on how you figure it. If the choice is to get the equipment in six months or in five hours, and already assembled, cost considerations, including that of the fuel, must take a back seat.

Up to now the financial burden of the design collective has been borne primarily by the An-124, which for the second year is carrying cargo under contracts with the commercial firm "Ruslan" that was formed at the OKB. Now the "Mriya" is making its contribution, having earned its first few hundred thousand rubles.

Vozdushnyi transport

2 August 1990

Page 3 (slightly abridged)

New Diamond Mining Enterprise Near Archangel

The enterprise "Pomor-Almaz" has been established in Archangel. As reported in Pravda, six diamond pipes have been discovered 100 kilometres north of the city. According to the specialists, the diamonds found there are not only of industrial quality but also include multi-coloured gem-quality stones. It is planned to build a special road to the "Pomor-Almaz" deposit.

Pravda

23 August 1990

Page 1 (full text)

OIL AND GAS

Centralised Investments for Urengoi Gas  
Deposits Reduced by a Third

Will We Soon Have to Ration Heat?

With all the differences of opinion about how best to heal our economy quickly, everyone agrees on one thing: it is time to halt the unfettered expansion of industrial construction, to stop burying money in the ground. The government's economic program calls for increasing the proportion of resources applied to current demand and non-industrial construction during the initial years of the thirteenth Five-year Plan to 89-90%. This year, already, government infusions of capital into group "A" have been reduced by 27 billion rubles as compared with the projected figures for the Five-Year Plan.

The figures are impressive. And one could vote for them wholeheartedly if it were not for the fact that this unquestionably progressive program was already being implemented using the same old wilful administrative methods. That is, slashing group "A" without careful consideration or serious economic analysis of what it is in fact that needs to be corrected. It is true that much of what has been cut are the chronic interminable construction projects, the veritable "black holes" of the economy. But it is accurate to describe the entire "A" group - the production of the means of production - as a protracted period of developmental infancy? Take natural gas, for example. Even the enormous capital investments required to recover natural gas in remote regions of Western Siberia, thousands of kilometres away, and to transport it to consumers can be totally recovered with only one year. In other words, a ruble invested in Tyumen returns to the state treasury within a year. After that, it's pure profit. It may be that no other single sector of heavy industry is as profitable as natural gas. But it is precisely this ruble which, according to reports, is slated to be cut.

"This year, centralized state capital investments for development of the Urengoi group of deposits have been reduced by a third," says R. Suleimanov, general director of the "Urengoigazprom" (Urengoi Gas Industry) Association, "even though the projections in the thirteenth Five-Year Plan call for further increases in natural gas production. This is understandable. A sober analysis of the situation in the petroleum, coal and nuclear sectors suggests that one should not expect these sectors to grow quickly in the coming years. That means that the main burden of supplying the national economy with fuel and energy resources - 92% - will be shouldered by gas industry workers. But there won't be any miracles. To extract more gas from the ground we will have to construct new production facilities, drill wells, and build roads.

"About 30 booster pumping stations, that can extend the life of a deposit by 15-20 years, will have to be built in Urengoi itself, which has already reached planned production

indicators. But how can you order the construction of these facilities if there isn't even enough money for infrastructure? Not to mention future facilities! Only 60% of the financing has been provided for construction of new wells and roads, especially those leading to oil fields. Are we really going to return to the practices of the early 1970's when wells and entire plants were built in the middle of swamps, thereby ruining expensive equipment? Is there really no other solution than to hold up the construction of pumping stations? But this means that within a year and a half to two years the gas production levels required simply won't be there. The delivery of valuable fuel and chemical raw materials for the national economy is at risk. And this situation has an impact not only on Urengoi but on the whole of Western Siberia. We have to face the truth: unless sufficient attention is focused on the natural gas sector and in time, it could suffer the kind of crash that occurred in the oil sector in the early 1980's."

"Was this concern raised during the recent meeting between the heads of the largest natural gas and petroleum associations and N.I. Ryzhkov?"

"Yes, and we were promised help. But what concerns us even more is that only a fifth of the meager capital investments that have been allocated are backed up with construction resources. In the final analysis, money is only figures on an association's ledger. It also takes cement, rolled metal, lumber, piping and ferroconcrete. But at the end of the year USSR Gosstab (State Committee on Material and Technical Supply) refused to provide virtually all of this. How are we supposed to conclude contracts with builders?"

"The shortage of resources, which results this time from supply complications, is also beginning to undermine the construction of housing and social amenities, which in the last few years has gone well. How are we going to attract people to the North? Good wages alone are no

longer enough. Officials in Leningrad really shocked us when they announced that the city's construction detachments would be leaving Urengoi within a year. It's the people from Leningrad who built the lion's share of the housing here."

"A recent government decree, however, speaks about the need to provide additional assistance to the people of Siberia..."

"But the city fathers on the Neva it would seem, do not consider it a good idea. Imagine what would happen if one fine day we, the gas industry workers, decide that it's "not a good idea" to produce natural gas for Leningrad. What then? The association, like the entire sector, is self-financing. Natural gas is a marketable commodity. We could find buyers..."

We won't reproach the director of the gas enterprise for hot-headedness - the prospect of an impending crash compels him to sound the alarm. But are he and other gas association directors not spreading it on a little too thick? After all, is it really possible to extricate ourselves from this crisis through diligent conservation of fuel and energy without a further growth in production? Deputy Gorynin, in his address to the Second Congress of People's Deputies of the USSR, cited figures from a Japanese research institute: by switching to modern energy-saving technology the USSR could save one-eighth of its entire energy output. Let's pray to God that this switch happens as soon as possible. But let's be realists - we are still a long way from achieving this level of savings. And that means that reducing the extraction rate of natural gas, oil and condensate would be injurious. It should be added that exporting these types of energy resources and chemical raw products will bring the country the hard currency it so desperately needs. By the way, agreements to supply natural gas to our western partners remain in force. If there is too little natural gas, this

would mean cutting back on heat to avoid paying huge penalties, and reducing temperatures in apartments. After all, 60% of all of the gas produced in the country supplies the needs of the residential sector. Are we really going to start issuing rationing coupons for heat?

This is my response to those readers who are already seething with anger: for the government has scarcely finished saying that the consumer sector has the priority and gas industry workers are already hogging the pie. It has been announced, after all, that group "A" should only grow by 0.8% this year.

So then, are we going to ask our women who are busy preparing dinner on a gas range: what do you think of natural gas - is it only an industrial resource? Or is it also a consumer commodity? Let's ask ourselves, too, as we switch on our television sets, vacuum cleaners, and the lamps in our apartments and warm our hands over the radiator: is the gas used in the furnaces of state regional electric power stations and heat and electric power stations a consumer product or is it the bread of industry? Or is it perhaps both? Could it be that we have become carried away with formalistic reasoning in a practical production situation? First, we needlessly capitalise the first letter of the alphabet, and then we downgrade it, even when such exercises with the alphabet of our economy contradict basic common sense. In the dead of winter there won't be any question which is more important - a television set or a heater. And is it worth waiting until the answer comes in the form of teeth chattering from the cold?

Author M. Umanskii  
Urengoi and Moscow

Editor's Note: When the article was being prepared for printing it became known that the country's gas industry workers had succeeded, after countless ordeals, in obtaining expanded commercial credit from the USSR Industrial Construction Bank. This will only be enough to patch up the most gaping holes in the construction program, but not to save the situation. Still needed are one and a half billion - one third of the monies required to finance the capital investments in the current year. It is not known where more than four billion rubles are going to be found for work slated for next year. The situation remains catastrophic for deliveries of equipment and piping, and with the prospects for construction of housing and socio-cultural amenities.

Sovetskaya Rossiya

2 August 1990

Page 2 (slightly abridged)

### Fire Hazards in Tyumen Oil and Gas Fields Getting Worse

By noon yesterday there were 24 fires burning in Tyumen Oblast. The most alarming situation is found in that part of the oil and natural gas production zone lying near the Arctic Circle. Workers have failed to bring under control a treacherous situation near Nadym and to save the main gas pipelines from a major disaster as a wall of fire rolled into the Medvezhe deposit.

The situation with fire hazards in the Oblast is growing steadily worse. Discouraging news about a series of emergencies is coming in from the Yamal-Nenets and Khanty-Mansiisk autonomous okrugs, from oil and gas

production fields. There is growing damage from fire to the cities of Nizhnevartovsk, Nadym, Surgut and Nefteyugansk. Local agrarian specialists are also stepping up the pace in this terrible race against time.

Recently a number of serious fires and emergencies have struck facilities for the recovery and transport of hydrocarbon raw material. These facilities belong to the state concerns "Gazprom" and "Tyumengeologiya", the administration for the main oil pipelines. The causes: failure to observe operating procedures. Many oil product warehouses are not equipped with devices to prevent the outbreak of fire or with automatic fire extinguishing systems. Nor with communications. To this day there are 46 residential settlements and 12 enterprises situated in the restricted zones around oil and gas pipelines. The fire risk in the cities and towns emerging in the oil and gas production zone in being exacerbated by the chaotic building of wooden field shelters and cabins. USSR Gosstroi (State Construction Council) did the Siberian people a disservice in lowering the standards for the construction of frame and panel houses. It is precisely these wooden structures which are the first to burn.

When visiting the oil and gas fields I have noticed more than once that the key facilities and entire population centres are beyond the reach of professional fire services. This is the case, for example with the towns Gubkinskii and Muravlenkovskii, each of which has 30,000 inhabitants, and the cities Langepas and Belyi Yar, which have even larger populations, and consist primarily of wooden buildings protected only by volunteer fire brigades.

The local taiga is also essentially uncared for. Numerous government agencies log millions of cubic metres of wood here. But nobody really wants to be concerned about the forest. The aerial protection service is mediocre. There isn't enough money to lease airplanes and helicopters, and there is nothing with which to transport

earthmoving equipment to the scene of a fire. The long-range outlook is not comforting either. The Ministry of the Timber Industry allocates for forestry such a miserly sum of money that if it was divided up, it would come to less than 13 kopecks per hectare.

The situation with agricultural facilities is even worse. A recent check indicated that 87% of them are operating in violation of basic standards and regulations on fire safety.

"I recently made a careful study of the national fire safety program in the USA," reports V. Cherednikov, head of the fire protection administration for the Tyumen Oblast. "There is something we can learn. For example, there is one fire station on average for every 1.7 square kilometres of an American city. With us this figure is a great deal more "fluid". The radius of our service zones can be as much as 100 kilometres or more. To make matters worse, even our extremely modest safety requirements are not observed. For example, according to our standards, the 100,000-resident city of Noyabrsk should have three fire stations for six service zones. Today, however, we have here only one fire station for four zones. And the chaos with communications? In every city or town in the oil and gas fields there are 7-9 official switchboards, but there is no communication standard or common pay phones. And when they need to, the residents are unable to ring up the fire service. As a result, because of the late calls and the great distances, in 70% of the fires our people arrive only after there are already charred remains..."

Also in poor shape is the equipment situation of Tyumen firefighters. It only takes one fire for the special clothing to become useless. There is a shortage of helmets, fire belts and axes.

The Tyumen firefighters have brought these problems to the attention of previous soviets at all levels. In response they received many nice decrees filled with promises. However, all of them have remained

primarily on paper. Now the reins of government are in the hands of new and, judging from the way things have started, militant and insistent masters. And a genuine master protects what is his.

Pravda  
6 August 1990  
Page 6 (full text)

Siberian Petrochemical Industry Expected to Benefit  
from Joint Ventures with Foreign Companies

On a recent visit to our country the British Prime Minister, M. Thatcher, met the First Secretary of the Tyumen Oblast Committee of the CPSU, V. Chertishchev, and the Chairman of the Oblast Soviet, Yu. Shafranik. This fact went unnoticed by the general public of the country. For the people of Tyumen Oblast, however, this was an import event. The British firms "John Brown" and "Linde" have signed an agreement to build in Novyi Urengoi a joint enterprise to produce polymer film. This will not only eliminate the Siberians' "film deficit" but will also meet one third of the country's needs.

The future enterprise in Novyi Urengoi is a characteristic example of compromise solution for the deadlocked problem of the Siberian petrochemical industry. In place of the multi-billion ruble monster which was previously planned to be built in this Arctic city, and construction of which would have gone on for a decade, there will be within two to three years a comparatively small (300-400 workers) modern, compact industrial facility with the latest technology. That it will be ecologically safe the residents of Novyi Urengoi will be able to verify themselves. The foreign firms have invited a delegation from the city to visit similar enterprises in Austria and England.

Anyone who has had occasion to fly over the oil and gas fields at night will probably never in his life forget the fantastic spectacle of an alarming crimson glow coming from all directions. It's like a scene from hell... At night the flares give off this glow over enormous distances. In Tyumen Oblast the flares burn off every year approximately 18 billion cubic metres of so-called "by-product" gas or condensate. But this product is even more valuable than the "black gold" itself. Nature, as if helping humans, itself has perfected the process of distilling oil in producing the volatile condensate: it's all there just for the taking...

We are not merely lighting bonfires made of hard currency, but are destroying in the process an even more valuable resource - oxygen. The air in the Siberian taiga has now grown suffocating.

We should have exercised real stewardship a long time ago to halt development of deposits until we had perfected a comprehensive system for obtaining oil and gas. But it seems that the country is unable to live without this. And nature cannot withstand these monstrous construction projects.

"At the same time, without developing the refinery sectors our oblast has no future," says V. Chertishchev. "Petrochemicals are an energy consuming industry. But we in the oblast have an overabundance of electrical energy as well as sufficient water. We feel that we have now found a genuine solution. We will be building in the oblast plants and integrated facilities of small to medium capacity oriented toward specific deposits. This has a number of advantages: construction time is sharply reduced, and we can quickly get the product and recover its cost. Such enterprises do not require gigantic purification

facilities. Like everyone else, the "oil kings" are feeling the fuel pinch: each year approximately four million tons, thousands of train-loads, are brought into the oblast! But it is possible to obtain everything locally and so unburden a little the in any case overburdened Trans-Siberian Railroad.

In Surget they have already begun construction of plants to produce diesel fuel and high octane gasoline: these will produce millions of tons of fuel per year. In addition, smaller facilities are already in operation or under construction in the oil and gas fields of Nizhnevartovsk, Urengoi, Nefteyugansk and elsewhere for production of diesel fuel and bitumen. A local petrochemical combine is processing every year approximately three million tons of a wide-boiling fraction of light hydrocarbons, expanding its capacity, and increasing output of a product that is in demand all over the world. Like a powerful magnet, this product is drawing business people from abroad.

And if, as the people of Tobolsk believe, you combine forces with good partners, you can achieve excellent results.

"Two years ago," related V. Yudin, general director of the Tobolsk Petrochemical Combine, "during a visit to our country by the Prime Minister of Italy an agreement was reached on establishing the joint enterprise "Sovbutetal" in conjunction with our plant. This enterprise will produce butyl rubber - a most valuable raw material for many sectors. Construction is now already in full stride, and operation is due to start up in the first half of 1993."

The "Sovbutetal" was the first sign of things to come, and then came the creation of an even larger joint enterprise - "Vespek", or the West Siberian Petrochemical Company. It was jointly founded by the Tobolsk Petrochemical Complex, the American firm "Combustion

Engineering" and the Finnish firm "Neste". The enterprise will produce polypropylene used to make a wide range of goods - synthetic coatings, strong ropes, single-use syringes and many others. The most important product of "Vespek" will be thermoelastomers, or liquid rubber - a product which, as they say, is worth its weight in gold and is in great demand.

The developmental period of this joint company is now coming to a close: contracts are being drawn up and licenses sold. Construction of production shops will begin shortly, and the enterprise will begin operation within three years. There is one special aspect of this: "Vespek" will be built not by our construction workers but by a consortium of Western companies. The contractors are supposed to be "Mitsubishi", "Toyo Engineering" (Japan), "Lumus Crest" (USA), and "Montedison" and "Technimont" (Italy).

"Do we need to have so many foreign firms? Aren't we simply squandering our national wealth?"

"This has long been a pressing requirement," responds V. Yudin. "Our country has fallen behind in the production of an entire assortment of basic petrochemical products. For example, in the production of polypropylene, we lag 2.5 times behind the U.S.A., and even more so in the production of thermoelastomers. And yet, we could produce all of this ourselves in enormous quantities. We are behaving worse than a dog in a hay rick. Despite our indigence we are simply destroying vast wealth."

Yudin's outrage is understandable. The Tobolsk Petrochemical Combine processes annually approximately three million tons of a wide-boiling fraction of light hydrocarbons. At the same time near by, over wide expanses of the oblast, flares annually burn off another 8 million tons of wide boiling fractions of light hydrocarbons. As a raw material alone, this valuable substance - currently going up in flames - is valued at 800 million rubles while products that could be made from this appallingly squandered casinghead gas might total many billions of rubles each year.

The main outcome of the contracts with the foreign companies is investment, additional money. The advantage for the Soviet Union is that we don't need to wait until our economy matures in order to have the financial resources to carry out expensive projects for refining hydrocarbon raw materials. An agreement has been reached whereby Western export-import banks are extending favourable credit worth 1.3 billion dollars for joint enterprises in Tobolsk.

A portion of the polypropylene produced is earmarked for export, while most of this valuable produce - 270,000 tons per year - will remain in the national economy. The "Vespek" joint enterprise alone will yield 1.4 billion rubles in profit every year, and within seven years this money will wipe out the debts. It is to be hoped that everything that's planned for Tobolsk takes place.

It would be wrong not to mention what is being done for the people of Tobolsk. Each year the Combine builds over 100,000 m<sup>2</sup> of well-appointed housing in this city of a hundred thousand residents. Fifteen children's centres, five schools, stores, and consumer services have also been built.

The international ties have yielded expanded opportunities. When contracts are concluded with foreign firms, some of the first clauses spell out tangible advantages for petrochemical workers and residents of Tobolsk. For example, Tobolsk has gotten a sausage plant which has just recently begun operation, and equipment has already arrived for production of fashionable running shoes. As well, two dairy farms of 50 head each with refrigeration, pasteurization and cheese-making facilities have been established. These farms also have high-yielding

pure-bred cows. We visited a construction site where Yugoslavian construction workers were putting up a supermarket which can hold millions of dollars worth of goods, can store 5000 tons of fruit and vegetables, and has fast-freezing facilities. Both of these will be in operation by October 1.

Pravda

16 August 1990

page 3 (slightly abridged)

### Explosion on Gas Pipeline in Tyumen Oblast

Saturday there was an explosion on the Urengoi - Petrovsk gas pipeline at the 830-kilometre mark. Residents of the nearby village of Nikolaevka in Krasnoyarsk Raion, seeing a 150-metre column of fire shoot into the air, started fleeing into the woods...

"The explosion happened with incredible force," reported V. Svechnikov, chairman of the Krasnoyarsk Raion Executive Committee, by telephone. "A piece of gas pipeline, 1400 mm in diameter and about 15 metres in length, was thrown a distance of more than a kilometre. People had just finished harvesting the grain field through which this gas pipeline runs. Next to it is an oil pipeline, an ammonia pipeline, a road... It was a lucky thing that there were no people in the vicinity."

What is astonishing is the incompetence of workers of "Kuibyshevtransgaz" (Kuibyshev Gas Transport) which were responsible for the pipeline. For six hours a flare blazed away at the pressure of 75 atm because workers couldn't find the right valve to shut off the gas.

This is already the sixth ('?) accident on product pipelines within the oblast since January of this year.

Izvestiya

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Page 2 (full text)

#### TRANSPORT - ROAD

##### Improvements Needed on Magadan - Kolyma Highway

Through the gray smoke could be seen the glimmering suburbs of Magadan - Uptar, Sokol, Stekolnyi... The great northern highway- breadwinner for the region - ran through the most bustling localities, through the richest parts of the gold mining region. The road was pushed through in the 1930's, at the cost of unbelievable efforts among miry swamps, brooding cliffs and permafrost.

Day and night vehicles pass along the "Kolymka" carrying equipment, fuel, building materials, and timber. It has become the primary carrier of regional freight. "If Magadan is the brain and heart of the Kolyma region," someone said to me in one highway administration, "the highway is its aorta."

Our road wound some exhausting kilometres on to the wheels, groaned as if in pain, and struggled on. On one section of road, 150 kilometres before the town of Yablonevyyi, conditions are more or less tolerable: repair and construction work is extensive here. Beyond that point began miles of suffering. At the 230-kilometre mark we skidded to a halt. We climbed out and gaped in amazement: ahead of us was a very long line of heavy trucks standing motionless.

On many occasions during the journey we had to wait out traffic jams or back up to allow an oncoming vehicle to pass on narrow, dilapidated bridges.

At the 600-kilometre mark we encountered over 40 heavy trucks that were stopped or were lying in a ditch. If you assume that the average load carrying capacity of a truck is 10 tons, then there were hundreds of tons of freight urgently required by enterprises and construction sites that the truck drivers would be delivering late. And there is another loss that must be taken into consideration here - one which many haven't even begun to consider.

The situation we have here is that of far too many cooks spoiling the broth. Take the "Magadanavtodor" organization, for example. They say God himself commanded it - the main highway firm of the oblast - to take control over the entire "Kolyinka".

"Unfortunately, the highway was being excessively travelled before that," says A. Popov, head of the operations department. "And we weren't able to maintain the road by ourselves. The "Severovostokzoloto" (Northeastern Gold Mining) Association, now the main boss of the road, is of little assistance. It gives all of the best equipment to the mines, and we get the poorer quality stuff."

Many years ago the Khabarovsk Branch of the State Institute for the Planning and Design of Highways developed a long-term program for development of a unified highway network for the region. Plans called for an orderly, step by step approach to implementing it. And what was especially important was that all of the interested organizations, ministries and government industries would participate on a share basis in carrying out the plan, the scope of which was colossal. Discussions of this issue have been going on for ages, but without results. Persuasion and appeals to reason would be of little avail in this case - parochial tendencies were in the way. There

was only one way out: government agencies had to become actively involved in restoring and expanding the network of highways serving the Northeast and make a real contribution to it. But to this day the ruling principle is: the "Kolymka" is something only for people of the Kolyma to worry about.

The central funds being allocated are clearly insufficient. The annual increase in capital investments for the building and restoration of public use highways in Magadan Oblast amounts to no more than 3%.

Is this "saving" justified? Figures indicate that, by the year 2000, the losses to the national economy from interruptions in road transport due to the poor roads of Magadan Oblast could attain the astronomical sum of nearly 1.7 billion rubles. Today, annual losses already exceed 100 million rubles. The problem of hauling the freight accumulating at the Magadan sea port has become very acute. The truth is, the Kolyma highway is a golden road.

Pravda  
13 August 1990  
Page 2 (full text)

## MISCELLANEOUS

### A University For Businessmen

On October 1 in the capital of the Komi Autonomous Republic the doors of yet another education institution were opened - a business university.

A contract creating it has been signed between directors of the Soviet-Bulgarian-Finnish-American joint enterprise in Moscow "New Information Technologies" ("Novintech") and the Scientific Research Implementation and Information Consulting Centre ("NIVIK-Centre") of the cooperative construction firm "Syktyvkar".

The business university will graduate up to 200 business people each year: heads of industrial enterprises, leading specialists in various economic sectors, as well as teachers of management schools for work under free enterprise and market economy conditions.

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