

To: B. Grad

24-226

IBM

From Date: January 5, 1977
 Name & Tie/Ext.: J. S. Birnbaum/2497
 Title/Dept. Name: Director/Computer Sciences Department
 Internal Zip/City, State: 22-228
 or U.S. mail address: RES-Yorktown Heights, N.Y.

Subject: Study Tour - Application Programming in USSR

Reference: Your memorandum to me, December 7, 1976

Burt, I have just finished reading your excellent trip report about the study tour of the USSR. I am sorry that it has taken so long for me to respond, but, as you know, this has been a busy time. I would like to hear in more detail from you about some of your experiences, but I agree with your recommendation that we not pursue a technical presentation at Yorktown, nor any direct work with Soviet personnel. So far as I am concerned we can consider this matter complete, subject to further requests from IBM or the USSR.

However, I think our Senior Managers and staff, and Directors of other departments would find your memo to me (without the Gunther Haase attachment) quite interesting, and so unless you object, I would like to circulate it to them. Please let Betty Smalley know if there is any sensitive material involved before we do it.

I was also interested in your recommendation of an annual symposium interchange program and should this be adopted, I think several Research people could contribute. If you hear anything further about this, please let me know what role you think we might play.

Thanks again.

JSB
 Joel S. Birnbaum

JSB:bas

Review copy of letter - OK to send out

(F)

Dr. Joel S. Birnbaum
Department 440
Room 22 - 228
Research Center
Yorktown Heights

December 7, 1976
B. Grad - x7325

Study Tour - Application Programming in USSR

Grad/Obremski Report to Gunther Haase dated 12/1/76 (attached)

Ron Obremski (WT Systems Center) and I have completed our planned visit to the Soviet Union. Attached is a copy of the report which we forwarded to Gunther Haase, Vice President - IBM Trade Development.

In order to complete the assignment from you I would like to address three items:

- A. Background on IBM marketing to the USSR.
- B. Areas of potential interest to IBM Research with suggestions on how to pursue.
- C. Potential for a technical report to IBM Research personnel.

A. IBM Trade Development

This organization was established in 1971 to market IBM products, systems and services to the USSR. (Roece has marketed for a number of years to the Comecon countries). The Headquarters was established in Paris with OP and FE activities managed from Vienna. Brad Lesher is President and Gunther Haase is Vice President. There are about 85 people currently in Trade Development with only 2 people in Moscow (Brew Merrill and G. W. Goerke - OP) and 2 in the United States (Alex Kulik and Helen Yaroscak). The rest are split about evenly between Paris and Vienna. In Russia, IBM has an office set up only in Moscow with about 10 contract people supplied through a USSR government agency. Our sales, systems engineering and customer engineering people go in and out of the Soviet Union as needed; however, visas must be obtained in advance for each trip.

The organization has dropped from a peak of 120 because of slow sales. There appears to be three major difficulties:

- USSR goal is to build its own computers to satisfy its requirements. They have been unwilling to make a policy commitment to purchase any significant number of foreign manufactured computers or peripheral equipment. They would like to import technology through trade agreements.
- All sales to the USSR must be specifically approved by the U. S. State Department and by NATO as not being against our public policy or international interests. The result has been that in some cases where we had made a sale it was not authorized by the State Department and was, therefore, lost to competition or simply not consummated.
- The USSR has very limited hard currency to purchase any foreign computers. They have had to prioritize into critical areas (grain, industrial equipment). The 5 Year Plan (1976-1980) really controls the allocation of resources (including hard currency) to various ministries (industrial, administrative). It is very difficult to make changes in the plan once it is set. Since the specific goals are already set for the next 4 years we would need to sell within that framework (these are focussed toward data bases and virtual systems).

The net result is that we have only 3 systems installed in the USSR - a 360/50 at the Ministry of Chemistry, a 370/145 at Intourist and a 370/158 at the Kama River Truck Factory (along with 11 S/7's). There are a number of active sales situations (Olympics, USSR World Trade Center, Internal Consumer Goods Distribution System, Agriculture Management System). The USSR has also indicated interest in pursuing projects in Health Systems, Refineries, Chemical Plants (Ethylene) and a Passenger Reservation System for Railroads.

There are 15K computers installed in the Soviet Union with current production of 3 - 5K per year (they value this output at \$5 Billion per year). The current production system is called Ryad or ES and is 360 compatible at the instruction level. The smaller systems up through Mod 40 are being successfully installed. They are apparently having serious problems with the Mod 50 and 65 equivalents. In addition, their peripherals are quite poor (reasonable, but slow, tape drives; very poor disk drives; poor printers and CRT's). Further, their teleprocessing communications capability is very limited (1200 baud telephone lines, high error rates).

The Ryad computers are designed and produced by the Ministry of Radio (certain models are being made in East Germany). The Ministry of Instrumentation and Automation has responsibility for process control computers and for application programming for most industries. They operate on a Custom Contract Services like basis, but with far greater control of requirements and specifications and full responsibility for design, implementation and initial installation testing. The using enterprise has the maintenance and minor modification role. Apparently the development work is done at one of the Institutes of the Ministry and then installed at the using location. The producing institute does not give source code or detailed logic diagrams to the user. We were told that they have 100K employees in the various institutes.

B. Areas of Potential Interest to IBM Research

The Ministry of Instrumentation and Automation was represented by SojuzSistemProm (SSP), a major component of the Ministry. In turn SSP has a number of Institutes specializing in certain industry and application areas. They indicated that SSP had 30K employees all together in Minsk, Leningrad, Kiev, Norosibirsk, etc.

All foreign communications and contracts (for computer-related products) have to be arranged through the Ministry of Science and Technology (who actually invited IBM on the study tour). There is also an Academy of Science associated with computer standards, language specifications and long-range research. The Institutes apparently serve as "practical" R & D operations in their assigned areas.

One of the principal objectives of the current 5 Year Plan is to begin to install comprehensive Management Systems (called ASU). These are multiple level data based oriented programs for information management and retrieval at the plant, district, regional and national levels. They are very much concerned at SSP in how to automate the program development process for these data base applications. While in Minsk the technical management presented their current thrust which is aimed at a questionnaire-like definition of the properties of the enterprise and then a customizer-like program to generate (or select) the needed program elements to carry out the specified application functions. At Leningrad a totally different approach was discussed. The technical management there spoke of formal mathematical descriptions of each application problem area and then automatically choosing from among pre-programmed algorithms which could handle each of the various problem descriptions.

They referenced optimizing, statistical and heuristic algorithms. In neither case would SSP provide us with any written material, introduce us to (or even name) their technical people or explicitly state how far they had progressed on validating or implementing the concepts.

There seemed to be a high level of interest in Manufacturing Control Systems with concentration on Scheduling and Allocation of Resources. In Leningrad the technical manager spoke of a significant advance over the Johnson algorithm (I did not determine whether it was Selmer or Ellis Johnson who was referred to). While not explicitly referenced at the meetings I was told about some previous USSR work on Linear Programming solution techniques.

Based on a recent Stanford Research Institute survey of Programming in the Soviet Union it appears that their systems programming work is weak and application programming far behind ours. However, it is possible that there has been some valuable activity in process control applications. They are also looking at intermediate languages which would permit future compatible use of programs written in different high level languages without having to write separate compilers.

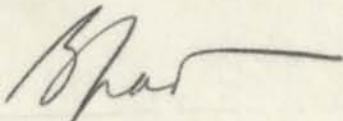
So, while some of the technical managers in the USSR expressed an interest in joint scientific/technical activities related to software development, I did not see any signs that this would be anything but a one-way street for them to pick our technical brains. We can certainly leave the door open for future proposals, but I see no motivation for us to initiate any such request.

C. Technical Report to Research Personnel

The study tour provided me with significant insight into some USSR practices and people, but I don't see how to convert this kind of structural and social information into a substantive technical presentation. Some people might be interested in hearing about the study tour in terms of the meetings held and the personal travel experiences, but this would hardly meet technical report criteria. My recommendation is not to pursue this area unless you think there would be sufficient interest in a business oriented overview. This is your call.

December 7, 1976

I do not have any further commitment to Trade Development. I, therefore, consider this a closed chapter unless there is some specific initiation from within IBM or from the Soviet Union.



B. Grad

pm

Attachment

cc: Mr. R. E. Obremski

IBM

TRAVEL TO USSR

IBM Confidential
September 17, 1974

IBM

Abstract Key info

IBM CONFIDENTIAL

- I - VISAS & HOTEL
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I - VISA AND HOTELa. Visa, type and how to get them

1. Tourist Visa : normally should not be used for business purposes. Can be obtained through Travel Agency in your country - Intourist.

2. Business Visa : this type of visa must be supported by one of the 55 USSR Trade Organizations of the Ministry of Foreign Trade in Moscow, i.e. Electronorgtechnica, Avtopromimport, Metalurgimport, etc... or the State Committee for Science and Technology (GKNT).

Most of the IBM visas are supported by Electronorgtechnica and GKNT.

3. To get business visa : send a telex if you are coming as the guest of an IBM Trade Development manager for a seminar, presentation, etc. and this manager will be responsible for sending this telex to the respective Trade Organization in Moscow, telling them when and how long you expect to be in Moscow, what is the purpose of your trip; who will you meet with; your nationality, where and when the visa should be issued. Then they will send a telex to USSR Trade Organization in your country or to USSR Consulate confirming that they should issue business visa under your name.

4. Send the following documents to USSR Consulate in your country:

- Valid passport (or copy) (ONLY IF NOT U.S. CITIZEN)
- Application form (copy attached) ~~in triplicate~~
- 3 passport size pictures (SIGNED ON BACK ACROSS FACE)
- Hotel voucher (some countries require it for visa issue)
(~~obtained thru SATRAH OFF.~~)

Normally it takes about 7 to 10 working days to issue the visa.

Request cannot be made by Moscow Office. Hotel Request and travel arrangements must be done simultaneously. Moscow Office must be advised in advance of all paraphernalia imported such as film projectors, films, etc. for Customs clearance - should come as baggage, avoids delay and stiff custom duties.

When using FTO's for Visa Application do not use the word seminar, use only "discussions".

5. The visa is not stamped in the passport. It is a separate three part form in Russian with your pictures.

b. Hotel Reservations

1. There are five hotels in Moscow where they usually put us in, but there are many more of them.

- Intourist Hotel
- Metropol Hotel
- National Hotel
- Rossia Hotel
- Ukraina Hotel

During the high tourist season - July and August - they may put you in a different one. They won't tell you in which hotel you will be staying until you are in Moscow. There are no switchboards at the hotels. Each room has its own phone number. You will not know the number until you are in the room.

2. You must ask for hotel reservation and voucher and airline ticket through a local travel agency. You will have to pay in advance for the hotel in your country. We normally ask for De-Lux accomodation, it will include breakfast and 3 hours of car per day with a chauffeur.

SECRET

3. You should ask for reservation and voucher as soon as you know your travel schedule, advise the travel agency of changes in your travel plans if any, if not, they will charge for it.

4. You must take your voucher with you to Moscow. Whenever referring to accomodation to Moscow office, we must have:

- a) Travel agent and specific location
- b) Date of arrival

VIP arrivals, IBM planes, etc., can be supported by Moscow Office through Schpinkov (Ministry of Foreign Trade), or through State Department in Washington, D.C.

c. Ready to go

1. Make sure you have the following documents with you:

- valid passport
- USSR visa
- Hotel Voucher (try to get a copy of the Intourist confirmation telex to attach to the voucher).
- International Health certificate
- flight ticket

2. Reading material:

- do not take with you to USSR any magazines or books that could be rated, X, Y, Z like Playboy. It is prohibited.
- religious books only for your own use. It is prohibited to distribute or give any religious material to anyone in USSR.
- take with you only the material you may give to customer in the West, the Public domain information.

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3. Currency and money :

Take with you cash and travel checks in any Western currency. Don't take USSR Rubles. It is illegal for Western visitors to bring in or take out USSR currency (Rubles).

Remember, your hotel has been pre-paid, but you will need money for food, telephone calls (no reverse charge service), laundry, etc...

Diners Club and American Express are available at some places, but the procedure to use them is not simple.

4. Photographic equipment: you may take with you cameras. Don't forget to bring the film.

5. Don't accept to take packages/gifts from someone in your country to anyone in USSR and vice-versa.

IBM

II - ARRIVAL IN MOSCOW - USSR

First, at the airport you go to:



a. Health Control

Show them your passport, visa and International Health Certificate.

b. Immigration

Give them your passport and visa. They will keep one of the three copies of the visa, stamp the other two and give them back to you with your passport.

c. Customs

Outside the immigration, you will find Customs declaration forms on the tables (copy attached). - Sometimes they are distributed on the plane. Prepare two copies, this will speed up the customs process, by answering all questions. You must specify the amount of foreign currency you take with you to the USSR, also golden pieces, i.e. rings....

Don't forget to keep with you one of the copies stamped by the customs officer. You will have to give it back when you leave the country. It is also needed to exchange money in banks.

d. Intourist Office

Give them your passport, visa and hotel voucher. After checking they will tell you in which hotel you will stay. They will direct you to the transportation desk where they will assign you a car with a driver who will take you to your hotel. In rare cases you might be requested to take a bus. Sometimes there are mixups and no Hotel has been assigned. In such cases you could be delayed from 2-3 hours while a hotel is located. Do not panic. As long as you have a valid voucher... the process would be speeded up if you have the copy of the Intourist confirmation voucher.



IBM
4

I am bound for _____ (destination)

and declare that my hand luggage consists of _____ pieces; the luggage travelling with me consists of _____ pieces, and the luggage sent separately by freight transport consists of _____ pieces.

With me and in the above luggage I have:

1. Currency and currency values:

a) currency of the U.S.S.R., U.S.S.R. State Loan bonds and Soviet lottery tickets _____

b) currency of other countries (including cheques and traveller's cheques) _____

c) gold, silver, platinum, metals of the platinum group in articles, coins, bars, unworked scrap, precious stones, pearls and articles made thereof _____

2. Weapons of all kinds, ammunition _____

3. Objects belonging to other persons _____

(Please turn over)

I AM AWARE THAT ACCORDING TO SOVIET LAW:

a) I have to give accurate information on the object's currency and valuables listed in the Customs Declaration and state their quantity of sum;

b) In addition to the objects listed in the Customs Declaration I must submit for inspection antiques and objects of art, printed matter, manuscripts, films, postage stamps of all kinds, miniature graphics (labels, etc.), plants, fruits, seeds, live animals and birds, and also raw products of animal origin and slaughtered fowl;

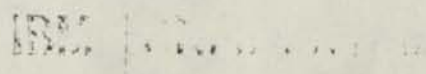
c) All foreign currency brought into the U.S.S.R. is exchanged for Soviet currency solely at offices of the State Bank of the U.S.S.R. or at the Bank for Foreign Trade of the U.S.S.R.

d) Currency, valuables, all kinds of weapons and ammunition and also objects belonging to other persons (including objects intended for delivery) not declared by me, and also all other objects concealed from customs inspection, shall be subject to confiscation as contraband.

Owner of luggage _____ (signature)

Customs officer _____ (signature)

(Date) _____ 197_____



III - HOTEL (in and out)a. Registration

Arriving from the airport, go to the Registration Desk of the hotel, give them your passport and visa, (They will keep them until the next day. Pickup your passport either at the Intourist area or at a special passport desk or office in the hotel. Don't forget it !) and your voucher. They will assign you the room and will give you an order form for the floor-lady, who will give you the key. On every floor is a "Receptionist" that controls everything that does on "her floor" or area of the floor, around the clock. After leaving your bags in the room, go to:

b. Intourist Services

Normally, there is a set of desks, counters for different services on the main floor. You should go to the "voucher" desk, they will give you a special "blue" ticket for breakfast and "rose" for lunch and dinner, if your voucher specifies lunch and dinner included. At the "car" desk, you must order the car for next day based on previous instructions from your IBM T.D. sponsor. Remember you are entitled to 3 hours car-driven services per day, therefore you must specify at what time you will need the car. If you use the car for more than 3 hours, they may (sometimes they do charge you for extra hours, rates vary between 2 and 5 rubles per hour.

The next day, just before the car arrival time, you must see the "car-lady" and she will give you the number (license plate) of your car which will be in front of the hotel.

Travel desk: You should register with them regarding your travel plans for coming back. You need to do it within about 24 to 48 hours before the departure. Give them your travel ticket and they will reconfirm your ticket. (Normally they keep the ticket for one day). They will also assign a car which will take you to the airport for your departure. (Not at this time usually).

c. Hotel Services

The lady of the floor will provide most of the services you may need as follows:

- wake-up call
- breakfast (sometimes)
- laundry
- mineral water
- ice

Dry cleaning needs a lot of time and you probably will not stay in Moscow that long. You pay the "Lady" of the floor for the services in Rubles.

Every hotel has a restaurant where you pay in Rubles and/or with tickets.

Note: There are several restaurants that take only foreign currency so do not exchange all your foreign currency(\$, etc.). You cannot re-exchange rubles back until the airport departure.

d. Check out procedure

Check at the hotel cashier and pay for the long distance calls (if any) and for extra taxi charges if they have been reported. Then advise the "Lady" of the floor the time of your departure and when you leave she will give you an exit-form to go out of the hotel. Don't try to leave without this. Normally 48 hours before your expected departure you should take your air-ticket to the "Travel Desk" at Intourist Services, for the reconfirmation of your flight or to make any changes you need.

They will also arrange for a car to take you to the Airport. You should pick-up the car-order from them about 2 and 1/2 hours before your plane departure. Make sure they indicate on the car-order to which airport you must be taken as there are 4 airports at Moscow.

IV - DEPARTURE FROM MOSCOW - USSR

a. Exit permit and money

After checking with the Airlines at the airport, you should get the exit permit which costs 1.50 Rubles, sometimes they ask for it at the Customs Office. Then make sure you don't have Russian money left with you, if you do, exchange it at the "Bank" at the airport.

Then prepare the "Customs Declaration Form" similar to the one you filled up for your arrival and go to the Officer.

b. Customs

Give him the copy of the customs declaration you made on your way in and the new one. Sometimes they ask you to open your luggages. Then after the customs, you should go to:

c. Immigration Officer

Give your passport, visa and the boarding pass. They will keep only the visa.

a. Telephone Services

The telephone in your room does not go through hotel switchboard, it is a direct dialing. You must know the phone number of the persons to whom you want to speak. For Long Distance calls, you dial 271 9103 and indicate the country and city you want to call. Normally the International operators speak enough english to communicate. Remember there are no "reverse charges" calls. You must pay the calls at the hotel before your departure.

b. Visa and hotel extensions

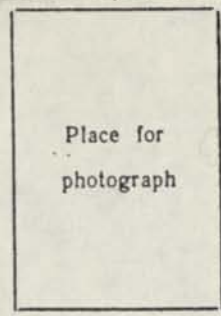
Once you know that you will have to stay longer in USSR, your visa allows you, you have to request an extension from the Organization that has supported your visa in the first place. If it was from the Committee of Science and Technology, they will extend it with a charge of 1.50 Rubles. But if it was from Electronorgtechnica, they will require a letter from the Protocol Department of the Ministry you are dealing with, indicating that you are needed for a longer period than originally planned. Once you have the visa extended, the hotel administration will extend your room reservation but you will have to pay for the hotel additional days. For visa extension, you need 24 hours. Remember your visa will be good for only the Moscow area if you are in Moscow. Don't suddenly decide to take the Trans-Siberian railroad for sightseeing. Tourist visas can be obtained, but if you plan extra travel as a tourist on your own expense, these arrangements should be made before coming.

.../11

INTOURIST CONFIRMATION

КОНСУЛЬСТВО (консульский отдел посольства) СССР в _____ страна

Дата начала действия визы:
Дата окончания действия визы:



Questionnaire ВИЗОВАЯ АНКЕТА

Full answers to all questions should be typed Писать четко, обязательно чернилами или на машинке в предназначенных для заполнения графах.	Nationality	Национальность		
	Present citizenship	Гражданство		
	Surname (in capital Letters)	Фамилия		
	First name, patronymic	Имя, отчество (имена)		
	Day, month, year of birth	Sex	Дата рождения	Пол
	Object of journey, to the USSR	Цель поездки в СССР		
	USSR, department, organisations proposed to be visited	В какое учреждение		
	Route of journey (points of destination)	Маршрут следования (в пункты)		
	Date of entry	Date of departure	Дата въезда	Дата выезда
	Profession	Профессия		
	Position	Должность		
	Place of birth	Место рождения		
	Passport №	Паспорт №		
	Maiden name	Девичья фамилия		
	Husband's name	Фамилия мужа		
Index and name of the tourist group	Индекс, наименование туристской группы			
Date of the last visit to the USSR	Когда были в СССР последний раз			
Place of work	Место работы			
Permanent address	Адрес постоянного места жительства			

	Surname Фамилия	First name, patronymic Имя, отчество (имена)	Date of birth Дата рождения	Permanent address Адрес местожительства
Children under 16 years travelling with you				
Дети до 16 лет, следующие с вами				
Relatives in the USSR				
Ваши родственники в СССР				

I declare that the data given in the Questionnaire are correct
Я заявляю, что все данные, указанные в анкете, являются правильными

Date _____
Дата _____

Personal signature _____
Личная подпись _____

USA DEPARTURE

c. Currency

Change some of your foreign money into Rubles only at the established Banking Offices at the hotel. Present your passport and customs declarations and they will change you the money, keep the exchange receipt, because when you leave the country, you may need to change Rubles into your currency (then, they will ask for the receipt proving that you changed foreign currency into Rubles).

You cannot ask them to change more Rubles into your currency than what is shown on the exchange receipt.

It is not recommended to change all your foreign currency in Rubles. Change only what you need.

d. Restaurants

Not too many are available, therefore, most of them are full. In first class restaurants, outside the hotel, you may need advanced reservations that you can get through Intourist Service Bureau at your hotel.

In most restaurants, you have to pay in Rubles. The menu is very extensive and is printed in several languages, but usually the food with prices may be available. Tips are acceptable and desirable.

The services in the restaurants are not very fast, you may need 2 to 3 hours for dinner.

Be ready to share your table with unknown people, specially if you are alone.

e. Useful addresses

Some of the Moscow hotels, administration offices, which you may call to find out if a person is registered at it, are as follows:

- Intourist Hotel : 203 4008
- Metropol Hotel: 225 6673
- National Hotel: 203 6539

f. Moscow Office

Moscow accredited IBM office is:

IBM ^{CORPORATION} ~~Accredited Office Moscow~~Hotel "~~National~~" ~~POKROVSKY BLVD.~~ 4/17 ART. 6
Moscow, USSR
Room No. ~~265~~Tel. ~~203.50.51~~ or ~~203.83.84~~
~~207-5598 or 5597~~Telex : ~~7420 MONSTAR SU~~

7832 IBMSU

- a) No communication should be made to USSR without copying the Moscow Office, otherwise they do not know and cannot help.
- b) The Moscow Office is there to help you, but please understand that space is limited. To use the services of any Moscow office personnel you must obtain the approval of Mr. ~~B. Pinkerton.~~ W. BREWSTER MERRILL
- c) IBM has a "storage" room also in Metropol Hotel. It belongs to Mr. Wisse. It is in Room 422. Phone number is 225. 64.22.
- d) USA Embassy in Moscow is located on Tschaikowski Street No. 19. The phone number is 252.00.11.

MOSCOW OFFICE PERSONNEL

Genia Danilov
 Vladimir Grypkov
 Alex Klimenko
 Anatol Kotchetkov
 Ludmilla Kozereva
 Stan Looshnikov
 Galina Valkova

Driver
 Tech. Interpreter
 Tech. Interpreter
 Driver
 Secretary Interpreter
 Tech. Interpreter
 Secretary to ~~R. Pinkerton~~
 Secretary Interpreter

W. B. MERRILL

DIRECTOR OF IBM
REPRESENTATION - USSR

G. W. GOERKE

MANAGER OF
OF OPERATIONS



VI. SECURITY

- a. Do not take this document into the Soviet Union.
- b. Report any unusual approach by Soviet citizens on any subject to your manager immediately after your trip. (Request for books info., invitation not directly connected to business, request for goods, etc.).
- c. Under no circumstances should you agree to take out of the Soviet Union any material (written, tapes, cassettes, ect...) for Soviet Citizens, or carry any material into the Soviet Union not connected with business even if you are convinced it is perfectly innocent.
- d. Report anything unusual that happened to you (Traffic fine, questioning by Militia, small accidents, prevention to take photographs by citizens or militia).
- e. Do not take photographs of any objects you are not absolutely sure that they are free to photograph. (Railway stations, Airfields, poorly dressed people, drunks, beggars, street brawls, food lines, military vehicles and many other subjects we consider normal are forbidden to photograph in the Soviet Union - especially by foreigners - when in doubt don't!)
- f. Remember you are in the Soviet Union as a representative of IBM on business travel, so avoid any action that might put you (and thereby the company) into a problem spot (such as discussing politics, religion, human rights, etc. with Soviet Citizens - even if you are asked point blank for your opinion.
- g. Do not take any RIC and Confidential documents to the Soviet Union.

IBM CONFIDENTIAL



IBM World Trade Europe/Middle East/Africa Corporation

360 Hamilton Avenue
White Plains, New York 10601
(Code 914) 686-1900 8-236-3122
Cable address: Inbusplains
Telex: 423207; 620921; 233274

November 1, 1976

Memorandum to: Mr. B. Grad
Subject: Trip to the Soviet Union
Reference: Our Telephone Conversation this Morning

To confirm our discussion today, you have been requested to participate in a study tour in the Soviet Union, November 16-25, 1976.

This request was relayed on Friday by Mr. Alex Ruskewich from IBM TRADE DEVELOPMENT in Paris. The purpose of the visit is to evaluate Soviet application-program development. The study tour is being handled by the USSR Ministry of Instrumentation and Automation, sponsored by the State Committee for Science and Technology.

Preliminary itinerary is as follows:

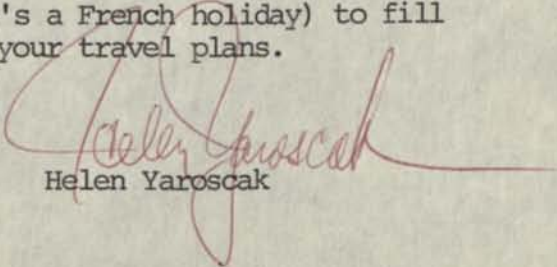
11/16	-	Arrival in Moscow
11/17	-	Moscow
11/18	-	Arrival in Leningrad (via night train)
11/21	-	Depart Leningrad for Minsk (via plane)
11/23	-	Depart for Moscow (via train)
11/25	-	Depart Moscow

Mr. Ron Obrenski from Poughkeepsie will also be participating in this tour, and you will be accompanied by a couple of gentlemen from IBM TRADE DEVELOPMENT as well (Jim Johnstone is one).

Enclosed is a visa application form for you to complete -- you will note, it must be typed ("Object of Journey" = "business"). Three passport-size photos (approx. 1-3/4" X 1-1/2") are required, which you must sign on the back across the face. Also enclosed is an application for a passport, in the event yours is expiring this year (must be valid for at least a month beyond your stay in the USSR). I have included a writeup on traveling to the USSR, put together by IBM TRADE DEVELOPMENT, which might be informative, as well as a booklet from INTOURIST.

Mr. Ruskewich plans to call you tomorrow (today's a French holiday) to fill you in on the details, and I'll be in touch re your travel plans.

Enclosures


Helen Yaroscak

To: Mr. Gunther Haase
Vice President - IBM Trade Development S. A.
105/109, rue du Faubourg St Honore
75008 Paris, France

IBM

From Date: December 1, 1976
Name & Tie/Ext.: B. Grad/R. E. Obremski
Title/Dept. Name: Mgr. of Application Development/Senior Project Manager
Internal Zip/City, State: Dept. 797 DPD HQ/Dept. 467
or U.S. mail address: White Plains, New York/Poughkeepsie

Subject: Trip to USSR - 11/16/76 - 11/25/76

Reference:

As requested, we have completed an 8 day study tour in the Soviet Union focussing on their application program development work. We were specifically looking for areas of potential cooperation between IBM and the USSR while communicating, where appropriate, IBM system strength and experience in the software area.

I believe that the assignment was carried through as effectively as possible given the current USSR/IBM business and technical environment.

The visit was very well arranged and handled by the various IBM people involved: Alex Kulik and Helen Yaroscak in White Plains; Alex Ruskewich in Paris; Brew Merrill and his staff in Moscow. Special thanks are due to Jim Johnstone and Bob Dunwell who provided us with in-depth understanding of the situation and made sure that we were well housed, fed and briefed each step of the way.

We would make the following recommendations to you as a result of the study tour:

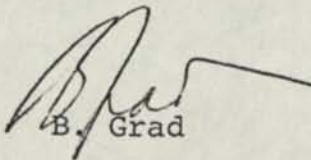
1. Cooperation in the Application Software area would be an effective stepping stone to the sale of additional IBM Systems to the USSR.
 - If the USSR wants to efficiently design, program and install DB/DC application systems, then it will be in their interest to use IBM application program development knowledge, DB/DC systems programs and, of course, 370 hardware and Virtual Operating Systems.

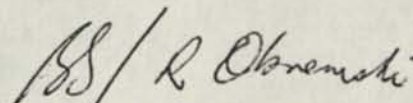
December 1, 1976

2. Joint cooperation on Application Software should be explored with the Ministry of Instrumentation and Automation.
 - The Ministry appears to be the key agency involved in the design, programming and installation of application systems for many industries; they work in a custom contract like mode for the various enterprises.
3. Cooperation with the Ministry can take a number of forms each of which could relate to many specific application areas:
 - Ministry to develop an advanced application (with IBM consulting) for a selected enterprise (on an IBM System).
 - Ministry to serve as IBM "representative" to sell/install IBM Systems, products or services.
 - Joint technical/scientific interchange between the Ministry and IBM with (potentially) future joint program development.

We have attached a trip report summarizing our findings. This covers the assignment, the present situation as we understand it, meetings held during the trip and then our observations and suggestions. If you wish more detailed information (beyond that supplied to you by Jim Johnstone and Bob Dunwell) please let us know.

Again, our thanks for the opportunity to participate in this study tour and, hopefully, contribute to improved sales for IBM in the USSR.


B. Grad


R. E. Obremski

pm

Attachment

cc: Mr. J. L. Johnstone
Mr. A. Kulik

TRIP REPORT

STUDY TOUR OF USSR

APPLICATION PROGRAM DEVELOPMENT

11/16/76 THRU 11/24/76

B. GRAD

R. E. OBREMSKI

12/1/76

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2. PRESENT SITUATION
3. MEETINGS
4. OBSERVATIONS
5. SUGGESTIONS

ATTACHMENTS

- A. LEADING EDGE JOINT DEVELOPMENT
- B. REPRESENTATIVE FOR IBM SYSTEMS
- C. ADVANCED JOINT TECHNICAL PROJECTS
- D. ANNUAL SYMPOSIUM INTERCHANGE PROGRAM

1. Assignment

- (a) To review what the USSR Ministry of Instrumentation and Automation selected to present to determine potential value to IBM from cooperation in software technology and application program development.
- (b) To be prepared to discuss with USSR representatives IBM total system strength with emphasis on software experience and skill.

2. Present Situation

- (a) Both USSR and IBM appear to be interested in establishing a cooperation agreement in the software area. IBM made a proposal in 8/76 (EMS, ATMS/STAIRS, PLANCODE) as a follow up to our 5/76 Symposium under auspices of State Commission of Science and Technology.
- (b) In 9/76 USSR proposed that IBM participate in a study tour to evaluate Soviet application program development to be hosted by the Ministry of Instrumentation and Automation - SojuzSistemProm (SSP).

3. Meetings

- (a) 11/17 - Meeting in Moscow 11:00 a.m. - 12:00 Noon
-- Razinkin (Deputy Dir. SSP)

SSP identified areas of interest:

- Management Information Systems
- Productivity of Programmers and Operational Efficiency of Programs
- Automation of Development Process - Input Parameters to Operating Programs
- Modifying System After Initial Specification

- (b) 11/18 - Meeting in Minsk 11:00 a.m. - 2:30 p.m.
--Kuznetsov (Deputy Dir. SSP),
Mikhailov (Dir. Institute),
Khotsashov (Asst. Dir. - Technical)

SSP prime areas of work in software

- Management Systems for Manufacturing Enterprises
- Development Methodology (Coordination for SSP)
- ASU Development Program (Total Management Information System)
- Requirements Procedure
- Packaged Programs

- (c) 11/19 - Meeting in Minsk 10:00 a.m. - 1:30 p.m.;
-- Mikhailov, Khotsashov, Shemetov, 3:00 p.m. - 5:15 p.m.
Valeskov

- SSP - Design/Programming Approach to Enterprise Management System
- IBM - Improved Programming Technology Overview/Discussion
- SSP - Tour of On-Line Program Debug Room, One Programmer Office and Library.
- Automated Development System Being Designed
- IBM - Methodology for DB/DC Program Development
- Distributed DMS/VS and PLANCODE Manuals
- SSP - Tractor Manufacturing Control System (on Minsk 32 System)

- (d) 11/22 - Meeting in Leningrad 11:00 a.m. - 2:00 p.m.
--Kuznetsov, Keslin (Dir. Inst.),
Bunakov (Technical Director)

- SSP - Scientific Approach to Application Development. Mathematical Formulation of Problem Statement and Solution Algorithm.
- Manufacturing Control/Scheduling Algorithms (Net Change).

(e) 11/23 - Meeting in Leningrad 3:00 p.m. - 7:00 p.m.
-- Kuznetsov, Keslin, Bunakov

- IBM - Interactive Training System
- Improved Programming Technology
- Text Processing/Retrieval

Proposals for joint cooperation:

IBM - SSP with IBM consultation installs IBM System at leading edge customer.

SSP - International Trade Center Management System could use 145 for text processing.

IBM - SSP as representative for IBM to "sell/install" IBM total systems

SSP - Mutual development of Application Development System using mathematical approach.

Dinner in Leningrad 7:30 p.m. - 10:30 p.m.

(f) 11/24 - Meeting in Moscow 3:00 p.m. - 4:00 p.m.
--Karpov (Director SSP), Razinkin

SSP - Many new systems to be installed; need improved efficiency for development/operation.

- Wanted IBM opinion on Application Development Methodology approach at Leningrad and Minsk.

IBM - Approaches were different from our principal directions (e.g. DMS/VS).

- Should be basis for cooperation since our hardware is in advance but software can use further development.

SSP - Would like opportunity to visit U. S. (or European) Research/Development Centers during the Spring of 1977.

4. Observations

- (a) SSP started each meeting by asking why are you here? What do you want to see? Yet obviously they had prepared presentations to give us.
- (b) Very little detail provided -- presentations generally by senior managers, but 2nd line managers were in attendance.
- (c) SSP states that their role is to design and program any computer application for the industries for which they are responsible (including equipment configuration and selection).
- (d) Just beginning work on DB Systems -- do not plan significant installations of DC Systems until 1980's.
- (e) Strong interest in generalized and automated approach to application program development and in prestandardized application programs. Have conducted initial work on at least 2 methodologies.
- (f) Seem to have strong skills in customer requirements determination and specification. May have some potential for standardization.
- (g) Interest in providing software support for Russian produced Virtual System computers.

5. Suggestions

- (a) Pursue possibility of cooperation in three principal areas:

- SSP development/IBM consultation for selected enterprise (See Attachment A).
- SSP as representative for IBM for total or individual programs/services (See Attachment B).
- Joint technical/scientific interchange and development (See Attachment C).

WHY Potential for specific systems sales.

Potential of new technology for use in U. S. and WT.

Better knowledge of Soviet requirements and system design.

- (b) Pursue possibility of invitation for selected USSR/SSP representatives to visit U. S. or WT Software Development Centers (See Attachment D).

WHY Obtain additional information on USSR experience.

Further sell IBM competence/products/services.

LEADING EDGE JOINT DEVELOPMENT1. Concept

- (a) SSP uses IBM equipment and programs for one or more advanced applications -- Installs a Management System at a "leading edge" enterprise.
- (b) IBM participates as a consultant (at no charge) in specification, configuration selection, design, training, documentation.
- (c) SSP develops and installs an advanced DB-oriented/VS Management System using "latest" planning/scheduling/control techniques. Provides basis for on-line communications/control system.

2. Plan

Joint Development Project between SojuzSistemProm and IBM.

- (a) SSP identifies enterprise, determines user requirements, establishes priorities and assesses value.
- (b) SSP/IBM designs system solution to use IBM CPU, peripherals, terminals, operating system, DB/DC Systems and appropriate application programs. Establishes development/installation plan, configuration, resources required, achievement of requirements.
- (c) IBM provides initial training on development techniques and methodology. Consults on detailed design for systems and application functions. Provides follow-up training on use of system and package application programs. Reviews development work regularly. Assists in System Test.
- (d) SSP will be fully responsible for program/documentation standards, actual detailed design and programming, unit and system testing, system and application documentation for enterprise use, installation and maintenance of the Application System.
- (e) IBM will deliver and install needed equipment and software either on enterprise site or at development institute in a timely fashion to permit system development, testing and installation on schedule.

3. Potential Application Areas

- (a) Manufacturing Control - different kinds of production (assembly, intermittent, job shop)
- (b) Machine Tool Control - machine processes, photocomposition
- (c) Management Information Systems - structured data base creation, maintenance, retrieval, display, report (use IQRP or GIS as base for sales, production, or employee data).
- (d) Text Processing System - entry, edit, retrieval, formatting
- (e) Health Systems
- (f) Reservations/Hotel Management Systems

4. Values/Benefits to USSR

- (a) Early installation of a "state of the art" manufacturing application system to serve as a model for further installations.
- (b) Thorough understanding and acquaintance with all appropriate systems/application programs (implies willingness by IBM to license on USSR equipment).
- (c) Establishment of improved program development methodology and standards (e.g. languages, interactive programming).
- (d) Demonstrate a way to pursue successful cooperation with IBM in other areas of mutual interest (e.g. Hospitals, Insurance, Text Processing, Computer Based Training).
- (e) Full rights to use newly developed program in USSR (and Comecon countries?).

5. Values/Benefits to IBM

- (a) Sale of a system and potential sale of additional equipment; possible future program leases.
- (b) Full rights to use without royalty any newly developed programs in U. S., Western Europe, South America, Asia and Africa.
- (c) Better understanding of Soviet requirements for equipment/systems/applications.

REPRESENTATIVE FOR IBM SYSTEMS1. Concept

SSP serves as representative for "sale" and/or implementation of selected IBM products and services in the USSR.

2. Plan

A technical/financial/legal arrangement would establish SSP (or Ministry of Instrumentation and Automation) as sales agent and installation maintenance organization for IBM Systems, products and services. SSP would "guaranty" a minimum level of sales to justify IBM investment/support. SSP would be paid a fee (hard currency or rubles) for services provided within IBM contract and for "sales commission". Payment from enterprise to IBM would be in hard currency.

3. Potential Application Areas

- (a) Program Products - After a program is authorized for use and is licensed on an IBM System in the USSR then it may be licensed for USSR/Comecon-built machines.
- (b) Custom Contract Programs - SSP would provide requirements/proposal/implementation/participation. Contract would be between IBM and enterprise. SSP as subcontractor would share fee.
- (c) Educational Offerings - ISP, classes using IBM materials, training aids, films, etc. IBM would teach the teachers. There would be a royalty to IBM for each course taught or material package distributed.
- (d) Equipment - requirements/configuration/training/installation.
- (e) Maintenance Service - SSP is trained by IBM and provides services directly for customer or provides training to customer Retain System.

4. Values/Benefits to USSR

- (a) Full access to IBM technology as represented by authorized products including training and technical support by IBM.
- (b) Earning of commissions on actual sales/installations for assigned ministry.
- (c) Simplifies migration to and compatibility with future systems by establishing a current standard for equipment and software.

5. Values/Benefits to IBM

- (a) Lower cost of doing business in USSR.
- (b) Detailed knowledge of requirements.
- (c) Direct influence on configuration and equipment selection.
- (d) Preferred vendor status.

ADVANCED JOINT TECHNICAL PROJECTS

1. Concept

Joint scientific/technical advanced development/research projects to provide improved algorithms and techniques for solving data and information processing problems.

2. Plan

SSP and IBM would identify areas of mutual interest and name selected technical experts. Regular meetings would be held to exchange technical findings and to establish goals and assignments for next time period. Each party would have free use of results. All exchanges would be on a quid pro quo basis.

3. Potential Application Areas

(a) Manufacturing Scheduling Techniques

(b) Application Development Methodology

Problem Formulation
Implementation Algorithms
Structured Design

(c) Resource Allocation - New Management Science Techniques

(d) Math/Stat Algorithms/Programs

4. Values/Benefits to USSR

(a) Access to latest technical advances in areas of interest.

(b) Stimulus for scientists through peer competition and cooperation.

5. Values/Benefits to IBM

(a) Establishing basis for in-depth communication among key technical personnel.

(b) Use of advanced techniques resulting from cooperative efforts.

ANNUAL SYMPOSIUM INTERCHANGE PROGRAM

1. Concept

USSR and IBM would each prepare and present annually a technical symposium on major projects and applications implemented during the previous year.

2. Plan

The USSR would be invited to put on a program similar to the May 1976 Symposium by IBM in Russia in the United States in the Spring of 1977 with future continuation dependent upon the results obtained. In conjunction with future symposia follow-up visits would be arranged for selected IBM personnel to review major work in the Soviet Union during the Fall of 1977. In turn, Soviet personnel would be invited to visit U. S. and European Development Centers to review items presented by IBM during 1976 or succeeding symposia.

3. Potential Application Areas

- (a) Application Development Methodology including design, programming and testing procedures.
- (b) Data Base/Data Communication Manufacturing Control Systems.
- (c) Text Processing and Retrieval Systems.
- (d) Prepackaged Application Software.
- (e) Distributed Processing Systems.

4. Values/Benefits to USSR

- (a) On-going state of the art currency on major developments.
- (b) Acquaintance with key IBM personnel.
- (c) Stimulus of selected USSR technical personnel.

5. Values/Benefits to IBM

- (a) Direct information on USSR advances.
- (b) Access to key USSR personnel.

IBM *IBM Trade Development*

General Management

105-109, Rue du Faubourg St-Honoré. 75008 Paris
Téléphone: 266.33-11
Télex 640727
Télégr. INBUSTD

Mr. Burt Grad
Manager of Application Development
Dept. 797
IBM Data Processing Division
1133 Westchester Avenue
White Plains, N.Y. 10604
USA

JAN 3 1977

December 28, 1976

Dear Burt,

I have received your and Mr. Obrenski's report on the trip to the USSR. The report is well written and full of information and recommendations that will help us in Trade Development to pursue the matter of cooperation to an anticipated successful conclusion.

Please accept my personal thanks for visiting the USSR in order to help us in this effort. The verbal reports I received of your dedication to the task were well founded as I have witnessed in the report.

All the best to you. We will look forward to working with you again in possibly some future USSR task.

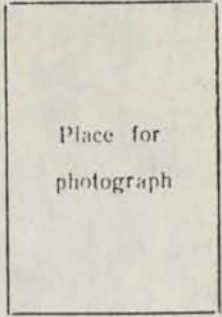
Sincerely,


G. D. Haase

*Sorry, that I missed you
personally.*
-/bdf

КОНСУЛЬСТВО (консульский отдел посольства) СССР в _____ страна

Дата начала действия визы:
Дата окончания действия визы:



Questionnaire ВИЗОВАЯ АНКЕТА

Nationality U.S.A. Present citizenship U.S.A. Surname (in capital Letters) GRAD First name, patronymic Burton Day, month, year of birth 16/04/28 Sex M Object of journey, to the USSR Business USSR, department, organisations proposed to be visited Ministry of Instrumentation and Automation as guest of State Committee for Science and Technology Route of journey (points of destination) Moscow/Leningrad/Minsk/Moscow Date of entry 11/16/76 Date of departure 11/25/76 Profession Development Manager Position Manager - Application Development Place of birth Philadelphia, Pennsylvania, USA Passport № G2522990 Expiration Date: 11/1/81 Maiden name - Husband's name - Index and name of the tourist group - Date of the last visit to the USSR None Place of work IBM Corporation, Data Processing Division, 1133 Westchester Avenue, White Plains, New York 10604 USA Permanent address 87 Barnes Road, Tarrytown, New York 10591 U.S.A. Адрес постоянного места жительства	Национальность Гражданство Фамилия Имя, отчество (имена) Дата рождения Пол Цель поездки в СССР В какое учреждение Маршрут следования (в пункты) Дата въезда Дата выезда Профессия Должность Место рождения Паспорт № Девичья фамилия Фамилия мужа Индекс, наименование туристской группы Когда были в СССР последний раз
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Full answers to all questions should be typed
Писать четко, обязательно чернилами или на машинке в предписанном графическом оформлении

	Surname Фамилия	First name, patronymic Имя, отчество (имена)	Date of birth Дата рождения	Permanent address Адрес местожительства
Children under 16 years travelling with you Дети до 16 лет, следующие с вами				
Relatives in the USSR Ваши родственники в СССР				

I declare that the data given in the Questionnaire are correct
Я заявляю, что все данные, указанные в анкете, являются правильными

Date 11/3/76
Дата

Personal signature
Личная подпись



СССР
«ИНТУРИСТ»

ИЗВЕЩЕНИЕ № 1-20239
REFERENCE

TOURIST CARD № 003702 *
(КАРТОЧКА ТУРИСТА)

Mr(s) Ураг country США number of persons двое
(фамилия туриста) (страна) (к-во человек)

Arrival 18/11 departure 21/11 valid for 3 days
(прибытие) (отъезд) (к-во дней прописью)

Travel agency Travel Service voucher № 0634215
(фирма) (ордер)

Amount paid (сумма)

150 - 00

Rate per day (тариф)

Issued by service bureau: (Выдано в бюро обслуживания):

1. Hotel coupons (Гостин. талоны): 3 (три)
2. Roubles (Рубли на питание): 3000 (три)
3. Intourist vouchers (Ордера Интуриста):
4. Tickets (Билеты):

DE LUXE — КЛАСС ЛЮКС

Date of issue 18/11-11
(дата выдачи)

Signature Курне
(подпись)

Stamp
(штамп)

ГОСТИНИЦА «ИНТЕРНАЛ»

в г. Москва

МАРШРУТ И ОТМЕТКИ ОБ ОБСЛУЖИВАНИИ

Города	Гостиницы	Срок пребы- в.	Экскурсия
<i>Минск</i>	<i>Юбилейн</i>	<i>15/VI - 21/VI</i>	

Особые отметки: _____

(например, продление тура, изменение маршрута, сокращение тура, выдача справки, поездки в др. города не по линии Интуриста, наличие инклюзив-туров и др. спец. туров между днями основного тура и т. п.)