

JPRS-UIA-89-019
29 DECEMBER 1989



**FOREIGN
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JPRS Report

Soviet Union

International Affairs

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NATIONAL TECHNICAL INFORMATION SERVICE
SPRINGFIELD, VA. 22161

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19980507 168

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French Communist Criticizes European Military Integration

90UI0166A Moscow PROBLEMY MIRA I
SOTSIALIZMA in Russian No 11, Nov 89 pp 34-36

[Article by Iv Sholyer, International Department associate, French Communist Party Central Committee: "Europe: Military Integration or Cooperation in Disarmament?"]

[Text] The ruling circles of Western Europe wish to see 1993 become the year of enactment of the Common Act, which by their design would hasten the economic, financial, political and social development of the European Economic Community. The course and possible consequences of the new stage in integration of the 12-state "minor Europe" are being widely discussed in France and other countries.

Military problems and defense objectives do not escape these debates either. Proponents of their immediate consideration by the community have made themselves known (such a clause was included in the Common Act). Others feel that this is within the competency of the Western European Union—that is, they favor retention of the status quo. Yet another group firmly stands for total dependence upon the North Atlantic Treaty Organization, and for practical purposes upon the USA. Finally, some carry the hope that NATO's European component would be able to achieve some other division of responsibility with America, and a certain autonomy from it for its armies. There is a common denominator to these variants: **They all have reinforcement and growth of Western Europe's military potential as their consequences.**

Today, however, following the Helsinki conference and the Vienna meeting, the results of which are generally viewed as an important stage in the process of detente and greater cooperation, **another road** appears possible as well. From this day forward, the barrier to reducing conventional arms and armed forces in Europe, to adopting new, broader measures of trust and security, has been raised. The preconditions have also been created for development of the process of nuclear disarmament, begun by the Soviet-American INF Treaty, and for moving toward an agreement to halve the strategic nuclear arms of the USA and USSR, as well as toward the signing of a convention prohibiting chemical weapons, which was unanimously recommended by participating states of the corresponding conference in Paris (January 1989).

All of this will naturally come about in the event that obstacles created by the governments of countries in the Western European Union, which are perceiving the new realities with great difficulty, are eliminated. They are of course compelled to introduce the concept of disarmament into their documents and statements under public pressure. But concurrently they continue to increase their combat potential with the purposes of ensuring security on the basis of military superiority ("being on

guard"), displaying caution toward the changes that have begun in the Soviet Union and toward its military and diplomatic initiatives. This can only retard the process of disarmament—and the possibility is not excluded that some have this as their objective.

The goals of the Western European Union are to strengthen the Western European war machine in every possible way. Because the United States is presently experiencing considerable difficulties in fulfilling its "defensive" obligations on the continent, members of the union have been asked to assume a larger share of the overall expenses.¹ The "Platform of European Interests" (read: Western European Union) in the Area of Security" was adopted in October 1988 in the Hague to justify such a policy. The objective posed by the document is to extend integration processes to the sphere of security and defense, in an effort to achieve growing unity of Old World states and their more effective fulfillment of the substantial obligations indicated in the treaties creating the Western European Union and NATO. The indivisibility of the North Atlantic bloc and the need for close relations with Washington are confirmed, and the duty of NATO countries to strengthen their European base is emphasized.

It clearly follows from the "Platform" that European defense independent of the USA does not have the future upon which some laid their hopes. As far as autonomy of the Western European Union within NATO is concerned, it is extremely limited. All the more so because significant presence of conventional and nuclear forces has been deemed essential to the defense of the continent.

As long as nuclear deterrence remains the doctrine of both alliances, the platform approved in the Hague is actually a justification for measures of so-called "modernization" of American nuclear ground, sea and air-based resources located or being deployed in Europe and near the continent.

After many years of lethargic sleep, the Western European Union has already begun stirring in the spirit of the "Platform." The first stage has passed, and proposals for future steps are being made. Thus, the seven charter members of the organization have consented to accept Spain and Portugal.

Even without this, some states are behind in fulfilling the obligations they have accepted before NATO for maintaining and increasing aggregate fighting power. And considering the changes occurring in international relations, it has become even more difficult to impose further increases in arms and higher military expenditures upon the people. On the other side, other countries are showing impatience; evidence of this can be found, for example, in the **accelerated process of military cooperation and integration** between France and the FRG. Meetings and exchanges of staff officers of the two armies, and the Institute of Higher National Defense Research in Paris are playing an important role in this

process. Joint military maneuvers such as "Brave Sparrow" with the participation of "quick reaction forces" and sizable military contingents have become commonplace. An army brigade in Böblingen (FRG) and a defense council are being created jointly. This is to be the nucleus of "joint European defense," about which others prepared to embark upon the adventure of military integration of Western Europe are to be unified gradually.

Joint arms production is developing concurrently: The merger of forces is accompanied by standardization of materiel. Initial attempts did not always lead to expected results, as is evident from the failure of the plan for a European warplane. The differing interests of arms producers sometimes elicit conflicts, which is why production of standardized equipment has not yet moved very far forward. Ways to surmount the difficulties as quickly as possible and eliminate conflicts between industrialists are being sought. Production operations based on progressive technology or oriented on implementing the space program have been proposed as solutions; this will require new design offices and industrial associations, and new plants, which will probably be built not as national enterprises.

It is precisely with this prospect and fastest possible resolution of the issue in mind that three proposals were presented by Paris: a) on a program of defense research carried out at the request of the European Independent Programming Group; b) on creation of a European Institute of Higher Research on Security Problems, which would also study the problems of arms production within the framework of the Western European Union; c) on a military variant of the Eureka project; its civilian variant has been extended to some military areas, but this is not enough.

Thus military integration of the nine members of the Western European Union is **expanding and deepening**. It is called upon to strengthen NATO's European nucleus while maintaining full solidarity with the United States. However, it is still difficult for the public to assess the scope and seriousness of this decision. A clear idea on the situation would doubtlessly help dispel the illusions which some are feeding in regard to the idea of a "minor Europe."

The attempt to rebuild an "integrated European army" is accompanied by **broadening of the powers of organs of the Western European Union**. Until a certain time they adhered to a strategy limited to the continental theater; but not that long ago the idea of using the armed forces of countries of the Western European Union outside Europe was revived. The alliance participated in the Persian Gulf war in the following manner. France, Great Britain, Italy, the Netherlands and Belgium sent naval forces there. The FRG, whose constitution prohibits participation in such operations, "covered" NATO's Mediterranean zone, replacing with its ships the formations of its partners which set sail for the Persian Gulf. The government of Luxembourg partially financed the presence of Belgian and Dutch warships in these waters. All actions were coordinated by the chairman of the

Assembly of the Western European Union, which is transforming into a permanent function.

The Western European Union is riding the coattails of the disarmament process begun between the USA and the USSR, fearing that a popular movement might compel it to implement more significant measures for reducing the arsenals. This is why proposals offered by George Bush at the May meeting of the leaders of the NATO countries (which had a positive orientation despite all of its limitations), which were approved as a program by all member states, did elicit displeasure, and even hostility among some members. Such is the way France behaved, for example, in connection with the prospects of negotiations on partial reduction of short-range nuclear weapons.

The Assembly of the Western European Union (including France) did of course fully support the idea of immediately "modernizing" such resources located in Europe earlier. During the June session of the alliance's assembly, official Paris attempted to renew its arguments in order to persuade all that the "Soviet threat" continues to exist, even though this idea is being made unfounded and is refuted by the dynamic proposals and unilateral measures for disarmament on the part of the USSR and the Warsaw Pact. The need for maintaining a strategy of deterrence by means of nuclear and conventional weapons and of significant presence of American troops in the Old World was once again defended at the session.

It was namely France—there is reason for recalling this—that was the first to speak out for revival of the Western European Union. It was France that proposed the draft "Western Europe Security Charter," which transformed into the "Platform of European Interests in the Area of Security," that initiated military cooperation with the FRG, and that encouraged multilateral arms production.

Finally, we should make special mention of this: Suggestions are being made today to impart a **European orientation** to national nuclear forces. France is actively working in this direction, strengthening cooperation with the nuclear forces of Great Britain. The Law on the Military Program, for which all parties but the French Communist Party voted in 1987 in the National Assembly, foresees significant growth of French nuclear potential. What is intended? Construction of submarines of a new generation, furnished with rockets of greater destructive power and a range greater than 5,000 km; deployment of new surface-to-surface and air-to-surface missiles, and Hades tactical missiles, the radius of operation of which was increased to a limit prohibited by the American-Soviet INF Treaty. Ultimately Paris will triple the might of its nuclear resources.

Clearly, France, which cannot compete with the FRG in economics and finances, is striving to attain commanding military summits of Western European integration, and to raise its nuclear might to a higher rung.

Analyzing our country's defense policy, one concludes that it is difficult to believe that Mitterrand, who recently spoke in favor of disarmament, is really fully resolved to accomplish it. To persuade others of the reality of its intentions, the republic must multiply the number of steps taken and make the essence of these steps specific in all areas. Such as for example was the case with the proposal to convene the chemical conference held in Paris.

Everyone agrees that the successes that have been attained on the road to disarmament and which are opening up new prospects became possible owing to the numerous proposals and concessions of the USSR and other Warsaw Pact countries. But one of the Soviet initiatives—completely destroying short-range nuclear weapons—is still eliciting only a half-hearted response from the United States and NATO. Of course, postponement of the decision to modernize American Lance missiles located in the FRG and the fundamental agreement for gradual reduction of short-range nuclear missiles should doubtlessly be treated as positive results. But it is important to work toward **complete destruction of this form of nuclear weapons**, the reserves of which are sizable in Europe, and which are no less dangerous than other types of nuclear weapons when it comes to initiating a conflict. After all, missiles with a small radius of operation create a direct threat to Germans—both those living in the FRG and the population of the GDR, as well as Czechoslovakia.

Through their numerous expressions of opinions the European community and peace-loving forces have effectively promoted implementation of the INF Treaty. It is widely recognized that a powerful campaign of protest against Pershing-2 cruise missiles and SS-20s that rolled across the continent in the early 1980s was the main cause of its signing.

Today, as yesterday, **active interference by public opinion remains the main element in development of the disarmament process.** The spring demonstrations in the FRG, France, Belgium, Great Britain and other countries reflect the growing demands of the people: to destroy all forms of nuclear and chemical weapons and significantly reduce conventional armed forces and arms in the shortest possible time—that is, by the year 2000.

The peace movement is developing in France precisely on the basis of such slogans. The demonstration in Strasbourg, which was carried out jointly with West German pacifists, the protest action on the Albion Plateau, where the missiles of strategic nuclear forces are located, and finally the huge demonstration conducted in Paris on 25 June with the slogan "For the Right of Man to Peace" at the initiative of the "Appeal of the One-Hundred" are evidence of the growing demands of the popular masses. French men and women are energetically demanding cessation of nuclear tests on Mururoa Atoll, rejection of the creation of new types of

nuclear and other weapons foreseen by the corresponding law, and review of arms allocations in the direction of their reduction.

The struggle for disarmament in Europe, begun in our country by proponents of peace, is also a direct struggle for an alternative: either a "minor Europe," traveling the road of integration toward a stronger European nucleus in the North Atlantic alliance, or a continent in the full sense of this geographical concept (that is, from the Atlantic to the Urals), created through cooperation in all areas irrespective of the socioeconomic structure of the states—**Europe through disarmament.**

The ideas and proposals forwarded by the French Communist Party in the program adopted by the 26th Congress (December 1987) remain timely. This program indicates the goals which would be capable of uniting my compatriots in order to achieve, through decisive actions, an active policy in France directed at disarmament and based on national independence and peaceful cooperation between European peoples and states.

The French Communist Party wholly supports the Helsinki process, believing that its three most important directions must be developed unweakeningly: measures of trust and disarmament; cooperation in economics, science, culture and nature protection; cooperation in free movement of people and ideas, and measures to defend and expand human rights.

Our party opposes creation of a European nucleus in the North Atlantic bloc and integration of French armed forces into its structure (including creation of a French-West German brigade, the Joint Defense Council and any joint command). It is opposed to France's secret or open return to the NATO integrated military organization, and it is opposed to any European production of arms needed for the country's defense. I repeat that communist deputies were the only ones in the National Assembly that voted against the law on the military program. The French Communist Party declares that our country should **actively join the effort to eliminate all forms of nuclear weapons**, including its own attack forces. We demand that nuclear testing be halted, that programs to create new types of armament be stopped, and that defense allocations be reduced by 40 billion francs. This is precisely the position that our party's deputies will defend in forthcoming parliamentary debates on the issue of modernizing the law on the military program.

Communists feel that while observing the principle of equal security for all, France should express its support for all possible steps toward disarmament, it should support negotiations under way, and it should take a direct part in those negotiations which directly affect the country's interests. The French Communist Party favors signing an agreement on collective security in Europe.

Footnote

1. The NATO bloc confirmed that each of its members must increase its military budget by 3 percent annually in real terms.

Foreign Affairs Institute Seeks More Varied Student Body

90UI0132A Moscow ARGUMENTY I FAKTY in Russian No 46, 18-24 Nov 89 p 6

[Interview with R.S. Ovinnikov, rector of Moscow State Institute of International Relations, by Yu. Sigov: "Can People Become Diplomats Without Patrons?"; first paragraph is ARGUMENTY I FAKTY introduction]

[Text] The Moscow State Institute of International Relations (MGIMO) of the USSR Ministry of Foreign Affairs is one of the most prestigious VUZ's in our country. Today MGIMO has 3,500 students (1,000 are foreigners from 14 states), 40 departments, a faculty of 800, and a staff of 900. For a long time, "common mortals" associated the MGIMO acronym with something unattainable and mysterious. Now the VUZ is listed in the directory for "ordinary" students, and important changes are taking place within its walls. They were discussed by MGIMO Rector R.S. Ovinnikov.

[Ovinnikov] It would be wrong to assume that all of the students at MGIMO had friends "with pull" before I arrived there. It is true, however, that the majority were the children of officials. There were also some enrollment restrictions, and many of these have been radically revised in the last 3 years. Above all, admissions of students from other cities doubled (now they represent half of the student body). Restrictions on female students were lifted. Whereas they once constituted only 7-8 percent of all those attending the VUZ, this year they represent 17 percent of the student body. The enrollment privileges of production workers were also eliminated. Now all students have to meet the same requirements. The only restriction which was retained was the age requirement (25) for new admissions to the day division.

[Sigov] What is the social composition of this year's new admissions?

[Ovinnikov] Around 20 percent are workers and the rest are employees, secondary school graduates, and demobilized Soviet Army personnel. Every one of the 12 kolkhoz members passed the competitive examinations. This year there were six applicants for each vacancy.

[Sigov] Did all of the applicants have an equal chance of admission to MGIMO? After all, the son of a worker and the son of a diplomat who has lived abroad for a long time, knows a great deal about the country, and is fluent in a foreign language, are clearly not equal in their abilities, and this must show up in the exams....

[Ovinnikov] There is no question that the children of diplomatic personnel know more about some subjects than applicants from working-class families, but we tried to create equal admission opportunities for everyone by organizing 6-month preparatory courses for anyone who wished to take them (the cost was 180 rubles per student). This kind of training was offered to students outside the city in correspondence courses, but

these were naturally less effective. There is also the MGIMO Preparatory School, which accounts for one-third of the new admissions. This year it admitted 117 students, mainly production workers and "Afghan" soldiers (26 of them).

[Sigov] As you know, the need for recommendations from CPSU obkoms and gorkoms is an insurmountable obstacle for many people who wish to enroll in MGIMO. In this way, some applicants have to give up at the start because of a lack of "credentials." How can you put any trust in the "guarantee" of the person who signs the recommendation for an MGIMO applicant when it is most likely that he has never even met him personally?

[Ovinnikov] I think the system for the issuance of recommendations for applicants to our VUZ should be revised. Experience has shown that the higher the level of the "guarantee," the less real information we get about the applicant. At this time it is a rule that all MGIMO applicants must have a recommendation from the obkoms and central committees of union republic communist parties, or of raykoms in Moscow and Leningrad.

I must tell you right away that we have no intention of dispensing completely with the requirement for recommendations (after all, our VUZ is a political institution), but we do plan to transfer the right of their issuance directly to the councils of work crews, with the consent of social organizations. In secondary schools, for example, recommendations will be issued by academic councils, and in the Army they will be issued by the commanding officers of the applicants' military units (now these recommendations are issued at the division level), and so forth.

[Sigov] There was a recent item in ARGUMENTY I FAKTY about the salaries of Soviet diplomats. It turns out that they are paid very little in comparison even with engineers. Nevertheless, the competition for admission to MGIMO is steep every single year. Are the applicants to your VUZ motivated only by a desire to "see the world," or are they governed by mercenary motives?

[Ovinnikov] I would have difficulty guessing the motives of the applicant who wants to be admitted to MGIMO. From personal experience I can say that the people who chose a diplomatic career in the past did not do it for monetary gain. They really wanted to find an interesting job. Now some people regard a professional diplomatic career as a chance to live abroad and make a good salary, but I am firmly convinced that the diplomatic profession is not the road to riches.

[Sigov] You have already mentioned the fact that MGIMO is a political VUZ. This is probably why all of your graduates are communists....

[Ovinnikov] And Komsomol members. I think that even after the new recommendations are introduced, most of

our graduates will be members of the CPSU and Komsomol. In any case, they will have a better political education than non-members. Nevertheless, we will be willing to admit even those recommended by work crews.

[Sigov] Your institute is responsible for the first stage in the preparation of future Soviet politicians and diplomats. In your opinion, what is it that MGIMO "does not teach at all" or "teaches badly"?

[Ovinnikov] Within the walls of a VUZ, we cannot teach them the main thing—life experience. Any education in this field can only be theoretical. In many cases, "honors students" cannot "cope" with the realities of life, whereas "average students" move up the professional ladder quickly. The main thing for the future diplomat is the combination of a good basic education and life experience.

[Sigov] To what extent is this "self-sufficiency" characteristic of our ambassadors who were promoted to diplomatic posts from Soviet and party jobs? After all, they did not graduate from MGIMO....

[Ovinnikov] It is true that our ambassadors abroad in the past were frequently "timeservers." There was no question of self-sufficiency, but merely of "waiting out" the turbulent times. These appointments naturally had an adverse effect on the work of the staff in Soviet establishments abroad. On the other hand, the appointment of authoritative party personnel as ambassadors of the USSR in socialist countries was, in my opinion, a valid practice. And although most of them did not attend MGIMO, they were able to cope successfully with their duties in general.

[Sigov] The office of MGIMO rector is generally reserved for the "diplomatic elite." How is the administrator of this VUZ appointed in general and how did you get such a high position?

[Ovinnikov] First of all, I want to say that my arrival at MGIMO coincided with the beginning of perestroika in our country.

[Sigov] Coincided with it, or was directly related to it?

[Ovinnikov] Probably both. When I became the rector of MGIMO in November 1985, there was serious stagnation in the institute and I was instructed to get rid of it. Before I came to MGIMO I headed the MID Foreign Policy Planning Administration. There were many contenders for the office of rector, and my appointment had to be approved by the Ministry of Foreign Affairs and by the Ministry of Higher and Secondary Specialized Education of that time.

[Sigov] How independent is the MGIMO rector of outside pressure? After all, the administrator of such a prestigious VUZ is probably deluged with requests for assistance in the admission of a particular applicant....

[Ovinnikov] Yes, high-placed mothers and fathers are still calling me on the phone, just as they did 4 years ago.

In all this time, however, I have never spoken with any of them about personal matters. If an applicant or a student is having problems, he can come to my office at any time to discuss them. My principal aim is to put an end to the "string-pulling" at MGIMO, and I think that our efforts in this area have already produced perceptible results.

Supreme Soviet Criticized for Neglecting Foreign Affairs

18120016A Moscow NEW TIMES in English No 44,
31 Oct-6 Nov 89 pp 7-8

[Article by Galina Sidorova: "On Debates Which Weren't"]

[Text] "To take into consideration..." The dry, non-committal formula left me disappointed. It was the Supreme Soviet's reaction to an hour-long report on the activities over the past four years of the Soviet Ministry of External Affairs delivered to the People's Deputies for the first time ever by Foreign Minister Shevardnadze.

There were questions, but there were no debates. Not because nobody was interested in foreign affairs. Or because the Minister refused to answer. I am sure that a normal parliamentary discussion could have taken place had the deputies been willing to start it. On many occasions I have had the opportunity to see Eduard Shevardnadze openly and patiently answer questions in the most critical situations. The fact was that the majority of MPs voted for a break in order to start discussing "hotter" issues after it.

The deputies were in a hurry. In fact, they always seem to be in a hurry. They are in a hurry to sort out the needless flow of basic bills and points on this session's agenda, including draft laws on ownership, changes and amendments to the Soviet Constitution concerning the electoral system, and many other issues. It so happened that the Soviet parliament had to start from scratch. But can some issues be sacrificed for the sake of others?

Should deputies only take foreign political reports into consideration, or discuss them?

Voices in support of debates weren't numerous, unfortunately. Andrei Sakharov, plus a few deputies from the Baltic republics and some other regions, in all about 60 people. This was far fewer than is needed for a quorum. The paradox is that the unwillingness to discuss things is closely related to our recent secretiveness and absence of glasnost, which brought about the Afghan adventure, the deployment of Euromissiles, the construction of the Krasnoyarsk radar facility, our inflated military budget and the chemical arms race. It's difficult to enumerate all the consequences of these errors. The Minister's report sounded like a warning against repetitions of similar fatal decisions in the future.

It also sounded like repentance offered on behalf of those who bear the responsibility for past blunders and whose names haven't so far been mentioned.

The Minister spoke about Afghanistan. Having sent troops into that country, we not only, to use Shevardnadze's words, set ourselves against the world community, violated the norms of international behavior and trampled on universal human interests, but also defied our own legislation and party ethics.

The Minister spoke of the Krasnoyarsk radar facility. Its construction devoured hundreds of millions of rubles. Throughout the years when the Soviet Union advocated the preservation of the ABM treaty as a guarantee of strategic stability, the mammoth facility continued to stand as an outright violation of this very treaty. Now at last the Soviet Union has announced that it is to be dismantled.

The Minister spoke of the INF treaty, which helps us save 400 million rubles a year. But what was the cost of the missiles now being eliminated?

The Minister spoke about the Soviet Union's continued production and stockpiling of chemical weapons for nearly twenty years, although the U.S. unilaterally stopped production of such weapons as early as 1969.

The Minister spoke of the innovatory ideas and proposals implemented by the Foreign Ministry in the past few years. The policy of the Soviet Union has made a substantial contribution to changing the world around us and our own image in it.

I don't know about the content of the notes sent to the Minister by some deputies and never announced from the rostrum, but I have my own questions to ask.

How can we reconcile the humanistic essence of the new policy stressed in Shevardnadze's report with the continued supplies of Soviet-made armaments to various states and hotbeds of tension? There are facts that give rise to hope—the decision to suspend arms supplies to Nicaragua, the bilateral consultations with the United States, Great Britain and France on the problem of the non-proliferation of missile technology and missiles. The Soviet desire to streamline the rendering of military aid and preparedness to participate in the establishment of the U.N. register of arms supplies to foreign countries. But it is no secret that for this country arms supplies are not only a question of adherence to international accords, but also a source of hard-currency earnings.

Further. Treaties must be observed, of course. But in what volume and to what countries should the Soviet Union continue to render aid in the context of its own internal difficulties and woes? Who drafts decisions to this effect, and how are they ratified? Another, albeit in a sense inverse, collision of morality, moral obligation and national interests.

Another question. I am not going to question the necessity of the Soviet Union's active participation in the United Nations. This is not a matter of prestige alone. The priority of universal human values suggests the authority of global institutions. The global problems of

today's world require global answers. Besides, recently the U.N. has helped minimize the losses we—and not we alone—could have suffered in connection with regional conflicts. But why did our annual U.N. fee amount in 1989 to precisely 255 million dollars? How justified is this figure?

What does the Foreign Ministry think of the possibility to announce another Soviet moratorium on nuclear tests in the current favourable international atmosphere? Such a move by the Soviet Union would be welcomed with a feeling of profound relief by the people living close to testing grounds. The American public could also be expected to bring pressure to bear on its administration. But this question would be better addressed to the war department.

Foreign political debates in the Supreme Soviet are needed not merely in order to discuss things openly and clarify debatable issues in time. In my opinion, the necessity for such debates derives from the very approach to foreign policies presented in the Minister's report, which was dominated by the idea that foreign and domestic policies were interconnected and interdependent.

I would single out several points of departure.

"The compatibility of Soviet economic reforms with international practices is acquiring special importance..."

"Worsening relations with any state costs a lot of money...A reasonable foreign policy is a direct contribution to the wellbeing of the country, the moral and physical health of the nation, of every family and every man and woman..."

"Diplomacy can and must be most accurate and timely in informing the highest echelons of power of instances when our actions, positions or approaches do not coincide with prevailing international opinion, legal norms and ethical standards..."

"We can speak of a violence-free world, of the triumph of the force of right over the right of force, given the rule-of-law is established in the Soviet Union and its commitment to non-use of force inside the country."

Our Union is becoming an increasingly sophisticated organism. The upsurge of national consciousness and independence in the republics, the practical implementation of the Constitutional principal of republican sovereignty cannot but affect the procedure for foreign policymaking. For example, the Constitutional Law adopted in Azerbaijan declares the republic's right to enter into direct relations with other states, conclude agreements with them, exchange diplomatic and consular representatives and take part in the work of international organizations. Similar initiatives have been put forward in other republics as well.

The centre's answer is the proposal to establish a consultative council of foreign ministers of Union Republics

under the Foreign Minister of the U.S.S.R. Republics could be represented abroad by trade missions, participate in ecological projects and cultural, scientific and information exchange.

Eduard Shevardnadze believes civilized international relations are not feasible if Union republics, autonomous entities, territories, regions, cities and citizens don't communicate with the outside world.

Civilized relations. Obviously, we must learn to be civilized ourselves first. We are still not quite civilized, which was demonstrated in a Tbilisi square where soldiers used spades to crush a peaceful demonstration. And in Azerbaijanian blockade of neighbouring Armenia, and in the medieval forms the ethnic friction in Nagorny Karabakh have taken. And in the extremist pogroms in Ferghana. And in our endless queues. And in trifles like journalists' attending public sitting of Supreme Soviet committees and commissions. (Recently I experienced it myself, when on receiving an invitation to attend the first public sitting of the Supreme Soviet Committee for Defence and State Security, I faced a closed door—only journalists put on some mysterious list approved by the Committee were let in, while others, less fortunate, were turned away.)

Naturally, our current foreign policy could not have been possible without radical changes inside the country, which actually brought this policy to life. However, over the past few years this policy has considerably outstripped restructuring at home. Today it teaches us a lesson in civilized relations, correctness and tolerance, which it wouldn't be amiss for the Supreme Soviet to heed.

Thanks to the foreign political breakthroughs in the humanitarian sphere—let's recall the Vienna accords of January this year—we are now bringing our decrepit legislation in the sphere of human rights into conformity with the norms accepted in the civilized world or, more precisely, creating this legislation anew.

Thanks to the breakthroughs in the sphere of disarmament, the last Soviet shorter-range missile will be eliminated on the day this issue of New Times appears in newspaper kiosks.

The Minister assured us that no Soviet soldier is now engaged in combat anywhere in the world, for the first time in many years.

The rejection of confrontation as the basis of foreign policies, the deideologization and democratization of international relations, the comprehensive concept of international security, a common European home... We haven't even noticed that in the past few years these notions have developed a concrete content: successful talks, exchange of visits at various levels, joint attempts to defuse conflict situations all over the world, accords that have been concluded or are in the pipeline, Common Market-CMEA contacts, and the first tentative probings between Warsaw Treaty and NATO representatives.

The Minister dwelled at length on several new directions of efforts: the establishment of a just economic order, the solution of the problem of external debts, rechanneling resources to development, conversion of military industries, provision of conditions for Soviet participation in the international division of labour, the World Bank, International Monetary Fund and General Agreement on Tariffs and Trade; political ecology; the establishment of contacts with compatriots living abroad, whose number totals 20 million.

I for one would like to stress another detail in the performance of the foreign political department. It concerns the Minister himself. The fact is that our political leaders are changing as perestroika develops. They now have an opportunity to work creatively. Some of them have become remarkable personalities in their own fields. Dignity and personal responsibility used to be a combination rarely found in our leadership. "As a minister," Shevardnadze told deputies, "I am prepared to implement any lawful decision, while reserving the right to resign should I disagree with it on moral or political grounds."

...The deputies "took all this into consideration..." Debates lie ahead?

American Defends 'Business Culture' in USSR

90UI0146A Moscow SOTSIALISTICHESKAYA
INDUSTRIYA in Russian 21 Nov 89 p 3

[Article by Robin Sundt, president of Ergo Group, an American company (Boston): "The Business Culture in Particular and in General"]

[Text] You remember Krylov's famous fable about the fox and the grapes: "They look good, but they are green—not one ripe grape in the bunch. Your mouth will get sore right away." It came to mind when I read the article "Lessons for Simpletons" in your newspaper on 26 April this year.

It was an account of an unsuccessful experiment in cooperation by Soviet businessmen conducting foreign economic operations with American businessman A. Russinov, culminating in the breakup of their relationship. The author blames the Western partner for everything that went wrong, implying that he slyly made fools of the Soviet simpletons in business until they finally saw the light.

I will not go into the impropriety, to say the least, of this biased account of the matter. I do not even want to decide who was right and who was to blame and to what degree, although I know Russinov personally and I have heard good things about him from many Soviet partners, so I have my own opinion. I think it would be more useful to say a few words about the very nature of such conflicts and about the ways of preventing their repetition.

The development of the USSR's economic relations with the United States and with the West as a whole requires people of a particular frame of mind. They have to know the rules of business in both systems, because this is essentially a matter of two different business cultures, and the people who know what they are doing in both will be successful in this field.

There are many significant differences between the Soviet Union and the Western countries whose currencies are of the greatest interest to it. Once we acknowledge these differences, it is easier to gain access to one another's markets and easier to do business outside the USSR. This applies to our attempts to sell Soviet goods in the West, to attract foreign capital and technology to your country, and to do both of these things at the same time.

The biggest difference is in the driving forces of business as a whole. In the West it is the law of supply and demand. Prices in a free and unrestricted market change in line with changes in supply and demand. If the demand is greater than the supply, the price rises, because people will pay more for a scarce commodity. When the price rises, this attracts new producers seeking profits, and this increases the supply. When the supply is

increased, the price goes back down, because the commodity is no longer in short supply. In this way, supply and demand balance each other through the mechanism of prices.

As a rule, supply exceeds demand in the developed countries, and this is why prices have a tendency to drop. This means that the producer has to be competitive to survive. If there are more goods than buyers and he cannot raise prices, he has two other ways of increasing his profits.

The first way is to reduce the cost of producing and selling the goods. This can be done by expanding production and using robots and automatic lines to lower the cost of labor and augment productivity. Western producers have been lowering overhead costs for many years, and quite effectively in most cases. Although the hourly wage in the Soviet Union is quite low, this cannot be said of production costs per unit of product. This also applies to raw materials. In the West they are of high quality, and their efficient use and minimal waste cancel out the advantages of the cheaper Soviet raw materials.

The second way the Western businessman can increase his profits is to use marketing and advertising to stimulate demand and sell more goods. Successful marketing and advertising do two things. They motivate people to buy your product instead of another one just like it. This is competitive marketing, which fights for the market and takes it away from competitors.

Another type of marketing entails the creation of demand. Most of the marketing and advertising projects in the West today are intended to motivate people to want something they never wanted before. There are many examples of this.

An understanding of the forces governing the market is extremely important for Soviet people who want to do business with the West and in the West. Because of the law of supply and demand, business in the developed countries is governed mainly by marketing and buyers. Selling something in a buyer's market is possible only if your prices are lower and you can stimulate demand with expensive advertising. Because marketing costs are high and the production process is usually quite effective, overhead costs are fairly low in relation to the sale price. This means that it is not enough to produce an inexpensive item. The product image is just as important, if not more so, and the image of Soviet products in the West suffers from their poor quality and unreliability.

The situation in the Soviet Union is completely different. Supply and demand are not balanced, and marketing plays no role at all. Business is governed by production. If you can produce a commodity and put it on store shelves, you can sell it. If we can imagine business in the form of a tunnel, people in the Soviet Union and in the West are looking into it from different ends.

Russinov recognizes all of these differences and has spent the last 2 years trying to show people how to

surmount them. This is a lengthy process and it does not produce quick results. Although many want to learn, it takes time to cross the mountain and look into the tunnel from the other end. Russinov also recognizes the differences in the business cultures of the two countries. No one likes to lose, but it is possible to pretend that nothing happened or to acknowledge the loss and learn from it. The best thing is to learn, to keep trying, to accept failures and make new attempts until everything works out—in just the same way as a child who is learning to ride a bicycle and has to fall down several times before he can ride.

Does all of this mean that the situation is hopeless? Of course not, but it does mean that helping people in the USSR do business with the West is an exceptionally difficult matter. As for the Western businessmen who venture transactions with Soviet partners and suffer losses, what is important is not that they were unable to achieve the desired results, but that they helped the Soviet side take a more realistic look at its ability to break into the world market. They have to be given credit for having enough courage to tell you that your plans are still unfounded and your ambitions are still dreams. Many people do not like to hear this, however, and they blame others for everything.

Western markets can be troublesome for products and capital investments. You have to concentrate on the area in which you are really competent and work in this area persistently. Soviet businessmen in the West are competing for a market where people have been perfecting their skills for decades. Before you try to catch up with the West, you have to learn to walk. And instead of cursing the grapes for being sour, it would be better to consider how they might be ripened more quickly.

International Conference Views Merits of Small Business

90UI0145A Moscow SOTSIALISTICHESKAYA
INDUSTRIYA in Russian 21 Nov 89 p 2

[Report by I. Zhagel on conference on international business at Moscow State University on 12-16 November: "The Merits of Small Business"]

[Text] In the same way that the color white would be impossible to visualize without the color black, and just as the existence of man would be unimaginable without air, the market economy would be inconceivable without the businessman. It would also be inconceivable in our country, provided, of course, that we really want to adopt the system which is functioning so effectively in the West, even if we add a few of our own features to it, instead of creating another economic monster doomed to quick extinction by its lack of vitality.

Business in the world economy was the topic of a 4-day international conference—from 12 to 16 November—at Moscow State University imeni M.V. Lomonosov. It was organized by the Esalen Institute and the International Center for Economic Development in California (United

States), Moscow State University, the Management Institute of the USSR Academy of Sciences, and the Union of Scientific and Engineering Societies.

The foreign delegations at the conference were made up of scientists, specialists, and businessmen from the United States and from Mexico, Spain, Pakistan, Bangladesh, and Austria. These countries were not chosen at random. Most of them have been distinguished by impressive recent economic successes. Furthermore, they were able to do this because they offered people broad opportunities in commercial enterprise, especially in the small business sphere.

Furthermore, the proliferation of small companies in the last 10 years has been recorded even in such a highly developed country as the United States, although we still assume that it is virtually impossible for them to survive fierce competition with large firms. Here are some specific figures: Small companies produced 48 percent of the gross national product and created more than half of the new jobs in the United States in 1986.

When I asked for an explanation of the success of small businesses in the United States, one conference official, management expert S. Reinsmith, listed three main reasons. First of all, the average level of education in the country has risen, and there is a large substratum of people who have acquired business experience in large companies and want to start their own businesses.

Second, there have been qualitative advances in the development of the infrastructure and communications systems. The methods of obtaining information and processing large amounts of data have been simplified considerably. Many of the processes of design and technical analysis have been automated.

Finally, the scientific-technical revolution provided the momentum for the development of small companies. It is a big problem for large firms because they are more static, whereas their small competitors come into being expressly for the purpose of mastering innovative technologies and the production of qualitatively new items. We could even say that scientific and technical progress now rests largely on the shoulders of small companies. This is why it is so important to create the necessary conditions for the development of small enterprises in the Soviet Union as well, and to eliminate or minimize all of the obstacles in their way.

It would be a big mistake, however, to think that the conference was held only to discuss the technical and legal aspects of small business, Reinsmith said. It was wholly devoted to the human spirit. After all, commercial enterprise provides an opportunity to free the creative potential of people and allow its fuller disclosure. The opinions expressed at the conference were reminiscent of M.S. Gorbachev's statement about the need to set the human factor in motion as the prime mover of perestroika.

And what do Soviet scientists think of small business? In his speech at the conference, USSR People's Deputy P.

Bunich, corresponding member of the USSR Academy of Sciences, stressed that the concept of the hired worker virtually does not exist in a small company, and this means that exploitation does not exist here either. Small enterprises are conducive to intellectual activity and the optimal organization of labor.

Unfortunately, scientists in our country have paid virtually no attention to small business. There is one sphere in our country, however, where commercial enterprise has flourished—the shadow economy. It filled the holes state enterprises could not reach. Of course, this certainly does not mean that the shadow economy warrants further development, but it does provide a precise diagnosis of the ailments of the national economy.

In the final analysis, it is simply ridiculous for large enterprises to serve themselves in all areas. Small companies could take on many functions in material and technical supply operations, the production of components, and the organization of services in our country as well.

All of the conference materials will be published in Russian and English and will be distributed in our country and abroad. In addition, scientists and businessmen are expected to meet regularly to discuss problems in commercial activity.

More Effective Use of International Trade Fairs Urged

90UI0112A *Moscow IZVESTIYA in Russian 3 Nov 89 Morning Edition p 5*

[Article by Ye. Vostrukhov, IZVESTIYA personal correspondent (Belgrade): "Do People Go to a Trade Fair Just for the Songs? We Are Misusing the Opportunities International Trade Fairs Offer for Radical Changes in Foreign Trade"]

[Text] The Soviet pavilion at the fall trade fair in Zagreb was like a huge concert hall. The popular melodies of the different nationalities of the USSR could be heard under its high dome from morning till night. It is true that the musical program was quite frequently interrupted in mid-note when the loudspeakers blared the familiar announcement: "Comrade So-and-So is requested to go to such- and-such a place." After two or three insistent repetitions of the announcement, the music would continue.

Besides this, our pavilion's resemblance to an establishment of mass culture was also fostered by a real concert hall which had been set up in a prominent spot and equipped with a stage, rows of seats, and a movie screen. Entertainment programs were scheduled several times each day. A troupe of folk singers and musicians performed in fancy costumes. None of the visitors paid any attention at all to the exhibits when the slender beauties from the House of Fashion on the Arbat were walking across the stage. There was also a troupe from Latvia

which was held in reserve and was also performing with great success in a local restaurant each day.

In short, there was more than enough music and applause in our pavilion. And even outside the pavilion, it was not only in the restaurants that we distinguished ourselves: The young fashion models from Moscow put on a spectacular show in the central square in Zagreb, and there was a Soviet film festival in the city's movie theaters. In terms of the number of "propaganda" and "cultural" undertakings, therefore, the USSR made an impressive showing at the anniversary trade fair in Zagreb (it has been 80 years since the first such fair was held).

Everything would have been wonderful if it had not been for one simple fact. This trade fair, one of the most popular in the world, has a clearly defined status. Entertainment is not what attracts businessmen and representatives from numerous firms all over the world to the Balkans. Businessmen come to Zagreb to trade in goods, technology, and ideas, to show off the newest items in their line and take a look at others', and conclude agreements on cooperation. Each year contracts are negotiated here for tens of millions of dollars. People do not come here for the songs, but for serious work.

This was the 37th year the USSR has participated in the Zagreb fair, and it was granted the distinguished status of a guest nation. Our exhibits were shown under a sign saying "USSR—Partner of the SFRY" and were supposed to acquaint the Yugoslav side with the Soviet goods, machines, equipment, and technology of interest to it. There was also another aspect distinguishing the approach to the current exposition. Our state owes Yugoslavia a billion and a half dollars. For several years now, the Soviet Union has been unable to climb out of the "debtor's pit"; the prices of petroleum products are falling, but the structural composition of our exports is being changed too slowly. This certainly does not mean that we have nothing but raw materials to offer Yugoslavia, but radical changes in exports require joint investigations, the study of local market conditions, the acquisition of reliable and timely market information, and mutual effort by the partners.

The departmental monopoly in foreign trade is disintegrating, and goods are beginning to be sold by their producers, including cooperatives. Around 5,000 Soviet enterprises are already participating in foreign trade, and 10,000 have been empowered to do so. The new Soviet businessmen, however, do not have the experience, marketing expertise, and ability of their potential partners. Under these conditions, it is impossible to overestimate the significance of the traditional international fairs and exhibitions in which the USSR participates. They offer the most favorable opportunities for the perestroika of Soviet foreign trade. Everything will depend on how these opportunities are used.

A few years ago we could have been proud of the results of the latest trade fair: Contracts worth 935 million dollars were signed in the Soviet pavilion and in the

trade agencies of Yugoslav firms (it is true that these were so-called clearing dollars—i.e., hypothetical dollars existing only on paper—for reciprocal settlements). This is almost twice the amount of the contracts signed at the last fair. This “almost a billion” was noted in all of the reports and official documents of the organizers of our exhibit—the USSR Chamber of Commerce and Industry (TPP) and the USSR Trade Representation in Yugoslavia. Regrettably, it is not an indication of commercial activity on the part of the 36 foreign trade associations representing around 500 of our enterprises at the fair.

The explanation is quite simple. One of the associations, the Vneshpromtekhobmen Association of USSR Gosnab, managed to sign contracts with four Yugoslav firms for 880 million clearing dollars. The details of this transaction had nothing to do with the Zagreb fair. Yugoslavia will be supplied with crude metal resources (slab, scrap metal, and blooms) worth 440 million and will send us metal items with an equivalent value (cable, braces, and screens). Therefore, the commercial output of all the other venerable participants in the trade fair from our country was more than modest. The Soyuzkhimeksport Association signed contracts for 25 million dollars.

Once again, the group of items arousing special interest in foreign partners could not even be described as small; it was minuscule: a jig-boring lathe, a medical sanitation unit.... There were also some articles made of amber, perfumes, glass, and folk art handicrafts. But after all, shipments of these goods cannot make much difference in the trade between two countries. Once again, the great industrial power was saved by scrap metal!

It was a waste to spend the large amounts of money on the shipment of the awkward and heavy exhibits to Zagreb which are no longer in demand in their native land but which are still, for some reason, considered to be a prestigious and necessary part of the trade fair.

In general, in terms of the number of exhibits we were probably among the highest-ranking participants in the fair, and we were even awarded a special certificate for our attractive display. The external beauty of the exhibit, however, could not conceal the wretchedness of its contents. During all of the time I spent at the fair I had the gnawing feeling that the people in the Soviet pavilion were deliberately deceiving the visitors. The current exposition, just as the ones of many years ago, tried to “mirror” our allegedly great achievements in all spheres of life and convince the visitors that the USSR is a prosperous country. Whose eyes are we trying to “pull the wool over”? Are we trying to deceive Western businessmen? Our Yugoslav partners? The average visitor, who reads his own newspapers, with their habit of reporting the state of affairs in our country objectively? Recently, for example, VJESNIK, a popular newspaper in Zagreb, printed a report with photos from a Soviet store with empty shelves and counters. But in our pavilion the inhabitants of Zagreb saw luxurious garments made of fur (in the section called “Moscow—the

Capital of the USSR”) and an abundance of all types of consumer goods—from soap and chocolate candy to knitwear, footwear, and fine furniture....

Honestly, it was embarrassing to look at this ostentatious abundance of exactly the same goods we are trying to buy from Yugoslavia with foreign currency. This pretense probably shatters any wish to do business with us or negotiate with us. What can you talk about with people who are showing off so brazenly?

This is why the items made by the skilled folk artists of Latvia and Estonia—republics which were participating in the fair for the first time—looked so endearing next to the ostentatious displays. In general, their exhibit differed perceptibly from the all-union exhibit. It was distinguished by careful planning, modern designs, and unique items. It is not surprising that the Interlatvia foreign trade association sold 937,500 clearing dollars' worth of distinctive items.

The debut of a few Moscow cooperatives at the fair could be called successful. Their representatives came to Zagreb to do business, and not to hear the music. They sought out potential partners, made friends with them, compared their own goods with the items in demand in the international market, and established commercial contacts for the future. I must say that the directors of the Soviet pavilion were also happy to work with these new partners and offered them every kind of assistance. The Interdonbass cooperative foreign trade firm of the Donetsk Gorispolkom exhibited more than 200 competitive items. The administrators of the Myslitel cooperative in Moscow were able to leave Zagreb with a sense of satisfaction after they had managed to conclude agreements on cooperation with some firms in Yugoslavia.

The positive experience of the Baltic republics, the cooperatives, and some other exhibitors demonstrates the importance of persistent attempts to find competitive goods and to offer precisely the goods the market is demanding today. Flexibility, efficiency, and a precise knowledge of the rapidly changing patterns of supply and demand produce success. The serious consideration of current market conditions is out of the question for most of the Soviet participants, however, because, in accordance with a decree of the USSR Council of Ministers, our exhibits for fairs and exhibitions abroad are still planned 18 months in advance. Who needs obsolete items when the international market is filled to the saturation point?

It appears that no one today, just as in the past, is paying any attention to the commercial side of the international trade fairs. The search for participants and the choice of exhibits go on for a year and a half. These are the functions of the Eksposentr association (exhibitions are organized by the TPP). Formalism and subjectivism are out of place here. The qualified opinions of specialists in trade representations and their sensible advice are frequently ignored by the organizers of expositions. Here is

a characteristic example. After the Soviet trade representation in Yugoslavia had seen the proposed exhibits of the Mashinoeksport foreign trade association, it informed its administrators that the display did not meet the requirements of the foreign market and that the goods were not competitive. Furthermore, the association does have something to offer Yugoslav and other partners. It has built and remodeled many industrial enterprises in Yugoslavia and still has a good reputation for this. The trade representation suggested ways of improving the exhibit and enhancing its commercial impact and proposed interesting forms of cooperation with Yugoslavia and with third countries, but the Mashinoeksport administrators did not listen to the advice of their Belgrade colleagues. And if only this association had been the sole example of this! Many of the items which were taken to Zagreb are not appreciated in the local market, but the equipment and technology which might have interested Yugoslav partners were left at home. The experience in subway construction would probably have come in handy here (competitive bidding for the construction of a subway in Belgrade was recently announced), as well as the experience in building bridges and tunnels and laying pipelines (Yugoslavia is planning massive projects in this field).

This apparently happened because the USSR Chamber of Commerce and Industry is putting itself at a disadvantage. On 1 January this year it was announced that it had made the transition to economic cost accounting, but its Ekspotsentr Association has not. The commercial advantages of the contracts signed at trade fairs are still just meaningless talk to the employees of Ekspotsentr.

In addition, the instructions and regulations of the USSR Ministry of Finance are still keeping us from exhibiting our goods properly. For this agency, "competition," "cost accounting," and the "market" are almost Martian terms. Organizers are still bound hand and foot by limits and standards.

"Everything is strictly limited: the number of interpreters, display personnel, and other workers," said the director of the Soviet exposition in Zagreb, energetic and experienced Marlen Akopov. "We are not against strict financial control, but these things frequently reach absurd extremes."

Our pavilion holds a shameful "record": There are only two telephones for the whole exposition (but think of the money this saves!). This is why the resourceful directors

were using the old railway station method of communicating by radio. Telefax machines, teletypes, and other communication equipment are completely out of the question: They are not mentioned in the instructions. But how can business deals be concluded without modern communications with enterprise headquarters and without its advice? The Radiotekhnika firm in Riga was offering its new cassette players for sale for foreign currency in Zagreb. An agreement was reached on a price. But without readily available communications equipment, the representative of the association took 3 days to get approval from Riga for the deal. He was too late: The buyers did not want to wait that long.

The money allocated "in accordance with standards" was not enough to furnish offices for trade fair participants. And even those who did get tiny closets were not very happy about them: The cramped conditions turned negotiations with a group of partners into an agonizing ordeal. There were not even enough desks and chairs for everyone. There was almost no office equipment. There were only two typewriters for the whole pavilion. They had to be reserved a day or two in advance. I saw how upset Professor I. Sidanov, doctor of economic sciences from the Vetroen scientific production association, was the day before negotiations with the administrators of the Interprogress firm. His biggest problem was to find a way of typing out a proposal.

Around 5 years ago IZVESTIYA reported that the directors of our expositions abroad are not allowed to buy anything. They still cannot buy anything, but leasing costs are so high.

"Only the real cost-accounting autonomy of Ekspotsentr and the elimination of strict control by the Ministry of Finance can change the situation," said A. Zabelin, the head of an association group in charge of planning Soviet exhibits abroad. "Cost accounting will put everything in its proper place: our relations with participants and with our assistants abroad. The people who go to the trade fairs will not go for the sake of 'publicizing achievements' at government expense. The only people who will go there will be those who really want to do business and who have something to offer the foreign market. Everything could be put on a cost-accounting basis, including services. Do you need a telefax machine? Go ahead, buy one and use it. Do you need telephones, furniture, or something else? Please get them. Furthermore, the opinions of our trade representatives in the countries where the fairs are to be held should be the deciding vote in the choice of exhibits and the conclusion of business deals. Their knowledge and experience must be used to the fullest extent."

Soviet-Canadian Incidents at Sea Agreement

90UI0148A Moscow KRASNAYA ZVEZDA in Russian
23 Nov 89 First Edition p 3

[Agreement Between the Government of the Union of Soviet Socialist Republics and the Government of Canada on the Prevention of Incidents at Sea Outside Territorial Waters]

[Text] The Government of the Union of Soviet Socialist Republics and the Government of Canada, hereinafter referred to as the Parties,

In the hope of guaranteeing the safe navigation of ships and flight of aircraft of their armed forces outside territorial waters,

Acknowledging that the actions prohibited by this agreement must not be taken against the non-military ships and aircraft of the Parties either,

Guided by the principles and standards of international law,

Have agreed as follows:

Article I

1. For the purposes of this Agreement:

a) "Ships" are considered to be:

i) combatant ships belonging to the armed forces of one of the Parties, bearing the external distinctive features of the combatant ships of its nationality, commanded by an officer serving the government of the concerned Party, whose name is included on the appropriate list of servicemen or an equivalent document, and manned by a crew subject to regular military discipline; and

ii) auxiliary ships belonging to the armed forces of one of the Parties and empowered to fly the flag of auxiliary ships in those cases in which this flag is envisaged by the corresponding Party.

b) "Aircraft" are any military piloted airborne vehicle, heavier or lighter than air, excluding space vehicles;

c) "Task force" is any group of two or more ships traveling together and capable of conducting joint maneuvers.

2. This agreement will apply to ships and aircraft outside territorial waters.

Article II

The Parties will take steps for the unconditional observance of the spirit and letter of the International Rules for the Prevention of Collisions of Ships on the Seas of 1972 (MPPSS-72) by the commanding officers of their ships. The Parties acknowledge the principles and standards established and acknowledged by international law as the basis of the freedom of navigation (or operations) outside territorial waters.

Article III

1. In all cases, with the exception of cases in which ships must hold their course and speed in accordance with MPPSS-72, the ships of the Parties operating close to one another will keep enough distance between them to avert the danger of collision.

2. When the ships of one Party encounter a task force of the other Party or are operating close to this force, they will observe MPPSS-72 and maneuver in a manner not complicating the completion of the task force's maneuvers.

3. Task forces will not conduct maneuvers in regions of intensive shipping, where international systems for the division of ship traffic exist.

4. The ships of one Party keeping the ships of the other Party under observance will remain at a distance excluding the danger of collision and will avoid conducting maneuvers which will hinder the operations or endanger the ships under observance. With the exception of those cases in which ships must hold their course and speed in accordance with MPPSS-72, the observer ship will take timely and positive action not to create obstacles or dangers for the ships under observance.

5. When the ships of the Parties are in view of one another, they will communicate their actions and intentions by using the signals (flags, sounds, or lights) envisaged in MPPSS-72, the International Signal Code, and the Table of Special Signals appended to this Agreement. Under conditions of limited visibility, night or day, or in lighting and at distances in which signal flags are not discernible, signal searchlights or ultrashort-wave band signals on channel 16 (156.8 Mc/s) should be used for this purpose.

6. The ships of the Parties:

a) will not simulate attacks by turning their guns, rocket launchers, torpedo launchers, or other weapons in the direction of the ships and aircraft of the other Party;

b) will not eject any object in the direction of the ships of the other Party that might pose a threat to these ships or to navigation;

c) will not use a searchlight or other light to illuminate the bridges of the ships and cockpits of the aircraft of the other Party;

d) will not use lasers in such a way that they will endanger the health of personnel or harm the equipment on board the ships or aircraft of the other Party;

e) will not launch signal rockets in the direction of the ships and aircraft of the other Party.

7. During exercises with submarines underwater, the surface ships accompanying the submarines will warn the ships of the other Party of the presence of submarines

in the region with the appropriate signal from the International Signal Code or the Table of Special Signals appended to this Agreement.

8. When the ships of one Party are approaching ships of the other Party with limited maneuvering capability in accordance with Rule 3 ("") of MPPSS-72, particularly ships engaged in the support of aircraft takeoffs or landings and ships engaged in replenishing supplies on the move, they will take the appropriate measures not to hinder the maneuvers of these ships and will remain at a sufficient distance from them.

Article IV

1. The commanding officers of the aircraft of each Party, when approaching the aircraft and ships of the other Party, especially ships engaged in aircraft takeoffs or landings, will display maximum caution and, in the interest of mutual safety, will not allow:

- a) a simulated attack or simulated use of weapons against the ships or aircraft of the other Party;
- b) the performance of various aerobic maneuvers over the ships of the other Party; and
- c) the ejection of any objects in the direction of the ships of the other Party that might endanger the ships of the other Party or pose a threat to navigation.

2. During night flights or instrument flights, the aircraft of the Parties should have their tailfin navigation lights on whenever possible.

Article V

1. The actions prohibited by this Agreement should not be undertaken by ships and aircraft against the non-military craft of the Parties.

2. The Parties will take measures to inform the non-military ships and aircraft of each Party of the mutual security provisions of this agreement.

Article VI

The Parties will secure, through navigational notices to mariners, the transmission of information, generally 3-5 days in advance, on the actions of their ships or aircraft outside territorial waters that might pose a threat to shipping or air navigation.

Article VII

1. The Parties will arrange for the timely exchange of relevant information on collisions, incidents causing material damages, and other incidents at sea involving the ships and aircraft of the Parties. The USSR Navy will transmit the information through the naval or other military attache of Canada in Moscow, and the Canadian Armed Forces will transmit the information through the naval or other military attache of the USSR in Ottawa.

2. Using the procedure stipulated in Point 1 of this article, the Parties will also exchange information on other incidents at sea, in the knowledge that timely information of this kind will be important to the other Party.

Article VIII

This Agreement will enter into force on the day it is signed. The Agreement can be terminated by one of the Parties 6 months after the other Party has been notified of this in writing.

Article IX

Within a year after the day this Agreement is signed, representatives of the Parties will meet to review the implementation of its provisions and the possible ways of guaranteeing a higher level of safety for the navigation of their ships and flights of their aircraft outside territorial waters. Subsequent consultations will be held whenever the Parties decide they are necessary, but at least once a year.

In witness thereof, the Agreement has been signed by the undersigned duly authorized representatives of the Governments.

Done at Moscow on 20 November 1989, in two copies, each in the Russian, English, and French languages, all texts being equally authentic.

[signed by E. Shevardnadze for the Government of the USSR and by J. Clark for the Government of Canada]

Appendix

Table of Special Signals¹

Signal	Meaning
Distinguishing signal: YV1 (following group to be preceded by this signal)	
I:	2
IR1	I am performing oceanographic work
IR2 (...)	I have (or am towing) navigation research equipment meters aft
IR3	I am hoisting navigation research equipment on board
IR4	I am on a rescue mission
JH1	I am trying to set a ship afloat
MH1	Please do not cross my course
NB1 (...)	I have detached research hydrographic instruments parallel to my course at (Table III, ISC [International Signal Code])
PJ1	I cannot change course to the right
PJ2	I cannot change course to the left
PJ3	Careful, my steering system is out of order
PP8 (...)	This is a dangerous operation. Please do not approach me (Table III, ISC)

QF1	I have shut off the engines, please be careful
QS6 (...)	I have set a course for an anchorage
QV2	I am firmly anchored with two or more anchors or mooring buoys at the bow and the stern. Please do not interfere
QV3	I am anchored at a low depth with hydrographic research equipment overboard
RT2	I intend to pass you on your port side
RT3	I intend to pass you on your starboard side
RT4	I will overtake you on your port side
RT5	I will overtake you on your starboard side
RT6 (...)	I am maneuvering (or the task force is maneuvering). Do not approach me from (Table III, ISC)
RT7 (...)	I am approaching your ship from the starboard side at a distance of hundred meters (or yards)
RT8 (...)	I am approaching your ship from the port side at a distance of hundred meters (or yards)
RT9 (...)	I will pass your stern at a distance of hundred meters (or yards)
RU2 (...)	I will begin turning to the left in around minutes
RU3 (...)	I will begin turning to the right in around minutes
RU4	The task force is preparing to change course to the left
RU5	The task force is preparing to change course to the right
RU6	I am conducting maneuvers, and it would be dangerous to enter the group
RU7	I am preparing to dive
RU8	A submarine will surface within 2 miles of me in the next 30 minutes. Please do not interfere
SL2	Please indicate your course, speed, and intention to diverge
TX1	I am on a fishing inspection mission
UY1 (...)	I am preparing for an airplane takeoff (or landing) at a course of
UY2 (...)	I am preparing for missile firing practice. Please do not approach me on (Table III, ISC)
UY3 (...)	I am preparing for artillery firing practice. Please do not approach me on (Table III, ISC)
UY4	I am preparing to conduct (or am conducting) operations using explosives
UY5 (...)	I am maneuvering in preparation for torpedo firing practice in the direction indicated (Table III, ISC)
UY6 (...)	I am preparing to replenish (or am replenishing) supplies on the move on course. Please yield
UY7 (...)	I am preparing for a practice landing with a high number of small landing craft. Please do not approach me on (Table III, ISC)
UY8 (...)	I am preparing for the launch (or landing) of amphibious landing craft. Please do not approach me on (Table III, ISC)
UY9	I am preparing to conduct (or am conducting) operations with helicopters above the stern
UY10*	I am checking artillery systems
UY11*	I am checking missile systems

UY12 (...)	I am preparing to conduct (or am conducting) firing (or bombing) practice from aircraft at towed targets. Please do not approach me on (Table III, ISC)
ZL1	I have received and understood your signal
ZL2	Do you read me? Please confirm
ZL3	I have received your signal but do not understand it

1. Both Parties will publish mutually approved instructions on the use of the signals in this table. Representatives of the Parties can make necessary changes or additions to the table by mutual consent.

* These signals are sent by ships when they are conducting the regular inspections and tests of artillery and missile systems envisaged in the corresponding technical requirements.

U.S. Firms Benefit From Soviet Trade Fair

90UI0149 Moscow SOTSIALISTICHESKAYA INDUSTRIYA in Russian 23 Nov 89 p 2

[Article by TASS correspondent S. Turanov special for SOTSIALISTICHESKAYA INDUSTRIYA, Moscow: "What Did They Buy for Foreign Currency?"]

[Text] *The exhibits at the just-completed "USA-89. Opportunities for Business Collaboration" exhibition had different fates. Some returned across the ocean while others, having "found" buyers, remained here in our country, and some will become prototypes of the goods that will be produced at joint Soviet-American enterprises. This exhibition, as opposed to many prior ones, with a strikingly pronounced commercial thrust, offered the potential partners an unprecedented field of activity.*

You can look right into a person's heart using the diagnostic system of the Hewlett-Packard company. The slightest details of its "behavior" or parameters, making it possible to form a diagnosis quickly, are displayed on the screen of this ultrasound diagnostics instrument. All of the cardiovascular information can be recorded on videotape. This instrument moreover knows how to "converse." A special computer built into the ultrasound system can, at the request of the physician, issue the essential information on the screen in Russian. A skilled medical practitioner, using such instruments, would have no difficulty drawing precise diagnoses. Will we be seeing them in our clinics?

"The 'Russian' version of the system that we were demonstrating is a series-production model, not a prototype," says a business representative of the medical division of the company, V. Revenko. "The firm manufactures that model by agreement with the All-Union Cardiology Center. The Soviet Union bought 27 such systems this year..."

It is easy to buy it—if you have the currency. Does Hewlett-Packard plan to arrange the production of these diagnostics systems here in our country?

"Such plans exist," answers V. Revenko. "First we intend to create a joint venture to assemble the instruments from 'brand-name' constituent elements. This will allow us to reduce the cost of the systems by 30-35

percent. The next stage will be gradual increases in the use of elements manufactured in the USSR. The creation of a joint venture is then planned..."

The Johnson & Johnson company is also operating in the realm of health care in our country, but more actively.

"We are now negotiating the creation of seven joint ventures in various health-care fields," said marketing director D. Kouts. "They will be located in various parts of the of the Soviet Union. The agreements have not yet been signed, so I cannot say exactly where—a business secret. We are planning the production of anti-infectious drugs, contraceptives and child-care items."

The executives of the firm of Eastman Kodak, the largest producer of photographic film, also a member of the ATC, are optimistic as well. The company is negotiating to create a joint venture for producing film. The prospects here are still unclear. The director of the firm's planning department, S. Monaco, on the other hand, speaks of the near future in regard to creating a joint venture for the output of modern blood-analysis systems which is planned in Leningrad on the basis of the Oktyabr Association.

The number of visitors interested in this or that product is a peculiar sort of indicator of the degree of scarcity of it in this country. Perhaps that is why the colorful "department-store display window" advertising the wares of the Procter & Gamble firm enjoyed such great success. This company, founded more than 150 years ago, has become one of the largest firms in the world in the output of consumer goods. They include fragrant types of soap, detergents, shampoos, cosmetic creams and perfumes. There are grounds to assume that many of the goods that "crowded" the store shelves will be produced here in the near future.

"We are developing plans for the creation of two joint ventures," said the director of the department for trade with the USSR, E. Ferraris. "We are proposing to produce detergents, soap and personal-hygiene items in Moscow and shampoos and creams in Kishinev. We are assisting enterprises in mastering new technology, raising the quality of raw materials and training specialists for that reason. We are expanding our contacts with some ministries, the chemical industry to begin with. We negotiated with 20-25 specialists every day at the exhibition. I especially remember the discussion with USSR

Council of Minister Deputy Chairman L.I. Abalkin, who expressed the Soviets' interest in collaboration with our firm..."

The section of the Levi Strauss company was somehow overshadowed alongside the luxurious advertising of Procter & Gamble. Its sole attribute was pairs of jeans. But maybe this firm needs no broad advertising: it is the largest in the world in the production of jeans and attendant items.

"We recently opened a store in Leningrad that sells our goods for foreign currency," relates export sales manager M. Tvaalfhoven. "We are satisfied with the results. We badly want to enter your market, and today, in conjunction with the Ministry of Light Industry, we are studying the possibility of creating joint enterprises. We will probably have to import denim at first, as the quality of its Soviet counterpart is not high. We then hope to incorporate modern technology and organize the whole jeans production cycle at the joint enterprises."

It is too early to write about where they plan to locate them: the contract has not yet been concluded. The only thing that can be said is that they intend to locate the first two in cities in the Russian republic. But will the skills of the support personnel suffice? They are quite high, and that is inspiring optimism and confidence in us, feels M. Tvaalfhoven. And it must be said that practically all of the American businessmen that came to Moscow adhere to the same flattering opinion of the capabilities of our engineers and workers.

There is another bottleneck in our market besides consumer goods—the food problem. The executives of the firm Protein Technologies, for example, are prepared to discuss it with Soviet specialists. They make pure protein from soy that is then used as an additive to food products made from meat, milk, poultry and much more. This improves the quality, nutritional value and taste of the products.

It is impossible to talk about all of the exhibitors. And it is not even necessary. The exhibition showed the broad prospects for collaboration between the two countries. And especially importantly, emphasis here is being placed not on simple trade deals, but rather on deeper cooperation, the exchange of technology and the creation of joint ventures. What is going on here is good, but it is too early to start beating the kettledrums. How fast the goods "migrate" from the exhibit stalls onto the shelves of our stores today depends largely on Soviet specialists—their competence, economic skills and determination to overcome our traditional bureaucratic hurdles.

Soviet-French Agreement on Prevention of Incidents at Sea

90UI0103A Moscow SOBRANIYE POSTANOVLENIY PRAVITELSTVA SOYUZA SOVETSKIKH SOTSIALISTICHESKIKH RESPUBLIK in Russian
No 7, 1989 pp 82-88

[Agreement Between the Government of the Union of Soviet Socialist Republics and the Government of the French Republic on the Prevention of Incidents at Sea Outside Territorial Waters]

[Text] The Government of the Union of Soviet Socialist Republics and the Government of the French Republic, hereinafter referred to as the Parties,

In the hope of guaranteeing the safe navigation of ships and flight of aircraft of their armed forces outside territorial waters,

Guided by the principles and standards of international law,

Have agreed as follows:

Article I

For the purposes of this Agreement:

1. "Ships" are considered to be:

a) combatant ships belonging to the armed forces of one of the Parties, bearing the external distinctive features of the combatant ships of its nationality, commanded by an officer serving the government of the concerned Party, whose name is included on the appropriate list of servicemen or an equivalent document, and manned by a crew subject to regular military discipline;

b) auxiliary ships belonging to the armed forces of one of the Parties and empowered to fly the flag of auxiliary ships in those cases in which this flag is envisaged by the corresponding Party.

2. "Aircraft" are any military piloted airborne vehicle.

3. "Task force" is any group of two or more ships traveling together and capable of conducting joint maneuvers.

4. "MPPSS-72" are the International Rules for the Prevention of Collisions of Ships on the Seas, appended to the Convention on the International Rules for the Prevention of the Collision of Ships on the Seas, signed in London on 20 October 1972.

Article II

The Parties will take steps for the unconditional observance of the spirit and letter of MPPSS-72 by the commanding officers of their ships.

The Parties acknowledge the principles and standards established and acknowledged by international law as the basis of the freedom of navigation (or operations) outside territorial waters.

Article III

1. In all cases, with the exception of cases in which ships must hold their course and speed in accordance with MPPSS-72, the ships of the Parties operating close to one another will keep enough distance between them to avert the danger of collision.

2. When the ships of one Party encounter a task force of the other Party or are operating close to this force, they will observe MPPSS-72 and maneuver in a manner not complicating the completion of the task force's maneuvers.

3. Task forces will not conduct maneuvers in regions of intensive shipping, where international systems for the division of ship traffic exist.

4. The ships of one Party keeping the ships of the other Party under observance will remain at a distance excluding the danger of collision and will avoid conducting maneuvers which will hinder the operations or endanger the ships under observance.

With the exception of those cases in which ships must hold their course and speed in accordance with MPPSS-72, the observer ship will take timely and positive action not to create obstacles or dangers for the ships under observance.

5. When the ships of the Parties are in view of one another, they will communicate their actions and intentions by using the signals (flags, sounds, or lights) envisaged in MPPSS-72, the International Signal Code, and the Table of Special Signals appended to this Agreement. Under conditions of limited visibility, night or day, or in lighting and at distances in which signal flags are not discernible, signal searchlights or ultrashort-wave band signals on channel 16 (156.8 Mc/s) should be used for this purpose.

6. The ships of the Parties:

a) will not simulate attacks by turning their guns, rocket launchers, torpedo launchers, or other weapons in the direction of the ships and aircraft of the other Party;

b) will not eject any object in the direction of the ships of the other Party that might pose a threat to these ships or to navigation;

c) will not use a searchlight or other light to illuminate the bridges of the ships and cockpits of the aircraft of the other Party;

d) will not use lasers in such a way that they will endanger the health of personnel or harm the equipment on board the ships or aircraft of the other Party;

e) will not launch signal rockets in the direction of the ships and aircraft of the other Party.

7. During exercises with submarines underwater, the surface ships accompanying the submarines will warn the ships of the other Party of the presence of submarines in the region with the appropriate signal from the International Signal Code or the Table of Special Signals appended to this Agreement.

8. When the ships of one Party are approaching ships of the other Party with limited maneuvering capability in accordance with Rule 3 (g) of MPPSS-72, particularly ships engaged in the support of aircraft takeoffs or landings and ships engaged in replenishing supplies on the move, they will take the appropriate measures not to hinder the maneuvers of these ships and will remain at a sufficient distance from them.

Article IV

1. The commanding officers of the aircraft of each Party, when approaching the aircraft and ships of the other Party, especially ships engaged in aircraft takeoffs or landings, will display maximum caution and, in the interest of mutual safety, will not allow:

- a) a simulated attack or simulated use of weapons against the ships or aircraft of the other Party;
- b) the performance of various aerobatic maneuvers over the ships of the other Party;
- c) the ejection of any objects in the direction of the ships of the other Party that might endanger the ships of the other Party or pose a threat to navigation.

2. During night flights or instrument flights, the aircraft of the Parties should have their tailfin navigation lights on whenever possible.

Article V

The actions prohibited by this Agreement should not be undertaken by ships and aircraft against the non-military craft of the Parties.

Article VI

The Parties will secure, through navigational notices to mariners, the transmission of information, generally 3-5 days in advance, on the actions of their ships or aircraft outside territorial waters that might pose a threat to shipping or air navigation.

Article VII

The Parties will arrange for the timely exchange of relevant information on collisions, incidents causing material damages, and other incidents at sea involving the ships and aircraft of the Parties. The USSR Navy will transmit the information through the naval or other military attache of France in Moscow, and the French Navy will transmit the information through the naval or other military attache of the USSR in Paris.

Article VIII

This Agreement will enter into force on the day it is signed. The Agreement can be terminated by one of the Parties 6 months after the other Party has been notified of this in writing.

Article IX

Within a year after the day this Agreement is signed, representatives of the Parties will meet to review the implementation of its provisions and the possible ways of guaranteeing a higher level of safety for the navigation of their ships and flights of their aircraft outside territorial waters. Subsequent consultations will be held when necessary, but at least once every 2 years.

In witness thereof, the Agreement has been signed by the undersigned duly authorized representatives of the Governments.

Done at Paris on 4 July 1989, in two copies, each in the Russian and French languages, both texts being equally authentic.

[signed by E. Shevardnadze for the Government of the USSR and by R. Dumas for the Government of the French Republic]

Appendix

Table of Special Signals*

Distinguishing signal: YV1 (following group to be preceded by this signal)

Signal	Meaning
IR1	I am performing oceanographic work
IR2 (...)	I have (or am towing) navigation research equipment meters aft
IR3	I am hoisting navigation research equipment on board
IR4	I am on a rescue mission
JH1	I am trying to set a ship afloat
MH1	Please do not cross my course
NB1 (...)	I have detached research hydrographic instruments parallel to my course at (Table III, ISC [International Signal Code])
PJ1	I cannot change course to the right

Table of Special Signals* (Continued)

PJ2	I cannot change course to the left
PJ3	Careful, my steering system is out of order
PP8 (...)	This is a dangerous operation. Please do not approach me (Table III, ISC)
QF1	I have shut off the engines, please be careful
QS6 (...)	I have set a course for an anchorage
QV2	I am firmly anchored with two or more anchors or mooring buoys at the bow and the stern. Please do not interfere
QV3	I am anchored at a low depth with hydrographic research equipment overboard
RT2	I intend to pass you on your port side
RT3	I intend to pass you on your starboard side
RT4	I will overtake you on your port side
RT5	I will overtake you on your starboard side
RT6 (...)	I am maneuvering (or the task force is maneuvering). Do not approach me from (Table III, ISC)
RT7 (...)	I am approaching your ship from the starboard side at a distance of hundred meters
RT8 (...)	I am approaching your ship from the port side at a distance of hundred meters
RT9 (...)	I will pass your stern at a distance of hundred meters
RU2 (...)	I will begin turning to the left in around minutes
RU3 (...)	I will begin turning to the right in around minutes
RU4	The task force is preparing to change course to the left
RU5	The task force is preparing to change course to the right
RU6	I am conducting maneuvers, and it would be dangerous to enter the group
RU7	I am preparing to dive
RU8	A submarine will surface within 2 miles of me in the next 30 minutes. Please do not interfere
SL2	Please indicate your course, speed, and intention to diverge
TX1	I am on a fishing inspection mission
UY1 (...)	I am preparing for an airplane takeoff (or landing) at a course of
UY2 (...)	I am preparing for missile firing practice. Please do not approach me on (Table III, ISC)
UY3 (...)	I am preparing for artillery firing practice. Please do not approach me on (Table III, ISC)
UY4	I am preparing to conduct (or am conducting) operations using explosives
UY5	I am maneuvering in preparation for torpedo firing practice in the direction indicated (Table III, ISC)
UY6	I am preparing to replenish (or am replenishing) supplies on the move on course. Please yield
UY7	I am preparing for a practice landing with a high number of small landing craft
UY8	I am preparing for the launch (or landing) of amphibious landing craft
UY9	I am preparing to conduct (or am conducting) operations with helicopters above the stern
UY10	I am checking artillery systems**
UY11	I am checking missile systems**
UY12	I am preparing to conduct (or am conducting) firing (or bombing) practice from aircraft at towed targets. Please do not approach me on (Table III, ISC)
ZL1	I have received and understood your signal
ZL2	Do you read me? Please confirm

* Both Parties will publish mutually approved instructions on the use of the signals in this table. Representatives of the Parties can make necessary changes or additions to the table by mutual consent.

** These signals are sent by ships when they are conducting the regular inspections and tests of artillery and missile systems envisaged in the corresponding technical requirements.

Kohl Government Blamed for 'Growth of Neo-Nazism'

90UI0167A Moscow PROBLEMY MIRA I
SOTSIALIZMA in Russian No 11, Nov 89 pp 69-71

[Article by Yupp Angenfort, board member, German Communist Party: "'Respectable' Neo-Nazism Today"]

[Text] Neo-Nazi forces continue to operate and grow more active in the FRG 50 years after the Second World War was first unleashed by Hitler's fascism. Facts such as election of a deputy from the "German People's Union—List D" to the Bremen Landtag, and the success of the Republican Party in elections in West Berlin (7.5 percent of the votes, or 11 seats) and in the European Parliament (7.1 percent of the entire country's votes). There are a total of 50 Neo-Nazi groupings in the Federal Republic. Among them, the two mentioned above deserve the greatest attention: They presently enjoy considerable popularity, and other profascist elements are aligning themselves with them to a growing degree.

The German People's Union was founded in 1971 by G. Frei, publisher of the newspaper DEUTSCHE NATION-ALZEITUNG. In the first while, participation in elections was not foreseen; instead, the objective was to exert continual pressure upon the CDU [Christian Democratic Union] and the CSU [Christian Social Union] in an effort to make them "maintain a course toward protection of the rights of Germans." A year later Frei created and assumed power over the so-called "Freedom Council." Direct contacts are maintained through it with other Neo-Nazi organizations. Of course, firm ties are also maintained with old Nazis. Thus, Frei's publication awarded the "European Freedom Prize" in 1980 to Kernmayer [transliteration], formerly a high-placed official of the Nazi Party.

In 1987 the German People's Union was reorganized as the "German People's Union—List D" party, which began cooperating closely with the neofascist National Democratic Party (NDP). The successes of the latter occurred in 1966-1968, when it attained representation in the landtags of almost all West German soil. After the economic decline of those years was surmounted, and the CDU/CSU moved to the bench of the opposition in the Bundestag, the number of voters supporting the NDP began to swiftly decrease. With the return of conservative parties to leading positions in the government, it once again began gaining votes.

What are the program positions of the German People's Union? Here are some of them: "Germany for the Germans. The size of the foreign population must...be restricted to an acceptable percentage." The German People's Union demands revival of the German Reich, it favors escalation of arms in behalf of "defense against Bolshevism," and it does not recognize war and Nazi crimes. The Moscow (1970) and Warsaw (1970) pacts are declared to be null and void. What this means, German People's Union chairman G. Frei himself explained back in the 1970s: "...Our population cannot

live within the Federal Republic, and there is no way our minds can fathom why the enormous Soviet Union needs territory of a size 100 times greater than ours, given a population that exceeds ours by three or four times." Here again we have that same old theory of "a people without living space," which helped the fascists prepare the German people for the Second World War.

The Neo-Nazi **Republican Party** was founded in 1983 by two former CSU Bundestag deputies and publicist F. Schonhuber. During the fascist era he voluntarily joined the SS troops, and he served as a junior officer in the Adolf Hitler Division. In his book titled "I Was There" he proudly recalls service in the SS troops, referring to them as "elitist."

The face Republican Party leaders present to the public is one of German nationalists. They try to avoid openly Nazi phrases, and they give the appearance that they support the FRG constitution. But were we to scratch the upper layer and expose the essence of their statements, positions incompatible with the democratic principles of the Basic Law would be quite obviously visible. Here are a few examples. The following passage can be found in one of last year's issues of the party's central organ—the newspaper REPUBLIKANISCH (No 7, 1988): "The main cause of the environment's destruction is...overpopulation of our living space, brought about to a decisive extent by expulsion of Germans from their eastern regions...." Once again we encounter the theory of "people without living space"! The idea that damage to the environment was supposedly preprogrammed and imposed by the anti-Hitler coalition is advertised concurrently. Or consider one of the positions in the program adopted by this organization in 1987. "Being a German party, the Republican Party supports the right to life and the human rights of all Germans in the spirit of the Basic Law...." That is, the rights of persons of other nationalities living in the country are ignored. What we have here is xenophobia throwing the doors open to racism. What this *leitmotif* of the program means was explained by the former Federal judge Vilms [transliteration] (he, by the way, was on the board of justices who sentenced me in 1955 to 5 years in prison for being the leader of the Free German Youth Union). In Vilms' opinion the constitutional requirement obligating the state to devote special attention to protecting marriage and the family does not apply to foreigners. He writes in REPUBLIKANISCH, the newspaper cited above: "The principle that family members must live together can pertain in the legal aspect only to the fatherland of which the individual is a citizen." In other words foreigners desiring to live together in their own families should return to their own motherland. Thus it turns out that they do not have the right to bring their families into the FRG. The Republican Party goes even further. The program asserts: "Foreigners are guests. Therefore the signing of open-ended work contracts,...long visits and reunion of families, and claims upon social services are excluded, in the same way as for example in Switzerland." Thus for practical purposes foreigners living in our country must be deprived of all social rights.

The racist origin of such ideas is illustrated by a statement made by F. Schonhuber, chairman of the Republican Party. In an article titled "A People in Crisis," he wrote the following in REPUBLIKANISCH (No 4, 1988): "A preponderance of alien elements will bring on other consequences as well. The sense of community of our people, which rests upon spiritual and blood ties that evolved over millennia of shared history, will be eroded; the feeling of internal unity, which provided strength and support in difficult times, and together with them, the capacity for joint action, will be lost." Such revelations could have quite certainly been penned by the Nazi "expert" Rosenberg.

H. Neubauer, the Republican Party's general secretary and party representative for press relations, should be singled out among the many party officials with a Neo-Nazi past. In his time he was chairman of a German People's Union department in Hamburg. Between 1975 and 1984 he was the editor of the union's press organs DEUTSCHE NATIONALZEITUNG and DEUTSCHER ANZEIGER. His views are typified by this statement: "Every communist is a spiritual criminal and a potential murderer. Communism may be given only as much room for action as there is between the neck of a hanged man and the rope."¹ Goebbels might have certainly said the same thing.

If we consider the slogans used in election campaigns by the Neo-Nazi German People's Union, NDP and Republican parties, we find it evident that they basically lay their emphasis on the same points. Basing themselves on racist theses concerning the natural "inequality" of people with respect to birth and origin, they preach xenophobia and lay blame on foreign workers for social and economic ills. All Neo-Nazi parties demand "a strong state," which in their estimation would mean discriminating against the German Social-Democratic Party, the Green Party, the German Communist Party, trade unions, and democratic movements and initiatives. Enmity toward the workers' movement is closely intertwined with aggressive anticommunism, in which case the "enemy image" is extended to all political undesirables. The criminal nature of the Nazi state is debated or belittled, and cases of mass crimes by the Nazis are rejected or portrayed as "ambiguous." Dirt is cast upon the antifascist resistance, and the label "traitors to Germany" is attached to its participants. At the same time service in the Wehrmacht is served up as "a model of soldierly valor." The Neo-Nazi parties oppose the existence of two German states and favor revival of the "great German Reich" and restoration of Germany within its "historical borders." They dispute the borders that arose as a result of the Second World War, and they oppose the principles of peaceful coexistence between states with different social structures. All of this is served to the public beneath the sauce of nationalistic and social demagoguery, in a form "in keeping with the constitution and laws."

Neo-Nazism in the FRG, declared a plenum of the Board of the German Communist Party (in June 1989), did not

fall from the sky. In contrast to the situation in the GDR, fascism was not fundamentally surmounted here. Forces which had earlier led it to the helm of state—the reactionary circles of large capital—have remained inviolable. Their economic power was restored, as is consequently true of their political power. Persons guilty of terrible mass murders went unpunished. Anticommunism once again became state doctrine. H. Kohl's government, and especially representatives of the "steel helmet" faction of the CDU/CSU, also bear a large measure of the responsibility for growth of the role of Neo-Nazis. Their attempts to whittle down the totally unsatisfactory status of foreign fellow citizens even more, their desire to limit the right of asylum, and equally so the slogans hostile to foreigners which the leaders of the conservatives expound, are all wind in the sails of the Neo-Nazis. They have been given the possibility for propagandizing their views on television and radio. The Federal postal service, in which no communist employees are permitted, distributes their printed materials. At rallies, the police are instructed to hold in check the actions not of Neo-Nazis but of protesting antifascist demonstrators. Following the elections to the European Parliament the Republican Party was awarded 16 million marks as "compensation for expenses of conducting the election struggle." All of this signifies nothing more than encouragement of Neo-Nazis. The Kohl government is to blame for social dismantling, for the shortage of housing and for mass unemployment. Social problems generate a feeling of despair in many, and chiefly among the young, and thus create the preconditions making the demagoguery of Neo-Nazis effective.

In accordance with international law and domestic legislation, the ruling circles of the FRG were obligated from the very beginning to keep the activities of Neo-Nazis in check, as for example Article 139 of the constitution requires. But this is not happening. What is motivating the Federal government to be so tolerant of them and, moreover, to even help them in many cases? In what way is Neo-Nazism useful to the governing circles of the Federal Republic today? **Neo-Nazi parties serve as reservoir by which to "trap" voters dissatisfied with the government's course.** They help to swing public sentiments further to the right, spreading ideas which other right-wing forces, including those represented in the government, cannot or do not wish to express publicly in such form as yet. The use of force or threats of its use, to which Neo-Nazis often resort, makes it possible to frighten the masses, to sow fear, guarding against demonstrations in the defense of democracy. Finally, Neo-Nazis may become partners of the CDU/CSU in a coalition if other alliances that can continue the "swing to the right" cannot be formed.

The last issue has become an object of lively debate in the country and in the ranks of the CDU/CSU. Many members and supporters of these parties are disturbed by plans for cooperation and, all the more so, alliance with the Republican Party. However, G. Lummer [transliteration], former West Berlin senator for internal

affairs from the CDU, declared the need for setting such a course. Although they nurture a certain amount of mistrust toward the Republican Party, officials such as Bundestag CDU/CSU representative A. Dregger [transliteration] and former Lower Saxony Land Minister of Internal Affairs V. Khasselman [transliteration] refused to declare the impermissibility of an alliance with it. For the moment the Presidium of the CDU (but not of the CSU) has imposed a prohibition on an alliance or agreement with the Republican Party. However, this declaration does not extend to informal cooperation with it. Nor has anything been said about sanctions against those who violate the prohibition. There are signs that the most reactionary circles in the CDU, and primarily in the CSU, will demand that obstacles not be placed in the way of interaction with the Republican Party, and possibly of an alliance with it at a **municipal level**, and that the door for this be kept open. After a certain period of expressing shyness for effect only and preparing public opinion, preconditions allowing a conspiracy with the Republican Party at a higher level could arise. All of this does not yet mean that things will proceed precisely according to this scenario—the pressure of the popular masses can influence it. A political climate which would not allow the leaders of the CDU/CSU to embark upon a dangerous road must be created in the Federal Republic.

It would be wrong to speak only of the threat of Neo-Nazism in the FRG. A powerful antifascist movement exists in our country. Many express concern for the increasing strength of the Neo-Nazis. The resolve to fight them is growing in the trade unions, among members of the CDU, the Green Party, the CSU and other democratic forces. Interest is growing in the activities of the **Association of Persons Persecuted Under Nazism—the FRG Antifascist Union**, and a readiness to cooperate with it is increasing. The **Workers' Committee Against Neo-Nazism and Racism** arose as a result of interaction among people holding different political views and philosophies and finding support in numerous organizations and antifascist initiative groups. This committee is encouraging joint demonstrations.

The German Communist Party is faithful to the traditions of those who fought against Hitler's fascism. We, the communists, appeal to people of all social classes and strata, of the most varied political and philosophical orientations in the situation currently facing us, and propose that we act together to see that fascism and war would never again spring forth from German soil, and that the Federal Republic would be free of the destructive spirit and intrigues of Neo-Nazism. We propose uniting effort in the name of peace and detente, and against recurrences of fascism, the idea of xenophobia and racism, and thus promoting establishment of a broad political movement in our country which would make it impossible for new and old Nazis to swing into action.

Footnote

1. FRANKFURTER RUNDSCHAU, 14 November 1980.

Italian Businessmen Discuss Trade Problems with USSR

90UI0144A Moscow TRUD 19 Nov 89 p 4

[Article by V. Svirin (Rome-Moscow): "Businessmen Want To Come to Russia; Italian Businessmen Discuss Their Problems and Ours"]

[Text] I must admit that I did not expect to hear people speaking Russian so often in Rome, Milan, Turin, and other Italian cities, although I should have foreseen this in Moscow when I learned it was almost impossible to get an airline ticket. The Italians prefer to fly in Alitalia airliners. The flights are cheaper and the service is better than Aeroflot's. Therefore, all of the tickets had been bought by our own Soviets, and as I later learned during the flight, most of them are traveling on business—engineers, scientists, inventors, salesmen.... I asked some of my fellow passengers the reason for their trip. They gave me the following answers: "To sign a contract," "To start a joint venture," "To negotiate a cooperative project"....

Luigi Remigio, president of Interexpo, the firm responsible for the most impressive Italian exhibits in the Soviet Union, said that his countrymen were the first in Western Europe to see the rich and—what is most important—reliable prospects perestrojka revealed. While people in other countries were wondering how they might benefit and whether it would be worth the risk, Italian businessmen rushed to the USSR to use their capital to occupy a strong position in economic cooperation with Moscow. The veritable tornado of critical articles in the Soviet press about the state of crisis in the national economy did not discourage them. In fact, they convinced them that they had made the right move.

"We have been working with the Soviet Union for a long time," Remigio said. "We regard it as a great power, not so much because of its territorial dimensions as because of the colossal creative potential you often seem to forget when you indulge your penchant for criticism and start saying that everything in your country is unsatisfactory or inferior. In spite of this, and we are well aware of this, the USSR generates colossal quantities of scientific ideas and ultra-modern technical designs which could enrich you and the rest of the world...."

I heard almost the same thing in Turin, in the Fatalium foundry, which took part in the Volga and Kama motor vehicle plant construction projects and supplied the equipment for the Moscow Automobile Plant imeni I.A. Likhachev and many other enterprises in our country. A delegation from the foundry recently visited Odessa and arranged for meetings with scientists and manufacturers in a search for new business partners. A machine taking the place of five piston machining

tools caught their interest. They discovered several efficient casting technologies with no Western counterparts. They were shown a fundamentally new system for the quick deep-freezing of foods. They were amazed by the ceramic linings which removed the pesticides from fruit juice during the filtration process and turned a "polluted" commodity into a clean one.

It was there in Odessa, as delegation member Fulvio Mascaretti told me, that the executives of the firm decided what they would do next. To secure their rights as trailblazers, they concluded one agreement on a joint venture, another on participation in an Odessa cooperative, a third on assistance in the sale of patents, a fourth on technology exchange....

The trip was a success.

"And do you know why?" Osvaldo Gronchi, the foundry's technical director, asked me. "You could have sold all of this long ago. To the FRG or France, for example, or God knows where else.... Then we might have been too late. But your documentation for every innovation is useless. For some reason, it is written only in Russian, is too brief, and is superficial besides. The lack of detailed and professionally written materials has probably done much to inhibit your trade. We decided to invite two specialists from Odessa to Turin and teach them how to prepare documents conforming to world standards."

The trip was also a success because it had a sponsor—the Mashinoeksport Foreign Trade Association. But hundreds of Italian businessmen choose to come to the USSR at random, as the saying goes. They want to buy or sell a certain commodity. The results of this kind of business travel can be judged from the experience of Pierangelo Ramella, president of the Italstroy joint-stock company, founded 6 years ago specifically to work with the Soviet Union.

Now Ramella knows many people in ministries, departments, organizations, and establishments. Now, after spending most of the last 6 years in Moscow and essentially becoming a resident of our capital, he is signing several mutually beneficial contracts here, including contracts for the delivery of production lines to Nezhin and Gorlovka, using an absolutely new technology for the production of lightweight structures with superior soundproofing and heat insulation. These structures will make it possible for a few workers to quickly put up 3-7 story buildings capable of withstanding severe earthquakes. The company has decided to send the same kind of line, but a small model, to Armenia as a gift—in addition to the free telescopic truck crane and set of complex monitoring and testing devices it sent to Armenia earlier to ascertain the condition of buildings left standing after the earthquake. Another contract in the final stage of negotiation is an agreement on the construction of a complete health care center in Irkutsk: a hospital for 300 patients and a clinic for 900 patients a day, with all of the necessary medical equipment and a

swimming pool. A firm deadline of 2 years has been set for the completion of the project....

But all of this, I repeat, is happening now. At first, the president came here at his own risk, assuming that it would be easy to find a partner. After all, in Italy there is an 18-volume "compass" for businessmen, and a variety of directories listing the locations, industrial classifications, and commercial ratings of small, mid-sized, and large firms are published each year. Hundreds of Italians who cross our border are certain that they simply have to leaf through some directories in Moscow, choose a suitable partner, call him on the phone, and sit down at the negotiating table with him. Alas, they are mistaken. "Literature" of this kind is not published in our country, and this, in the opinion of Giovanni Bocchino, vice president of the Managers Club of the Piedmont Association of Marketing Professionals, is seriously impeding the development of Soviet foreign trade.

Signor Bocchino believes that our business representatives cannot make decisions quickly enough. Each contract is preceded by several unjustifiably long meetings, and these also cost time and money. Time, after all, is a valuable commodity today. Smiling, the vice president recalled an innovation of the owners of the restaurant in the Milan Hilton Hotel: For some time now, the patrons there have been paying not the cost of the food they order, but the value of the time they spend eating it—1,000 lire (around 50 kopecks) a minute. The diners never spend more than half an hour in the restaurant....

Giovanni Bocchino used this example to illustrate the benefits of doing things quickly. The businessman who acts quickly will also pay less. In Turin, in the management offices of Sovitalprodmas, a Soviet-Italian firm, I had a conversation with specialists from Volzhsk, where the largest plant in the world for the production of refrigeration equipment for cafeterias, hospitals, and stores is being built in a joint project. Around a hundred of our engineers and technicians have received on-the-job training here since the beginning of the year, learning how to manage the future enterprise and taking part in preparing the technical documentation. According to project planner Francesco Natalini, they have been "loaded down" with work—not so that they can experience the "oppressive weight of exploitation" personally, but for the sake of stepping up the work. The envoys from Volzhsk passed all of their tests and learned to speak Italian fairly well at the same time.

"I must tell you that the benefits of this training were seen on the construction site too," Natalini said. "They were working at such high speed that they amazed the foremen of neighboring construction organizations...."

"Well, we cannot take credit for this," Pietro Mulatero, director in charge of contracts in the USSR, objected. "I go to the Soviet Union frequently and I have learned that the personnel there are real workers with good basic training. As soon as they pick up speed, the results of their work are remarkable. They have another problem.

They have too many ancillary personnel who are not directly involved in production. But I think perestroika will make all of the necessary adjustments...."

People in Italy are keeping an eye on our perestroika with great concern and interest. Businessmen have high hopes for it.

Problems in Soviet-Austrian Trade Relations

90UI0143A Moscow PRAVDA in Russian 17 Nov 89
Second Edition p 6

[Article by I. Melnikov and B. Orekhov (Vienna-Moscow): "It Is Never Too Late To Learn, But.... Some Subjective Comments on the State of Affairs in Our Economic Relations with Austria"; first paragraph is PRAVDA introduction]

[Text] "In 1988 Austria imported goods worth 451.4 billion schillings and exported goods worth 383.2 billion. The West European free trade zone accounts for most of its foreign trade. The countries of Eastern Europe also play an important role in Austria's foreign trade: These countries account for 9.1 percent of Austria's exports and 6.4 percent of its imports." (from a press release of the Austrian Federal Chamber of Economics)

"Austria—the Vehicle Manufacturer's Partner"—this was the name of a symposium in the Moscow International Trade Center. It was here that a group of Soviet journalists received an invitation to visit Austria from the Austrian Federal Chamber of Economics. A short but jam-packed tour of Austrian cities and towns was organized. The itinerary included the capital, Vienna, with its enterprises producing buses and trucks, and the quiet provincial town of Steyr, where automobiles and automobile engines are built. Another stop was the town of Mondsee, where the specialists of the Megatechnob firm, headed by engineer Alfred Van der Meilen, have come up with an inexhaustible supply of inventions to simplify the life and work of the man behind the wheel. The last stop was verdant Graz, with its AFL firm, which is probably known to all vehicle manufacturers in the world and essentially represents a compact automotive research institute.

We were impressed by everything we saw—the organization of the work and the high technological standards. We quickly learned that all of the firms and companies we visited had some kind of business relationship with our country. Furthermore, virtually every conversation there eventually led to a question which began to seem unavoidable toward the end of the trip: How are things going in this area—i.e., what is the state of our Austrian hosts' relations with Soviet foreign trade organizations and our enterprises, many of which are known to have been granted the right to operate independently in the international market?

This was also the main theme of the conversations the PRAVDA correspondents had with administrators in the Austrian Federal Chamber of Economics, and also of

other conversations. Are we interested in the opinion of the Soviet foreign trade specialists working in this country and in their views on the current perestroika processes in our foreign economic sphere and their effect on Soviet-Austrian economic relations? What was the general consensus? It was the following.

Rudolf Sallinger is a well-known and respected man in Austria, especially in the business community. He was the president of the Federal Chamber of Economics for many years in a row. In this capacity, he was a frequent guest in the Soviet Union and went there, according to his assistants, around 30 times. Here is an interesting biographical note. In his youth he worked as a stonemason and was one of the men who put up the monument to the Soviet soldiers in Schwarzenbergplatz in the Austrian capital.

Sallinger's considerable and varied experience attaches lends special importance to his opinions, especially with regard to Soviet-Austrian economic contacts.

"When businessmen from the Soviet Union come to Vienna," this now far from young man, who currently wields much of the real power and influence in the country along with his closest colleagues, said with a friendly smile, "I keep telling our ministers: 'This is the time, my friends, to get to work....' Remember that the balance of trade was definitely in your favor around 10 years ago. We tried not to complain about our foreign trade deficit, and if the Austrian side is leading at this time, I feel that this should provide the momentum for a joint spurt of energy...."

We will explain what lies behind the words of the "elder statesman" of the Austrian business world. After a lengthy period during which the trade between our countries increased step by step, there was a regrettable slump in 1986. Occurring at a time of declining world fuel and raw material prices, it reflected the overall underdevelopment of our exports, with their "overemphasis" on raw materials, and confirmed the considerable isolation of our economy from the world economy (although official rhetoric had been asserting the opposite for many years). The next year was no better for Soviet-Austrian trade, and the trade curve did not start moving upward again until 1988.

Only the Austrian side, however, could breathe easier because of this. The fact is that the growth of the last 2 years has been due primarily to increased purchases of Austrian goods and due much less to the growth of the assortment and physical volume of the Soviet goods offered for sale. Last year our imports from Austria were 18.7 percent greater than the year before, but our exports increased by only 5.5 percent. The growth of imports is even more intensive today: Purchases of Austrian goods this year are 210 million rubles higher than last year's figure. Furthermore, in spite of the slight increase in deliveries of Soviet machines, equipment, and finished goods to Austria, raw materials still represent the lion's share of our exports—over 90 percent.

Although our Austrian partner has taken the lead in this tandem, it does not seem particularly satisfied with the situation. The experts in the Federal Chamber of Economics said that the revival of the last 2 years did not extend to the sphere of the traditional deliveries of footwear, clothing, and lighting fixtures to the USSR. Secretary-General K. Kerrer of the chamber finds something else disturbing—the fact that we are keeping the Austrian side on a starvation diet as far as information is concerned. Managers here have great difficulty obtaining even the addresses of potential partners in the Soviet Union, not to mention information about the credit rating of Soviet enterprises making contacts with the West. We must add the parenthetical remark that these worries are compounded by incidents on insolvency on our side.

“Commercial negotiations with the Soviet side,” Herr Kerrer said, “have become more difficult. In most cases, your enterprises have little or no currency. For this reason, we have to agree to equal exchanges, but your products are difficult to sell. Furthermore, it is not always clear whether, for example, a particular union republic is selling a product autonomously or whether the final decisions have to be made in Moscow. Therefore, we are virtually working in the dark....”

Yes, with almost every step we take, life teaches us and warns us that the impressive growth and, what is most important, the qualitative alteration of foreign economic contacts cannot be secured by the mere authorization of enterprises to operate in the foreign market. Perestroika should not only extend to managerial links, but also and primarily augment our export potential, especially in machine building. As realists, our Austrian partners are well aware of the need for these changes.

The personnel of the Soviet Trade Representation in Vienna also realize the need to solve these and other urgent problems. This is natural: Any mistake we make—general or specific—rebounds and hits them first because they are on the frontline. They have to pay with their reputation and blush with shame for the incompetence of others.

Our most plaguing problem today is the shortage of export resources. Even the goods listed in plan assignments are sometimes not delivered. The USSR trade representative in Austria, O.N. Korunov, mentioned this as the main problem, but he is not overlooking others either:

“It is upsetting to hear our partners say that the operations in the foreign market by many of our enterprises, organizations, ministries, and departments still have not increased Soviet-Austrian trade or broadened the assortment of reciprocal shipments. We can see with our own eyes, however, how many more delegations, groups, and individual specialists in industry and representatives of foreign economic organizations are coming to Austria as ‘business tourists’ at government expense.

“This may sound harsh, but it is true.

“In Austria an employee’s expenses are covered by the firm only if he is responsible for at least 1 million schillings in commodity turnover. Unfortunately, quotas of this kind are not popular in our country. People come here with no regard for the realities of life in Austria. They come on holidays, on weekends, and during the summer and Christmas vacations. Two separate delegations from the Ministry of Automotive and Agricultural Machine Building, each headed by a deputy minister, and delegations from the Minsk Automobile Plant and plants in Bryansk and Yerevan came here to arrange for cooperation with the Euder firm in washing machine production. At the end of October the firm was also visited by guests from an automobile plant in the capital. Although the firm was already complaining that the partner had failed to fulfill a single commitment and refused to receive the delegation, the Moscow vehicle manufacturers came to Austria anyway. They arrived on the eve of a national holiday, at a time when the firm would be closed for several days....”

Well, what could we add to this? We can only sympathize with the trade representative.

“Here is another situation that is becoming typical,” O.N. Korunov went on. “Neophytes, each acting independently, with no regard for his neighbor’s actions and intentions, are trying to sell whatever is ‘closest at hand’—scrap metal, lumber, raw hides, and so forth. They forget, or simply do not want to know, that the market for any commodity can only hold so much, that it is not made of rubber. Uncoordinated and unregulated offers of the same commodity can flood the market and drive prices downward. This is the reason, for example, for the recent decline in the prices of Soviet peat, raw hides, the by-products of non-ferrous metallurgy, some types of lumber, and pulp in the Austrian market.”

The trade representation, our representative said, must always be confident that Soviet suppliers are cooperating with it. There have been several examples of the opposite, however. It took so much effort, for example, to promote our tractors and agricultural machinery in the Austrian market. The trade representation helped Traktoroeksport and the Minsk Tractor Plant find partners and work out the terms of joint operations in the market. It took a whole year to establish the “Belarus Gmbkh” joint trade firm. Now that the firm has been established and now that it has acquired office space and production facilities with the aid of its Austrian partners, the work cannot begin. Not only is the Minsk plant delaying—for unknown reasons—the deliveries of tractors, but it is not even making any arrangements to send experienced commercial and technical personnel to the firm.

As outsiders with only small batches of goods (products in excess of the state order), our enterprises quite frequently have to sell these goods at considerably reduced prices in the foreign market, including the Austrian market. Otherwise, no one will buy them. As for the firms acquiring these goods, their expenses to deliver them to the final consumer are virtually the same for large or small batches. For this reason, they have a greater interest in acquiring large shipments: After all,

this lowers their expenses per unit of product. This is also something our trade representation in Vienna knows from experience.

In the sphere of economic and trade cooperation, it is important to look at prospects for coming years from the standpoint of present realities and to begin laying a solid foundation of scientific forecasts today. This is the main concern of a pair of fairly compatible partners—the USSR Chamber of Commerce and Industry and the Austrian Federal Chamber of Economics. A delegation of Austrian businessmen recently returned to Vienna from a meeting of the committee serving as the liaison between the two chambers in Leningrad. The Austrians were in a good mood when they returned. They had heard promising plans for bilateral trade and new forms of cooperation. The army of 70 existing joint Soviet-Austrian enterprises can expect reinforcements in the next few months: Around 20 protocols of intention were signed, and 120 projects are “in the works,” as foreign trade specialists say. Possibilities for regional cooperation, including trade along the Danube, are more distinct, and measures have been taken to improve the advertising of Soviet export goods in Austria.

Officials in the Austrian Federal Chamber of Economics told us of the Austrian business community's positive response to a speech V.L. Malkevich, the head of the USSR Chamber of Commerce and Industry, recently made in Vienna. It was then that Soviet-Austrian consortiums were proposed, and the preliminary plans for some possible projects were announced—plans for cooperative shipments of the products of the Sayanogorsk Marble Combine, the establishment of an enterprise for the manufacture of television sets and multi-channel parabolic antennae jointly with a plant in Krasnoyarsk, and the use of the valuable submerged petrified wood in the rivers of the Urals. Today the interest in these and other projects is taking concrete form in the Austrian business community.

Only one thing will keep our partners' interest in cooperation alive—a great deal of painstaking work on our part. The perestroika of foreign economic relations must be accomplished without any hitches and without any delays. Each day this work adds something to our own experience. Of course, it is a pity that the joy of success alternates with the anguish of failure, but we must learn from both. Everyone knows that it is never too late to learn. In our case, however, it would be best not to wait too long.

Prospects for Azerbaijan-Turkish Economic Ties

90UI0117A *Baku BAKINSKIY RABOCHIY in Russian*
21 Oct 89 p 3

[Article by Azerinform correspondents A. Goldenberg and Kh. Imanov: “Azerbaijan-Turkey: Horizons of Cooperation”]

[Text] Turkish speech was as prevalent on this day in Gulistan Palace as Azerbaijani language. A meeting was

held here on 19 October between a group of Turkish businessmen and representatives of Azerbaijan's enterprises, associations, ministries, departments and foreign trade organizations. It was organized by the Turkish-Soviet Business Council and the USSR Chamber of Commerce and Industry.

Opening the meeting, K. A. Guseynov, chairman of the Presidium of Azerbaijan's Chamber of Commerce and Industry, said he was pleased with the arrival of Turkish businessmen in Baku, and noted that he would promote establishment of mutually advantageous direct ties between Azerbaijan and its southern neighbor. Describing the significant export possibilities of the Azerbaijan SSR to the guests, he expressed the hope that they would be utilized productively in order to establish long-term business ties with the Turkish republic, and that they would help develop contacts not only in economics and trade, but also in culture and tourism.

li Koshkun, president of the Turkish Chamber of Commerce and Industry, and Nikhat Gekyigit, chairman of the Turkish-Soviet Business Council, spoke to the audience. They said that Turkey trades with the entire world, and they noted its natural desire to establish the same kind of relations with neighboring Azerbaijan. Recalling that trade and economic relations between Turkey and the USSR, and particularly Azerbaijan, had recently revived, they emphasized the desirability of their further reinforcement, and the need for negotiations.

The 57 Turkish businessmen who came to Moscow represent various sectors of industry, agriculture and tourism. Speaking at the meeting, they proposed cooperation in these areas, as well as in the area of joint ventures. Power engineering and telecommunications, nonferrous metallurgy, motor vehicles, telephone stations, cabling, fertilizers, leather, textiles, dried fruits, juices and cold beverages—this is far from a complete list of what the guests offered for barter and for other business deals.

Azerbaijan SSR Gosplan First Deputy Chairman S. Sh. Sadykhov, Azerbaijan Gosstroy Deputy Chairman K. M. Munshiyev, Bakkonditsioner Association general director F. Kh. Kuliyeu, Azerbaijan SSR Minister of Trade A. Ya. Bagirov, and K. S. Mamedov, first deputy chairman of the republic's Gosagroprom, made responding offers.

The participants of the meeting agreed on the need to create a permanent coordinating council which would study the possibilities of both sides and promote development of business ties and other contacts.

“We came here from Moscow,” Ali Koshkun, president of the Turkish Chamber of Commerce and Industry, told Azerinform correspondents, “where we participated in the work of a joint intergovernmental Soviet-Turkish commission on economic cooperation. We were fully satisfied with the negotiations, in which the Soviet side was headed by USSR Minister of Foreign Economic Relations K. F. Katushev, and the Turkish side was

headed by Turkish Minister of Finances and Customs E. Pakdemirli. A number of decisions important to both sides were made.

"Five years ago the annual commodity turnover between our countries was only 250 million American dollars. This year it is expected to exceed \$1 billion. And this is not the limit. We reached agreement with the Soviet side to increase this sum by a factor of 4-5. Azerbaijan and some other Soviet republics must make their contribution to completing this task.

"Opening of a transportation route at the USSR's Turkish border at Nakhichevan, which is something we reached agreement on in Moscow, will create good preconditions for expansion of trade between Azerbaijan and Turkey. In the opinion of business circles of Azerbaijan and Turkey, border trade can become a significant part of the total volume of bilateral commodity turnover.

"We are interested in joint ventures with Azerbaijan. We can build a candy factory, a cement plant and enterprises producing plumbing and electrical articles in your republic. We would also like to organize joint exchange of goods. We have had almost no commercial ties to this date. All that Turkey has ever sent to Azerbaijan was barite, used in well drilling, and some small lots of porcelain articles. But we were persuaded that the possibilities are extremely significant. There is much that Turkish building companies can do."

There are many tourism specialists among the Turkish businessmen. Their enormous interest in Azerbaijan is explained not only by its warm climate, the abundance of sunny days each year, and the fabulous golden beaches, but also the kinship of culture, language, customs and traditions of the two nations. Azerinform correspondents joined a conversation between Mekhmed Tezgeren and Doruk Ilmaz, executives of Turkey's Baytur Inshaat Takhyuud A. Sh., and A. Ismaylov, a representative of the republic's Main Administration of Foreign Tourism. This Turkish company specializes in construction of hotels and tourist complexes.

"We have already prepared the plans of a hotel complex to be built on the Apsheron coast on the basis of a mutual agreement with the Azerbaijan Division of Foreign Tourism," said Tezgeren. "The present meeting made it possible for us to work together to solve many problems in construction of this facility."

"But our company does not wish to limit cooperation with you only to construction of various facilities," Doruk Ilmaz joined the discussion. "We are prepared to provide you with construction machinery and equipment, chemical industry products, textiles and metallic structures."

Another tourist company, Esin, is offering to organize exchange of tour groups on a currency-free basis.

"Our intention is to convey tourists on our buses across the border both from Istanbul to Baku and back," said

company president Vinav Esin. "This can be done today through Georgia, which has a border checkpoint, but in the immediate future we hope to open a similar point in Nakhichevan, and then our journey would be shortened considerably. I would like to make special mention of the fact that I personally view future cooperation not only as being purely commercial. Organization of mass tourism between our republics will help us to get to know each other better. Azerbaijan and Turkey are neighbors, but unfortunately, sometimes insurmountable barriers have stood between us for long years. Now perestroyka in your country has opened up wide horizons for cooperation, and we are obligated to capitalize on this."

Sabir Gasanov, director of the Azerbintorg Foreign Trade Association's Azinterservis Company, who is conducting negotiations with V. Esin, said that besides bus tourism, agreement has been reached on organizing commercial concerts by Azerbaijani performers in Turkey. During the discussion the Turkish partners displayed great interest in Azerbaijani ballet, operettas and classical music. In the immediate future the sides will exchange specialists in order to finalize the contract and formulate its terms.

Umud Melikov, director of the Baku Asbestos-Cement and Ceramic Articles Combine, was unable to find partners for himself here. However, the combine's leadership has already been conducting negotiations for a long time with a well known Turkish company producing plumbing articles.

"Turkey's Endzhiyadzhi Bashi will build a plumbing article plant on the combine's territory with an output capacity of 300,000 articles per year in accordance with a protocol of intentions," said U. Melikov. "The company's directors have already visited us, and they were extremely pleased with the terms of cooperation we offered. Our representatives will visit Turkey in November, after which we will sign a contract. I am certain that the citizens of Baku will find the high quality Turkish lavatories, bathtubs and other plumbing articles to their liking, and that today's high demand for them will be satisfied to a significant degree."

The intentions of another joint Soviet-Turkish venture, this time a textile sewing enterprise, are still at the level of oral agreements for the moment. Mustafa Boyasiogly, one of the directors of Shukobirlik, and Eldar Kurbanov, the general director of the Textile Sewing Association imeni V. I. Lenin, had just struck up an acquaintance during the present meeting, but they have already been able to agree on many things.

"In the beginning we will supply the Turkish side with a million meters of bleached coarse calico," said E. Kurbanov. "Let me note moreover that these are products in excess of the plan, and such export will not have any effect upon availability in the internal market. We will receive finished sewn articles in trade: shirts, tennis shirts, suits and other articles of both men's and

women's clothing." And here is what M. Boyasiogly said about the prospects for creating the joint venture.

"In our discussion today we arrived at the following variant for the future enterprise. The Azerbaijani side

will provide the land, the building space, the raw materials and the manpower. We will supply modern equipment and the latest production procedures. The plan is to sell the finished products in Azerbaijan, Turkey and in third countries, and to share the profits depending on the contribution of each side."

In the evening the guests took off for Tbilisi.

PZPR Politburo Member Urges Adherence to Socialism

90UI0165A Moscow PROBLEMY MIRA I SOTSIALIZMA in Russian No 11, Nov 89 pp 17-21

[Article by PZPR Central Committee Politburo member Yanush Reykovskiy, based on an interview by an associate of this journal in Warsaw: "Where Is Poland Going?"]

[Text] We know that the political shifts occurring on the backdrop of a stressful economic situation and the changes in the disposition of the social forces of Poland are troubling many, and eliciting concern among communist and workers' parties. Their interest toward events in Poland is colored both by sympathy for the efforts undertaken to resolve the crisis, and by the concern that these steps and decisions might be leading to "wholesale dismantling of socialism." Proclaimed both in the country itself and especially in the West, the assertions of right-wingers suggesting that "Poland's transition from socialism to capitalism" is only a question of time are doubtlessly influencing the international public. And so, where is Poland going?

We cannot reject the fact that we are experiencing a critical time. For a number of years now, the PZPR [Polish United Workers' Party] has been striving to surmount the vestiges of Stalinism and achieve a democratic order in socialist Polish society. In public life, however, the creative process goes on differently, and immeasurably more complexly, than for example what is experienced by machine designers, where a certain structure evolves in the mind of an engineer, and then all that remains is to realize it in practice. Social construction—that is, creation of new social forms—is accompanied by a struggle, by a clash between different interests. It is impossible to predict the outcome in this case. Today everything in Poland depends on what forces we will be able to raise to the defense of the socialist structure and for the approval of a democratic order under socialism. Therefore without attempting predictions, I would like to think about what should be done in the present situation in order to keep socialist principles alive in the country. In my opinion we have a chance for success, but there are many dangers on our path.

What Are the Causes of the Crisis?

Yes, the results of universal elections conducted in June 1989 brought defeat to the PZPR. The party Central Committee made a rather substantial analysis of the causes of this. One of them contains the key to understanding the entire situation: We were unable to develop the economy in such a way as to ensure further sociopolitical and spiritual progress in Poland. On the contrary it has already been almost an entire decade that the country has been in a state of crisis which embraced all spheres and which undermined the population's standard of living. And it was precisely our inability to satisfy the people's demands that ultimately led to rejection of the party by a significant part of the laborers.

I can foresee a question: Why were we unable to create a healthy, full-fledged national economy? It should not be thought that the problem lay in a failure to understand the acuity of the situation or in the absence of a conception. In order that the economy would begin working at full steam, and become effective and dynamic, fundamental transformations are required. However, they presuppose social costs, but the people were prepared neither politically nor psychologically for the enormous but necessary sacrifices. It was precisely because we lacked the strength to conduct a reform of the economy that we were unable to adequately respond to the growing demands, and consequently earn trust and support.

Of course, the sociopolitical crisis was brought about by profound contradictions. I feel two of them to be the most important. Let's consider politics. As socialism developed in Poland the overall level of knowledge and culture climbed, the number of highly educated workers increased, and the potential of the intelligentsia grew stronger. People experienced a continually increasing urge to take a political part in the life of the country, and to influence state and public affairs. But their aspirations were contained by a bureaucratic, centralist system, which felt that everything could be controlled at its will from a single center, from above. Thus the aspiration of the people to become a subject of development collided with the state's centralist, bureaucratic organization.

The second major contradiction is associated with the fact that our obsolete economic structure gradually grew stagnant. Strong social groups supporting the preservation of the backward economic system grew more powerful. They held back structural changes, without which it was impossible to move forward. In any country, a change in the methods of management and creation or expansion of new sectors following abolition of obsolete ones as a rule brings about serious costs to the working class and all laborers. We, I repeat, were not bold enough to pay such a price for modernization. All the more so because the contradiction between the requirements of improving the economy and the interests of certain factions of the society remained radically divergent. In other words the conflicts were both political and socio-economic.

But the party's lack of success in the elections does not mean that the Polish people have turned away from socialism. In particular, sociological surveys carried out over a lengthy period show that while the public might not have accepted certain manifestations said to be socialist, it did not condemn the structure as a whole. An objective person cannot agree with the superficial verdict that 45 years of development of a new society in our land was supposedly wasted time. Many positive things may be offered in response to such nihilism. At the same time there is a need for pondering yet again what it is we must rid ourselves of, what must be done in the name of socialist renewal.

From my point of view Poland's guarantee for the future lies in significantly raising labor productivity, doing everything much more effectively. The main attention was focused in our society on distribution processes, on defense of socialist interests. This is doubtlessly important. But too little effort was applied to productive, well organized labor. Our structure did not stimulate quality, unfortunately. Thus the reform process in Poland is called upon primarily to raise the level of the work; this is one of the key problems throughout—both in production, and in the centers of administration.

What access to power and realization of the rights of citizens are based on should also be clarified. In formal terms, all members of society are equal in developed capitalist countries. But we know how differentiated they are depending on the hierarchy of ownership. The rich of the world always end up on top. I think that democracy in a socialist structure can surmount such inequality, so that something other than money would determine the sociopolitical weight of an individual. But it should be emphasized immediately that under democracy, the rights of the individual must not be determined by the individual's position on the bureaucratic ladder either (which unfortunately was encountered in our country until recent times).

Socialist democracy should be characterized by real equality. Let me add that in Polish practice, a democratic order is often identified only with the rights of the individual and the citizen to express his aspirations, interests and hopes. But democracy may exist only in the presence of an institution capable of reconciling even contradictory interests, and called upon to find solutions to urgent contradictions.

In modern Poland, citizens have the possibility to express their opinions, views and requirements freely. They may make statements in the press or on television, and organize demonstrations—they can speak all they want. But how, and by means of what are they to transform their words into common effort? The meaning of democracy lies in juxtaposing different views and interests not in such a way as to lead to their mutual annihilation, but in a manner which would produce a constructive result.

True, it is felt that implacable contradictions exist. But I think that truly antagonistic contradictions are not all that numerous, at least in our society. Much depends on the approach. Usually in the presence of good will, a possibility for factoring out a common denominator reveals itself.

The PZPR: Its Role and Place

How should we assess the present situation of the PZPR itself, and its role, which had formerly been viewed as a dominant one in the society and in the country?

Unfortunately, in view of the causes I mentioned above, it has lost its attractiveness to the enormous majority as a political institution capable of carrying out the task of renewal.

Hence the result of recent months: In the system of Polish society, the PZPR is transforming from the dominant, decisive factor into just one of the political forces, albeit extremely important, one holding many trump cards in its hand.

It would probably be worth our while to turn attention here to the following circumstance. It is our basic belief that the party cannot go on thinking that history itself had given it the right to be the ruling party. The PZPR must wrest this honor for itself again and again, formulating a program attractive to the society and to its citizens. There is no other path. It is impermissible for it to secure its dominant position in the constitution and then use the police and the army to block any alternative. In other words the party is called upon to fight for its influence by political means, and not by the methods of violence and compulsion.

The corresponding turn in the thinking of the PZPR has now occurred. We have persuaded ourselves that the effectiveness of violence used for the purposes of attaining political superiority is limited, and sooner or later it produces a negative result. But reactions to failures and defeats typically differ. There are people in our party who rigidly cling to the old, having no interest in changing anything. There are also those who even walk backward, who would want to return to long-rejected (traditionally Stalinist) forms, the resurrection of which would be simply unimaginable in Poland.

But the PZPR also contains people who dare to look boldly forward, to travel unexplored paths. And in the conditions of crisis, we do not retreat, we continue on the course of reform and renewal.

Thus at the beginning of this year the PZPR gave the green light to implementing the idea of pluralism. I often hear it asked: Do we not experience disillusionment in the face of the practical consequences of such a decision? First of all it is still too early to make final conclusions. Second, pluralism was not thought up by the PZPR. It was not invented by the party leadership—it was born of Polish society. It should be recognized outright that the idea of moral and political unity in Poland, declared in the 1970s, did not reflect reality. It was only an attempt to obscure real differences and contradictions. On the other hand our stance in favor of pluralism is based on the real situation. Under today's conditions this is the political system's adaptation to the real disposition of forces and the real conditions.

Pluralism With Consent?

Are we not disillusioned with this line, which we have started referring to as the course of the 10th Plenum of the PZPR Central Committee?¹ We feel that in order to assess such a step, we must first of all understand what

we would have to reckon with, had we not introduced pluralism. I am certain that in this case we would have been threatened by sharp aggravation of a crisis escalating into a confrontation of explosive nature. And when for example numerous strikes occurred after the 10th plenum, in larger part the economic demands were not accompanied by political slogans. And today, the principal forces—both our party and the Solidarity trade union association—have been working to put an end to these demonstrations. Without pluralism, any strike might have led to political demands, and potentially, to new complications: The other side might have responded to the hail of stones from the strikers with clubs, the matter may have even gone as far as bloodshed, and this would have plunged Poland into tragedy.

The principle of pluralism was laid at the basis of the universal elections of June 1989. Their results showed that the majority consisted of persons who did not come to the ballot boxes at all (38 percent), or who voted for neither the PZPR nor the opposition, Solidarity. It follows from this that the preponderant part of the voters found neither of the solutions offered sufficiently attractive. Wouldn't this fact encourage all participants of the political game to modesty? We have appealed many times to our colleagues from Solidarity to forget their claim to the role of the sole expressors of the interests of the people. Because there is, after all, a "silent majority" which went with neither us nor them. Moreover this is the part of the electorate for which competition is now beginning. It is sort of a "no-man's land." And it must be won over only by means of proper politics. It may also be looked at as a balance wheel which brings down the political conceit of the Solidarity faction. This category of voters is capable of bringing success to him who is able to attract it to his side by his deeds.

We of course knew that it is not at all an easy thing to achieve national harmony. It is extremely difficult to reach agreement between parties that have opposed each other for such a long time. It is far from simple to achieve compromise if the elite of yesterday's opposition are people who sat in prison and were subjected to persecution. And now of course, it is inordinately complicated to develop the formulas of harmony. But despite all, we have managed to find solutions to many of the crisis situations of recent times. On several occasions the course toward pluralism found itself on the brink of failure, but again and again we worked out solutions which made it possible to take another step in a reasonable direction. This is precisely why I feel that the line toward harmony justifies itself for today.

All factors promoting radical reforms in Poland and, on the other hand, all obstacles on this path must be meticulously accounted for. The serious state of the economy, which feeds social tension, is a very powerful hindrance. If we are unable to deal with it, it will threaten destabilization of all social and political life. The well known sentiments in Solidarity should also be included among the negative factors: extremist tendencies, and a thirst for revenge, which promote sharper

confrontation. There are also many people on our side demonstrating a superficial understanding of the historical circumstances in which we have found ourselves. All of these are seeds that may sprout into confrontation.

The role of international factors is extremely important to stabilization of the situation in Poland. Primary among them is perestrojka in the Soviet Union. Were it to be successful, it would have a direct effect on the course of events in our country. We also understand the presence of a reverse relationship: Events in Poland, and especially any kind of serious excesses, are capable in turn of negatively influencing Soviet perestrojka.

Discussing the international aspect, I would like to express agreement with those who feel that the foreign debt problem is a matter of concern not only for Poland itself but also for the entire world financial system. In general this mechanism is not operating in favor of economically less developed countries. Indebtedness will not be eliminated only within the framework of Poland's relations with other states. A global approach will be needed. At the same time, negotiating a moratorium on payment of debts by Poland, so that the organism of our economy would be able to gather enough strength to be able to move forward again, at least in the course of the next few years, might be a constructive measure, one which should be implemented without delay in the course of current affairs.

On the whole the international climate is favorable when it is characterized by cooperation and a readiness for mutual understanding. But the situation in the world would have a detrimental influence if complications were to begin again for some reason, if tensions were to increase once again, and if someone were to reveal a desire to take advantage of the difficulties in Eastern Europe.

Man inherently focuses his attention on dangers and bottlenecks. The concept of negative-positive asymmetry has even arisen in psychology. The individual and masses of people are frequently interested more in negative than in positive factors. However, mention should be made today of a fact favorable to Polish reforms: formation of the conviction in the heart of the principal political currents that the country's renewal would be possible only on the basis of harmony and compromise. This intellectual position of the leaders of these political currents, who have an influence in determining the course that is followed, generates optimism.

It stands to reason that the leaders of political organizations and trade unions may lose control over events under the pressure of an economic crisis and other complications. A large number of steps were taken in recent months in order to keep this from happening. But the danger continues to be serious.

Further disorganization of the market and spinning of the spiral of demands for higher wages carry the greatest threat today. Growth of wages multiplies the amount of

money in the market, and this causes prices to escalate once again. This is a spiral of death.

The government created by T. Mazowiecki received a clear possibility for breaking the pernicious spiral.² It would be worthwhile to provide support to the idea of its formation just for the sake of this. Because a government headed by a representative of the Solidarity movement has greater possibilities today than anything else for restraining the demands for higher wages. I'm not certain that he will be able to achieve this, but nonetheless, the probability of doing so exists. I personally am prepared to say that creation of a government of precisely this composition does not mean disaster for either the people or socialism in Poland.

Changes in Poland cannot be expected to be carried out in a single day. Our state mechanism cannot be fundamentally reconstructed within a short period of time. At this stage I feel that it is extremely important to strengthen the political system, so that it would be capable of enduring the potential stresses elicited by transformations. There is, after all, a gap in our country between social consciousness and the need for reform. I see a hope for strengthening political institutions in the new parliamentarianism which we are now attempting to develop. In the past, we were unable to conduct a reform in part due to major weakness of these institutions. The reason for this was that at that time, major social forces stood outside the political system. The political system did not encompass the entire society. A sizable fraction of the intelligentsia and the working class did not feel themselves to be the masters of their state, and so they transformed into a source of complications and destabilization. This is why the priority goal today is to strengthen the Polish political system in such a way that it would account as fully as possible for the multicolored spectrum of positions, views and interests. And when we have a strong system, we can carry out renewal of social life more effectively.

It stands to reason that our party bears considerable responsibility in this aspect. There is more today to just strengthening the system by expanding it. What we appeal for is the assurance that Polish perestrojka would not become a march toward capitalism, and that the transformations would maintain a socialist nature. These transformations must go on this time on a significantly broader base than before.

Nor does the party relieve itself of the responsibility for seeing that the social guarantees of laborers would not be lost or that they would fall by the wayside in the conditions of crisis and profound structural changes. The trend observed in the thinking of modern Poland is that reform is necessary, and consequently someone will have to pay for it. This point of view makes it easy for people to agree that the changes could result in mass poverty. But this is a distorted philosophy. In my opinion the only variant of transformations that would be permissible is one which would protect the population from calamity—

even at the price of reducing the rate of reform. Understandably, things will not proceed entirely without cost, but I think that we cannot accept the idea of supporting only the enterprising, the strong and the bold, and cast the rest of the masses to the whims of fate. This is not in keeping with the socialist approach.

The question vital to the party's existence is how to regain the trust of the people. People in the ranks of the PZPR are seeking ways to restructure the party in order that it could once again attract the public to itself, and win public support. There are various components to this process. The new government, by the way, will inevitably have to confront the problems of real exercise of power, which will create a variant of social experience that was formerly unfamiliar to Poland. Poles have thought thus far that the PZPR is to blame for everything. Party members were declared to be either ungifted or thoughtless—it is supposedly because of them that everything in our country is bad. Now each person can see how the new government goes about solving these problems, and what it will be forced to reckon with. This will probably also help to create the preconditions for a sober view of our party's policy.

Promoting a program of renewal of socialism and explaining whose interests it will fight for, and in what way, is of course extremely important to restoring the party's authority and gaining public support. But determining the right methods of activity is a no less important part of the effort. In the past, the PZPR became an administrator, an implement of control. But in order that it would correspond to the new situation, the party must acquire the qualities of a political force, one capable of establishing contacts with members of the society, and winning over proponents able to influence the minds of the people. In short, the party must learn to persuade.

Having good ideas is not enough—it is important to know how to bring them to social awareness. But in former times the party organization was itself adapted to administration. The mechanism of control from the top existed as a means of transmitting commands downward and ensuring their execution on the basis of bureaucratic order. Consequently the entire old structure is subject to restructuring, and the party's activity is subject to reorganization on the basis of initiative, criticism, independent thinking, enquiry and efficiency. I feel that this is where the prospects of the party's rebirth lie.

Our ranks are transforming. But further development of the party will be a subject that the approaching PZPR congress will have to deal with primarily.

In the International Context

Here is an important problem: What do we see as the prospects for the traditional political (Warsaw Pact) and economic (CEMA) alliances with which the Polish People's Republic maintains ties today? Much is being said in the fraternal countries about the need for developing a new and better model of mutual cooperation. But

irrespective of what it will be, I am certain that Poland cannot be imagined in the absence of effective interaction with the entire socialist fraternity. Poland occupies a certain place in the world, and our interests are closely intertwined. An attempt to carry out policy without regard for the fact that our basic life aspirations are concentrated here would be absurd, suicidal to Poland, and harmful to all of its neighbors. Interaction doubtlessly needs to be improved. At the same time that the European Economic Community has attained significant successes in cooperation and integration, we in CEMA have not managed to achieve this. That is, there are many things we should change, but on the basis of the principle of preserving interaction and relations between our countries on an improved basis.

It would of course be important to know how constructive the conception of other of Poland's political forces is on this account. I would say that the dominant share of Solidarity's leaders are aware of the need for such relations. Premier Mazowiecki confirmed a realistic understanding of the problems in the government's program declaration. At the same time in my opinion our party and its leadership could make it easier for the people of Solidarity (they are, after all, generally novices in politics) to gain an understanding of this issue. The PZPR utilizes many channels of communication in order to explain, substantiate and reveal the advantages of this approach, and Poland's interests. And we often encounter sensible views from that side. But this is, of course, a process: Its result reflects the efforts which we continually apply.

In general, events in Poland are apparently having a positive effect on implementation of the idea M. S. Gorbachev formulated as construction of a common European home. In my trips abroad I have often sharply sensed that border, that great barrier that exists between the East and West, where everything has always been stopped—the River Elbe. Europe had always been sharply delimited. Now we are trying to surmount the barriers. Today we are in a position to realistically move toward unity of a higher order on the continent. The changes in our countries herald general shifts. But naturally both we ourselves and our Western partners should change. The success of the reforms in a number of states of our fraternity, including Poland, is a real contribution to fundamental restructuring of international relations.

We in Poland have started a grand experiment, and we do not know what its results will be. I do not think that we have already overstepped the line beyond which our country's history will steadily tend toward the better. Many dangers still await us. We cannot accept a view of the world through rose-colored glasses.

Nonetheless, there are grounds for optimism—all of Poland's principal political forces are interested in effecting transformations with a full awareness of their responsibility. We are also strengthened by the fact we

are prepared to learn from experience, we are not acting blindly, we see the dangers, and we are trying to avert them.

Footnotes

1. Held in December 1988 through January 1989.—Editor's note.
2. Government portfolios were distributed in the following manner: civic parliamentary club (Solidarity)—15 positions, PZPR—4, United Christian Party—4, Democratic Party—3.—Editor's note.

Polish Tourists Transport Scarce Goods To, From USSR

90UI0116A Moscow ARGUMENTY I FAKTY in Russian No 45, 11-17 Nov 89 pp 5-6

[Article by I. Morzharetto: "Polish Transit"]

[Text] In 8 months of this year, 2.2 million Polish tourists crossed the Soviet border. It would seem that an entire nation was seized by a passion for travel like an epidemic immediately after foreign passports were issued to Poles. Some of the tourists travel specially into the Soviet Union, but many simply cross our territory in transit. Their road stretches further south—to the Black Sea, Bulgaria and Turkey. Some go to rest, to lie on the beach. To others, the journeys of many hundreds of kilometers have become a regular occupation.

The Road

Four hundred twenty kilometers of an excellent highway by our standards separate the Mostiska customs station from the Vadul-Siretskaya customs station, the border between Lvov Oblast's Polish border and Chernovitsy Oblast's border with Romania. Buses and passenger cars with Polish license plates move in an endless stream on the highway day and night. Polish tourists have long transformed into a daily reality, and as we know, we must adapt to this reality in some way.

The bus pulled onto the road shoulder—an engine problem. Its passengers, my subjects—workers of the Deliya Plant from the city of Zamostye—were going to Bulgaria for 3 days at the seaside.

"They change money for us for transit travel through the USSR, but very little—just 12 rubles. This money has to cover a couple of meals, and it would also be nice to buy some sort of souvenir. This is why many carry small articles along—shampoo, kolgotki [translation unknown], with the hope of exchanging them for Soviet money or needed goods.

"The lack of Soviet money is especially hard on those who take their own cars. If a car were to break down suddenly, who would fix it? And if spending the night becomes necessary, there is nothing with which to pay for a hotel room.

"It's a good thing that gasoline coupons can now be bought directly at the border for zloty."

Customs

Much has been written about customs. Mainly about the keen-eyed customs officials who are able to find concealed contraband so quickly and easily. That's a fact. But we're not talking about contraband at the moment.

Relations at the border are determined today by consumer goods brought into the USSR by Polish tourists.

In terms of the quantity of imports they will perhaps soon catch up with and overtake our own Ministry of Trade.

The route has been determined, the most profitable goods have been revealed, and dependable companions have been found. An entire network has formed, in which West Germans, Turks and our fellow citizens are actively working. Transportation is the share of the effort that was given to the Poles.

And so, one of the variants of the chain takes approximately the following form. Computers are purchased in the FRG or in West Berlin. They are moved through Poland to the USSR, where they are sold to wholesalers—cooperatives or private individuals—in a word, to those able to pay hard currency. After that, Soviet rubles are illegally converted into gold or into dollars, which are cheaper at the moment in our domestic black market than in Poland. From here on it's a technical matter—to ferry the "greenbacks" through Soviet customs stations to the south, through Romania and Bulgaria to Turkey. There, they are used to purchase consumer goods, which return with tourists to the USSR and accumulate in the hands of middlemen. The acquired rubles are exchanged for gold or dollars, for which computers are obtained in the FRG or West Berlin, and the cycle goes on.

In this case different people work in different stages of the transit system. Each has his own profile, "his own" goods, his own favorite routes of travel. Yezhi Kotsub for example is a record-holder among those who import computers into the USSR. In just half of this year he was able to carry 304 of them in his Mercedes.

The routes, as well as the types of goods, change constantly. Thus last year one "link" was actively engaged in exporting goods from the USSR. For example 125,000 Soviet-produced television sets were exported into Poland in 1988 just through the Mostiska customs station (Lvov Oblast). New customs regulations prohibiting export of goods with a higher demand from the USSR went into effect in January. They were stiffened even more in August.

Down With the Speculators?

We could not find any Polish tourists selling merchandise at the Lvov central market. Those who sat and stood on the ground and at counters in proper rows, with an enormous assortment of consumer goods spread out and

hung before them, were our own. And no one made any special effort to conceal the origins of these goods. At the Vilnius central market there are also many Polish travelers selling their wares. In addition, improvised markets arise along the route of the "Polish transit system."

It must be said that public opinion and the "transit system" do not get along very well, and from time to time a merciless struggle ensues. It goes on, but without special success.

The unconcealed speculation is obvious, but how do you go about punishing it? First of all, whatever they may be, they are still foreign citizens. And secondly (this is the main thing), in order to make an indictment stick, you have to prove not only the fact of sale but also the fact of purchase with the purpose of making profit. That is, you have to have a document from that Turkish merchant stating that he sold a lot of jeans to a citizen for such-and-such a price, which would correspond to so many rubles. Meaning that applying our Criminal Code to a Pole would be rather difficult.

What do we do? Bar entry at the customs station to Polish tourists carrying goods? The Romanians do this sort of thing sometimes, by the way, but we want to be a legal state. And it would be all the more stupid to do this given the shortages of goods we are experiencing today. It would be wiser to admit goods without restrictions, but if they are imported for sale, then be so good as to pay duty on them. So that the state could benefit from this commerce as well. And if you hadn't paid duty, and you return without the goods, then pay now, though at a higher rate. This incidentally is what is done in all of the civilized world. Wherever you go, customs is treated as an instrument of a state's economic policy.

And there is probably no benefit to harassing Poles who sell jeans in our markets. This does increase our availability of goods, after all, and rather well at that.

On the contrary we need to create conditions permitting such merchandising. Conditions which would keep middlemen from growing fat and our homegrown mafia from growing too big.

A number of commission-sales stores specializing in the purchase of articles from foreigners were recently opened in Lvov. And what happened? Order was restored, the state is none the worse off for it, and neither are the Poles, and we have gained as well—prices have fallen noticeably.

But this brings up another matter that cannot be resolved by the efforts of customs alone. On one hand the Council of Ministers and Ministry of Finances have finally enacted decisions allowing foreigners to enter with their goods without restrictions. On the other hand they also gave instructions that foreigners are not to be allowed out of the country with goods and money. A list of 40 of the scarcest goods prohibited from export was determined; all of the goods could be exported, but their value

cannot exceed 100 rubles. And money—both Soviet and foreign—cannot be exported—it is treated as contraband.

Meaning that if such half-measures are able to push anything forward, it is only into the open arms of the dealers of the "shadow economy."

Tourists—Who Are They?

Folklore has it that Poles engage in trade supposedly because it's in their blood. I think that this isn't so, and that genes are not at all what have drawn many Polish citizens into commerce. As with us, they lived for many years in a poor country behind the "iron curtain." And suddenly it was lifted—a few years earlier than in our country. All adult citizens received a passport granting them the right to free exit abroad. In this case only the Polish Sejm has the power to prohibit anyone from doing so.

By the way, it is said that very soon we also will be granted free exit and entry. That's when we'll see who has more of such genes in their blood.

In any case very many inhabitants of western rayons of the UkSSR have already been given the opportunity for traveling abroad from time to time, particularly to Yugoslavia. The prices of consumer goods are much lower there than in our country. This time it was the Poles who complained of being crowded out of local markets by, of all people, the Soviets. And among the Polonezes and Fiats, our Volgas or Zhigulis packed full with goods are flitting through the customs stations.

If these are the "first swallows," then wouldn't it be better to prepare for their "arrival" ahead of time? Only without indiscriminate accusations of mercantilism and speculation.

Rakowski: 'History Has Punished' Poland's Communists

*18120017A Moscow NEW TIMES in English
No 47, 21-27 Nov 89 pp 28-30*

[Mieczyslaw F. Rakowski, first secretary of the PUWP Central Committee, speaks to NEW TIMES correspondent Rudolf Borecki]

[Text] Rudolf Borecki: It's less than 2 years since we talked last time, and so many changes have occurred in the country.... The image of socialism is changing, as is the world.

Mieczyslaw Rakowski: Indeed, these 2 years have been filled with events and experiences, including my own experiences. Undoubtedly, I have changed as well. I have had to live through much, perhaps too much, and I've learned much. But—from the human point of view—I don't regret the difficult and often painful experience I've acquired. Perhaps these confessional words are a good point of departure for our dialogue?

R.B.: A difficult question in the current conditions. What would you say about the future of the left—the Lewica—in Poland and the world at large on the eve of the January congress of the PUWP?

M.R.: Obviously, the left can't vanish from the face of the Earth, not least because it expresses people's aspirations for social justice and realistic equality. And there will always be such a state of public awareness.

As for the Polish Lewica, it is now clear that while taking major steps and achieving some results in past decades, it has been losing its prestige with the public because of its repeated errors. Some of these errors stemmed from objective reasons, others from subjective ones, if we look at the present political landscape in the country, we can't say that the Lewica has emerged victorious, although it set in motion the forces that are in the majority today. It has often happened in history that reformers have lost in the initial stages of the reforms they launched. When embarking on the path of reform, one must be aware that defeat is also possible.

If we reject the dogmatic interpretation of the left, and not only in Poland, we will see that it has chances of renewing and winning public confidence. But in my opinion, that will be lengthy process. The left must renounce obsolescent practices and offer an attractive and promising socio-economic programme if it is to win public support.

We—I mean the PUWP—have been the ruling party throughout the last decades. The socialist system—the one we were creating—turned us into lazy, and as a result, inefficient politicians. Today, however, the party's place has changed drastically. Today we must concentrate our efforts on fighting for every individual. You can't win people's trust by giving orders....

We (I mean not just the PUWP, but also reform-minded forces in the Soviet Union) should be given credit for having initiated the process of change. We are the Lewica in its broad interpretation. But only future generations are likely fully to appreciate what we've done. So far we have had to act as scapegoats for all the errors that have been made. Such are the paradoxes of history....

R.B.: In this context, what do you think a leader's realism should consist in?

M.R.: A leader's realism, in my opinion, consists in keeping his feet on the ground. Then, he has to renounce the conviction of his own infallibility. A leader must promptly understand the orientation of various social groups and their material interests. A leader's realism requires constant inner struggle, the aim of which is to liberate oneself from what I call mythology. A realistic leader must be distinguished by a certain humility, that is, he must remember that his powers are to some extent limited.

R.B.: In other words, a leader must remember that he is human and not divine....

M.R.: This is when examples of dictatorship come to mind—for example, the dictatorship of Mao Zedong or Stalin. The dictator thought he was the only one who was right. As a rule, the cause served by a dictator vanishes after he goes....

R.B.: And there is no continuity.

M.R.: As a rule, no. This provides some consolation, of course. Otherwise the development of mankind would have been halted.

R.B.: How do you think power is lost?

M.R.: As far as I understand it, this question refers to Poland.... I believe that strategically and historically what we undertook, in December and January at the 10th plenary meeting of the PUWP Central Committee and what was concluded with the "round table accords" was unavoidable and justified. One may ask: should we have allowed the development to lead to the change of government? (Although the change of government was only partial, since we participate in the new cabinet.) Frankly speaking, I don't have a definite answer now. But the fact is that had the PUWP government suggested even a tenth of the austerity measures presently being implemented by the Mazowiecki Catholic cabinet, we would have had strikes every day.

The current economic policy is far more harsh and aggressive towards the public. Prices have increased 10 fold, but there are no strikes. This attests to the fact that although my government was reform-minded, it didn't enjoy as much public support as the ruling cabinet does not. One might ask how long this trust in the Mazowiecki government will last. There is no definite answer to this question either. The fact that there are no strikes or serious demonstrations in today's Poland shows that our policy is correct. Opposition to a government that wants to bring the nation out of its dead end could look, like a longing to return to power....

This conclusion must be followed with a bitter statement: over the past 40 years we have been too arrogant and presumptuous and often indulged in mythmaking while remaining a political formation that didn't want to share power with anyone. Changes only started to appear in the past few years, when it was too late. History has punished us. This must always be remembered.

Many of my comrades find it hard to readjust to the new situation, when we must not just issue decrees, but try to win the support of each individual, to switch over from the mysticism of power to real action. This is a painful process, of course, and the price we have to pay is high. This doesn't mean, however, that the Polish Lewica has been defeated. It must be restored in the new and difficult conditions, and its future depends on how it acts.

R.B.: We haven't yet spoken of Stalinism and its imprint on the postwar history of Poland....

M.R.: This is the key question. I have always been opposed to Stalinism. But I believe that my ideological formation—my generation—mustn't shift all the responsibility for its own mistakes onto Stalin, meaning the Soviet Union. I have to admit that such a tendency can be observed. My generation took part in the postwar development, believing we were working for a better future. A boy of 18 or 19, I didn't know a thing about the Vorkuta labour camps or the Armia Krajowa trials here in Poland. The world we were building seemed perfect to us. Emotion prevailed over reason. That's why I see the Stalinist era not only as a time of labour camps, but also as a time of massive enthusiasm. Moreover, it would be unethical on my part to put all the blame on the USSR. I wouldn't want to be compared with those people of culture who were ardent advocates of Stalinism under Stalinism (and not at gunpoint either) and emerged as no less ardent critics of it when its time was over.

As a formation, Stalinism left bad memories and delivered a heavy blow to the world revolutionary movement. But the roads of revolutions are so steep and twisting that the final judgement can't be passed even on Stalinism. There's never been a bloodless revolution....

R.B.: I suggest we turn over to one topic which I know to be in your line of business as a politician and a politicalologist: Poland—the two German states—the Soviet Union. This trilateral problem has always been of special significance for Poland, and especially some quarters of Polish society. It evoked different assessments. Could you dwell on it in the context of the construction of a common European home?

M.R.: First, let's recall that Poland and the Soviet Union were the ones to suffer most from the Second World War and Nazi atrocities. The painful memories will not die with the war generation, but will be passed on to the generations to come. That's why we don't know when the time comes to say: it's all over now. Today's politics in the context of a common European home is a different business, however. I believe we can build a common European home and keep our memory fresh at the same time. I'm not one of those people in Poland who are suspicious about stepped-up Soviet-West German contacts. It must be remembered that the Soviet Union is a great power, and that the map of Europe looks different from Moscow than from Warsaw. Still, I am watching the expansion of such contacts quite calmly. Moreover, I believe they could help ease tensions connected with the evil and ailing memories engendered by the Second World War.

Many of my compatriots, however, fear that the Soviet Union's open and friendly policy in relations with West Germany will facilitate the reunification of the two German states and that this will unavoidably be done at the expense of Poland.

In my opinion, people must have an inalienable right to think, even in such categories. As a rank-and-file Pole and also as a politician, I must be aware that the most unexpected problems may crop up as life goes on. But a politician must be able to find optimal solutions and foresee the results.

Returning to our topic, I'd like to say that any rapprochement—even if it runs counter to the political interests of a European state or public mood in that state—is useful if it helps Europe remain a continent of peace for another 40 years. I have no doubts on that score.

The historical experience of Russo-German cooperation has not always been favourable to Poland. But we have to ask: didn't Poland itself evoke reactions that pushed its national interests into the background? This applies both to the days of the Russian Empire and to Soviet policy between the wars. Has there been a single instance in history when a state heeded the interests of another state if it did not respect them?

R.B.: In a word, politics, like love, requires reciprocity.

M.R.: If the common European home, the construction of which we've just started, is to be a stable structure, then it will inevitably require such reciprocity and respect for the interests of all the states that make it up.

R.B.: In conclusion, could you say a few words about the value of the PUWP experience for the policy of perestroika in this country?

M.R.: First, one must always try to be ahead of the inevitable and liberate oneself from all dogmas and habits, particularly those that have already proved impotent. In other words, it is necessary to be farsighted, to think and work for the near and more distant future.

Second, it must be understood as a basic principle that human longing for democracy and freedom is inherent in man. No doctrine can change this quality of the human spirit.

At my recent meetings with the leaders of some socialist countries I tried to explain that the Polish experience attests to the importance of thinking and working for the future. The round-table discussion was a resolute step forward. It was the first political situation where the party was on time, although the developments were already irreversible.

The duty of political leaders is to take note of emergent processes and public feeling, analyze them realistically and find optimal solutions before events get out of control. My own experience makes me admit that political thinking of this kind is a difficult business. The more so as every politician, especially at the top, can be a prisoner of the prevailing situation and also a prisoner of his entourage and of public consciousness.

Contras Blamed for End to Cease Fire

90UI0124A Moscow KRASNAYA ZVEZDA in Russian
11 Nov 89 First Edition p 5

[Article by Yu. Dmitriyev, TASS correspondent on special assignment for KRASNAYA ZVEZDA (Managua): "A Forced Measure"]

[Text] Events in Central America attracted the attention of the world public again after the Government of Nicaragua resumed the military actions against armed counterrevolutionary forces on 1 November. "The fate of the electoral process in Nicaragua no longer depends on us, but on the policy the American administration decides to pursue," said President Daniel Ortega of Nicaragua.

I will remind you that an agreement was signed on 23 March 1988 in Zapoa (Nicaragua) by representatives of the Nicaraguan Government and the contra leaders, and that one point in the agreement called for a 60-day truce to further the negotiation of a cease-fire in the country. After the talks failed through the fault of the contras, the government of the republic reported its unilateral extension of the suspension of offensive operations against the mercenary units. "This move," Ortega said last May, "is evidence of the Nicaraguan Government's desire for peace. We hope the contras will respect our decision." The contras' response to the government's initiative "will show who wants peace and who wants the war to continue," the president remarked. He stressed that if the anti-Sandinistas should fail to observe the truce, and especially if they should start a new round of hostilities, the Nicaraguan authorities would "reserve the right to repulse the contras and put an end to them."

The unilateral suspension of offensive operations by the Sandinista People's Army (SPA) against the mercenaries was extended each month from 1 June 1988 until 1 November this year. The government's efforts to stop the war, however, did not evoke a positive response from the more belligerent contra leaders. Last month the mercenaries used the so-called "humanitarian" aid from the United States for military purposes and intensified their terrorist raids. More than 1,100 armed contras infiltrated Nicaragua from Honduras in just the last 2 weeks of October. In all, according to U.S. intelligence, 3,000 contras are active in Nicaragua and 6,000 more are on bases in Honduras.

A statement the Nicaraguan Government issued in connection with the resumption of military actions against the contras stressed that it would "guarantee the normal progression of the electoral process and the safety of the international observers on Nicaraguan territory, regardless of the mercenaries' position," until the general election on 25 February 1990. It also stated its willingness to declare another cease-fire if the agreement reached by the presidents of five Central American countries at the meeting in Tela (Honduras) on the dissolution of the contras by 5 December should begin to be implemented.

In the meantime, the battles between government troops and contra units are continuing in Nicaragua. Helicopters and artillery are being used in search and destroy operations. This is being accompanied by the regrouping of SPA forces. When the unilateral truce was in force, SPA subunits were enlisted for non-military services in various parts of the country. In particular, they took part in the campaigns of the Ministry of Health and in the construction and repair of civilian facilities.

New Socialist Party Formed in Mexico

90UI0124B Moscow PRAVDA in Russian 11 Nov 89
Second Edition p 7

[Article by V. Listov (Mexico City): "A New Party Is Being Formed"]

[Text] A group of Mexican socialists, many of whom were once members of the Communist Party and then of the Unified Socialist Party, have taken the first steps to form a new party.

Delegates from 12 organizations in various states attended a conference in the Mexican capital a few days ago. The report of the National Organizing Commission said that the main objective of the new party would be the elaboration of a political platform with a Marxist-Leninist basis to strengthen the position of forces with a genuine commitment to socialist ideals. The preliminary name of the new party is the Party of the Broad Socialist Left. A provisional national executive committee of 18 was formed at the conference. Manuel Terrasas, one of the most authoritative activists in the Mexican revolutionary movement, was elected general coordinator.

In his speech, M. Terrasas said that the new party would concentrate on protecting the interests of the working class and would be a democratic, popular, and anti-imperialist party.

Why is it that the "movement for socialist renewal," which came into being and developed within the framework of the Democratic Revolution Party (PRD), which was formed just a year ago and also included the members of the self-dissolved Mexican Socialist Party, has now decided to take action as a separate political party?

A partial answer can be found in statements in the press by two members of the PRD National Council, Sasamontez Herreramoro and Pascual Moncallo. In their opinion, the PRD "has not acquired its own political image" and has not become a party responding to the main problems facing the Mexican people and proposing a concrete and constructive program for their resolution. In the prolonged absence of a distinct political platform, program, and charter and a general set of tactics and strategy to be used as a guide by the many different groups and currents making up the party, fragmentation, ideological dissension, "local tyranny and opportunism," and a struggle for official titles and positions of leadership, especially on the state level, predominated in the PRD.

Candidates, Atmosphere of Brazilian Elections Assessed

90UI0124C Moscow PRAVDA in Russian 11 Nov 89
First Edition p 5

[Article by S. Svistunov (Brasilia): "22 Presidential Candidates"; first paragraph is PRAVDA introduction]

[Text] Brazil is making preparations for an important event—presidential elections, which are expected to strengthen the civilian regime and democratic institutions. Direct elections of the chief executive have not been held here for 29 years.

The present administration, headed by Jose Sarney, is called the transitional government in Brazil. When the military regime which governed the country from 1964 to 1985 left the political stage, it had a chance (and made use of it) to arrange for a "surrender" on fairly rigid terms and made an attempt to prevent radical changes, at least in the next few years, and to maintain considerable participation by the military in public administration. The well-organized "retreat" protected the armed forces from the danger of the "Argentine alternative" (virtually all of the leaders of the former military regime in the neighboring country and many of those accused of violating human rights found themselves in the prisoner's dock). The Brazilian military regime made advance plans and gradually introduced elements of democracy while it had a chance to control the process.

The most critical time for the military was the period of the massive movement for direct presidential elections. The departing regime was able to insist on the electoral college procedure, in which the nomination of candidates would require the advance approval of the military, and in which many parties would have no chance at all to nominate their own candidates because of their semi-legal status.

To the casual observer, it appears that the Brazilians are adapting to the new situation so quickly that most of them do not even realize that all of these events represent a turning point in their history. The most surprising thing is the high level of democratization they have achieved so quickly in political and social affairs and in the functioning of the legal electoral mechanism. This is not simply a matter of the restoration of democratic traditions which were interrupted for two decades, but also the creation of a much better model.

In the 100 years since the declaration of the republic on 15 November 1889 (the date of the current presidential election will coincide with the celebration of the centennial of this event), the military acted as the chief arbiter in national politics and occasionally took complete control of the political process. Far from every one of the 15 civilian presidents of Brazil was able to finish his term before he was swept out of office by the latest coup d'etat. No president in Brazilian history has received a "mandate" in advance from the military. Only the support of the defense minister, Marshal Teixeira Lotta,

allowed Juscelino Kubitschek to take office after he won the election in 1955. Janio Quadros also had a "vote of approval" from the generals when he became president in 1960, but he was overthrown when he became too "willful." This also happened to his successor, Joao Goulart. Even Jose Sarney was a man of some importance in the military regime and maintained a close relationship with the leaders of the army for more than a decade.

Now that the campaign is in full swing, some people are trying to blame the current administration for all negative developments in the country, but after all, the very possibility of discussing this freely and addressing millions of radio listeners and television viewers attests to the services performed by the departing Jose Sarney, the famous writer and member of the Brazilian Academy of Literature.

Since 1985 Brazil has been evolving into a law-governed state. The autonomy and independence of legislative and judicial organs in relation to the executive branch has been secured on the whole. All political parties are officially registered and can freely take part in elections at any level, with the exception of the small neo-fascist National Socialist Party. The opulence of the political spectrum in Brazil today is attested to by the very fact that the Supreme Election Tribunal registered 22 candidates for the office of president of the republic (there were 3 in 1960). Discriminatory electoral qualifications have been eliminated, and now Indians, the illiterate, and young people of 16 can vote. Whereas the outcome of the 1960 election was decided by 15.5 million voters (22 percent of the population), now there are more than 82 million (more than 50 percent). Democratic principles have been established in local government: State governors are no longer appointed by the central government and are elected by the population. All of these achievements rest on a solid legal foundation—the new constitution adopted last November. In the opinion of many correspondents, it is one of the most progressive in the capitalist world.

The Brazilians believe that the era of public rallies in the squares is coming to an end and that the "electronic" era is taking its place. Radio and television are playing an exceptionally important role in the election campaign in a country where around 70 percent of the voters do not even have a complete elementary education. For this reason, the regulation of "electronic" campaigning is of decisive importance. It is possible that the present system has flaws and that it might need improvement in the future, but I feel it is a major advance, especially because it has done much to reduce the influence of the powerful "moneybag" factor: Paid radio and television campaign advertisements are prohibited, and free air time (all television studios and radio stations without exception are obligated to broadcast these ads) is divided among parties in proportion to their representation in the National Congress. Effective precautions have been taken against "mud-slinging": A candidate who is the target of groundless accusations can petition the

Supreme Election Tribunal for permission to respond to the accusations in the air time allotted to the party represented by the person who made the accusations.

Who are the main contenders for the housewarming in the Planalto Palace, which will be occupied by a new president next March? There are 22 in all, but the candidates with the best chance of winning are referred to as the "big six."

First of all, there is 40-year-old former Governor Fernando Collor di Melo, who is far ahead of his rivals in public opinion polls. He is a new face in national politics and does not have to carry a heavy load of political baggage. In the office of governor, Collor won the reputation of a "Maharajah hunter" when he went after corrupt officials.

The candidates of the Liberal Party, the Social Democratic Party and the Brazilian Social Democratic Party have virtually the same centrist and right-of-center views as Collor. They will be competing mainly on the basis of personality or their widely publicized campaign promises, in which it is difficult to discern any serious differences in ideological views.

Collor's two rivals on the left are a different matter. Leonel Brisola, leader of the Democratic Trabalhista Party, is an experienced statesman and politician and a staunch opponent of the military dictatorship who had to live in exile for many years. His platform is of a clearly defined populist nature, although his opinions on several key issues (agrarian reform, for example) are quite vague. The other candidate, Luiz Inacio da Silva (Lola), was a lathe operator for 10 years. Toward the end of the military regime, he became one of the indisputable leaders of the Brazilian labor movement and organized several big strikes.

The campaign of National Congress Deputy Roberto Freira, the candidate of the Brazilian Communist Party, has aroused considerable interest. He has won the reputation of the "best-prepared candidate." According to MANXETI, a magazine which could never be suspected of Marxist inclinations: "He is ideologically staunch and is always ready with a quick answer to every question. He is not dogmatic or radical, and he personifies the new communism—the communism seeking the complete realization of socialism within the framework of democratic procedures and practices."

Any attempt to guess the name of the future president of Brazil at this time would be as effective as reading tea leaves. We do, however, know who the winner will be.

He will be a much stronger leader with a chance to move into the qualitatively new phase of democratic reforms after the election.

Prognosis for Leftist Candidates in Chile Elections Weak

90UI0124D Moscow PRAVDA in Russian 12 Nov 89
Second Edition p 4

[Reply by P. Bogomolov to letter to editors from V. Siryk, CPSU member, Kiev Oblast: "Twilight of the Dictatorship"]

[Text] [Letter] A general election is to be held in Chile in December, and this will probably be the end of the military dictatorship. I would like to know if leftist forces in the country have a chance of winning the election, as they did two decades ago.

[Reply] The general election scheduled for 14 December in Chile will be an event of national and international significance. It is quite probable that 40-year-old financier Hernan Buchi, the candidate of the National Renovation Party which was hastily thrown together by the Pinochet dictatorship, will be defeated (according to public opinion polls, no more than 30 percent of the Chileans plan to vote for him). This is actually a matter of the impending collapse of the last "classical" dictatorship in the western hemisphere.

Even the utter defeat of the junta, however, cannot be called a victory of only leftist forces. The candidate with the best chance of winning is 70-year-old jurist Patricio Aylwin, the leader of the Christian Democrats and the candidate of the strongest opposition bloc of 17 parties. To strengthen the support for the main contender for the presidency, the Communist Party of Chile has also endorsed this experienced politician, although his past record is certainly not spotless—for example, there was the destructive role he played in his capacity as chairman of the Senate which actively undermined Popular Unity in the 1970's.

The new and unique tasks facing the country have motivated progressive forces in Chile to take collective action and form a united front more often. It has been impossible, however, to overcome regrettable relapses into the earlier disagreements between leftist parties and even within some of them. A recent example was the division of the Socialist Party into two factions, one expressing Marxist views and the other taking a reformist stance. This kind of ambivalence and diversity in the political spectrum on the left flank of the political struggle in Chile would preclude any accurate and detailed predictions of future events in this crucial area of the struggle for the complete dismantling of the Pinochet regime.

Labor Unions Gain Strength in Japan

90UI0122A Moscow PRAVDA in Russian 23 Nov 89
Second Edition p 5

[Article by I. Latyshev, PRAVDA special correspondent:
"The Second Wind of the Labor Movement"]

[Text] 21 November 1989 will go down in the history of the Japanese labor movement as the day of formulation of its new organizational structure.

At the constituent congress, with the participation of 700 representatives from 72 sectorial trade union centers, a formal ceremony was held on 20 November for creating the all-national trade union center of the New Japanese Federation of Trade Unions—Sinrengo. This is the largest trade union center in the country's history, and unites within its ranks 8 million Japanese workers and employees. Altogether, Sinrengo today includes around 67 percent of all the country's workers who are organized into trade unions.

Two national centers of the Japanese labor movement, which from this day have ceased their existence, have become the base for this gigantic trade union association. These are the All-Japanese Federation of Trade Unions of the Private Sector (Rengo) and the General Council of Trade Unions (Sohio). The new all-national center today unites in its ranks the workers of the country's private as well as state enterprises. The Sinrengo leadership includes people of different ideological orientation. Among them there are trade union leaders of reformist and centrist conviction, but there are also former leaders of trade union associations which were found in the left wing of the Japanese labor movement.

Four parties of the parliament opposition intend to cooperate with Sinrengo: the Socialist Party, the Party of Democratic Socialism, the Komeito Party, and the Union of Social-Democrats. In the future, the leadership of the country's new trade union center will support all four of these parties in the parliamentary elections. The primary place in Sinrengo's program of action will belong to the demands for increasing the living standard of Japanese workers, which clearly does not correspond with the economic might of Japan and still lags behind the living standard of hired workers in the USA and the countries of Western Europe. The course of action of the new center also provides for stepping up efforts directed at involving the unorganized strata of Japanese workers into the ranks of the trade unions adjoining Sinrengo, and thereby overcoming the current tendencies toward decline in the relative share of workers and employees organized into trade unions among the overall number of hired workers. (In 1988 the portion of organized workers and employees in the overall mass of the country's workers comprised only 26.8 percent).

For the purpose of putting pressure on the government and the entrepreneurs, the leaders of the new federation have announced their intention, following the example

of a number of preceding years, to hold the traditional "spring assault" of the trade unions also next year, in 1990.

However, even at this stage in the Japanese labor movement, the presence of several currents is retained, since some of the country's leftist trade unions remain behind the framework of Sinrengo. Yesterday, however, one other important constituent congress was held in Tokyo. The participants of this congress were the representatives of 30 sectorial trade union centers. They unite around 1,400,000 workers. The result of the work of this congress has been the creation of the All-Japanese National Federation of Trade Unions—Deenroren. The Japanese Communist Party will in the future give active support to this second center of the Japanese labor movement.

A third current in the Japanese trade union movement will in the near future be the All-Japanese Council for Alliance of Trade Union Workers—Deenrokye, whose constituent congress was held on 9 December. The make-up of this association will include the trade unions of railroad workers and certain other trade unions associated with the leftist groupings within the ranks of the Japanese Socialist Party.

Competitive Quality of ROK's Exports Examined

90UI0122B SOTSIALISTICHESKAYA INDUSTRIYA
in Russian 11 Nov 89 p 3

[Article by V. Andriyanov: "South Korea: Secrets on the Surface"]

[Text] "A new Asiatic phenomenon", "an economic miracle", "the second Japan"... What superlative epithets they employ in speaking about South Korea! And all of them are fully justified. Literally in two decades the country has achieved amazing economic success, particularly in the development of its foreign economic ties.

In only 8 years—from 1980 through 1988, South Korea's export has doubled and reached \$60 billion. It stands 13th in the world on this indicator.

Today South Korea is among the world leaders in the export of ships, passenger automobiles, televisions, microwave electrical devices, electronic components, and various types of footwear.

How is it that the country was able to achieve such amazing economic success on the world market in such a short time?

One of the main factors is the capacity of South Korean industry to manufacture products which have high competitive qualities on the world market.

In evaluating the ability to compete, labor productivity is the basic indicator.

In South Korea during the period from 1970 through 1985 the average annual rate of growth of labor productivity comprised 8.5 percent and was significantly higher than that of any of the developed capitalist countries. In the last 3 years this indicator has grown at an even faster rate, and in 1988 it reached 17.1 percent.

What are the components of such high growth dynamics in labor productivity? It is the application of leading engineering and technology, large-scale automation of production, the presence of highly skilled cadres, including an engineering-technical component, and the application of modern methods of production management. An important role also belongs to the economy's ability to effectively utilize scientific-technical achievements and assimilate innovations, as well as to the high degree of intensification of the production process.

In recent years, an important stimulus for increasing labor production in South Korea is becoming the growth of the labor wage. We should emphasize that the rate of growth of the nominal labor wage exceeds the growth rate of labor productivity.

However, at the same time we must remember that the wage level in South Korea is significantly lower than in the developed capitalist countries. According to the data for 1986, the average hourly wage in the country's processing industry was 1/9 that of the USA and 1/7 that of Japan.

The high level of labor productivity and lower outlays for wages in the processing industry make it possible for the South Korean companies to utilize such an important factor in the ability to compete as the price of goods. South Korean goods are much cheaper than their Western analogs on the world market of footwear, textile, electronics and electrotechnical, casting, machine tool building, and automobile production. On the whole, South Korean video recorders sold in the USA are about 1/3 cheaper than Japanese. This has allowed the companies manufacturing them to increase their sales volume to \$2.4 billion by the mid-80's and to capture about a tenth of the American market in these goods.

The low prices for South Korean electronic-computer technology evoke particular alarm among Western competitors. "Blue Chip" brand personal computers manufactured by the "Hende" company are sold on the American market 40 percent cheaper than the analogous product manufactured by the American IBM company. In 1987 there were 50,000 such computers sold in the USA, which corresponded to 4 percent of the American market in personal computers.

The price factor allows South Korea to compete with Japanese goods not only on the markets of the third world countries, but also in Japan itself, which is difficult to attain for the other developed capitalist countries.

The examples which we have presented testify to the fact that, by utilizing the price factor, South Korean companies are implementing a rapid expansion on the world industrial production market.

At the same time, in recent years a tendency has been noted in international trade towards an increase in the role of non-price competition. There has been a certain levelling of national conditions of production in the processing industries of the developed capitalist countries due to the rapprochement in levels of productivity and labor wages.

Based on a survey of managers of 300 of the largest American companies, USA scientists came to the conclusion that the increase in quality of export products is becoming the main factor ensuring competitiveness on the world market.

However, from the standpoint of quality parameters, the positions of the South Korean companies are rather firm. The fact is that most of the goods which they manufacture are produced using current Western technology which, as a rule, ensures the necessary level of quality. Moreover, many companies use the Japanese principle of zero-defect production at their enterprises. This provides for the development of a system of preventative measures to eliminate the occurrence of flaws.

The high quality of South Korean products is evidenced by the study conducted by the American Association of Consumers. Its report notes that in 1987, among the most popular models of color television sets in the USA the products of the "Lucky Goldstar" company were in 7th place, after the Japanese companies "Toshiba" and "Sony".

Ultimately, the quality of production is largely determined by the technological level of the industry, which is directly associated with the scientific-technical revolution and depends on the volume of expenditures for NIOKR [scientific-research and experimental-design work].

In this plane, South Korea lags behind the developed capitalist countries, which creates a real danger of losing its advantages on the foreign market. It is specifically this which comprises one of the main reasons for the structural reorganization of the economy which has begun in South Korea, whose main purpose is to retain the ability to compete on the world market due to the development of its own research and scientific-technical base for the manufacture of new scientific-intensive export products.

For South Korea this, perhaps, is the surest means of retaining its positions on the foreign market under conditions of a rapid increase in wages and growth of the exchange rate of national currency in relation to the U.S. dollar, all of which have an unfavorable effect on the ability of its goods to compete.

Problems of Vietnamese Workers in USSR

90UI0115A Moscow ARGUMENTY I FAKTY in Russian No 45, 11-17 Nov 89 pp 2-3

[Article by M. Igorev, S. Feldman: "Without a Language"]

[Text] *Vietnamese Work in the USSR at 910 Enterprises in 70 Oblasts* This was the title of one of V. G. Korolenko's works describing the plight of Russian emigre workers in the USA at the end of the 19th century. Almost all countries came to face the far from simple problems experienced by foreign workers. Just recall the films and articles about Turks in the FRG, Arabs in France... Now it has affected us as well. The number of foreign workers in the USSR will top 100,000 by the end of 1989. About 90,000 of them are Vietnamese...

At Work

We have decided to get familiar with their living and working conditions by paying a visit to the Moskva sewing association, a model enterprise in Moscow.

For two years, 120 Vietnamese girls have worked here in the sewing shop, one of the most hard to work in. "Limitchik" girls used to work here before, but then the recruitment of outsiders was stopped. It is hot in the shop. One has to shout there to be heard.

Says shop deputy superintendent, who has worked here all her life: "When they brought the girls here, we did not know what to do about them. They could understand no Russian. Looked frail. They could not operate a tool for two hours in a row. They were very nervous. If something did not work right, they were ready to break the machine. We cajoled them and calmed them down. It is much easier now of course."

"And what are their wages?"

"Our girls get 200 and 250 rubles sometimes. As for them... Those who work very well get the same. Those who do not, draw 130-150..."

We examined the monthly payrolls. We saw none getting 200. One hundred and three, 79, 120, 102, 86 and even... 63 rubles were marked against the Vietnamese names which are unfamiliar to for us.

From an Agreement between the governments of the USSR and the SRV regarding sending and receiving Vietnamese citizens for vocational training and employment at USSR enterprises and organisations, Article 3 reads: "The Vietnamese citizens present in the USSR under the given Agreement are guaranteed the rights and freedoms laid down in Soviet laws. The Vietnamese citizens who find themselves in Soviet territory are obliged to abide by the USSR Constitution and observe Soviet laws."

We tried to talk to the girls through an interpreter. Only ten of them do not have families of their own. They are 20-25 years of age. The rest are over 30 as a rule. Their

families and children stayed behind in Vietnam... They miss them a lot, but unfortunately they cannot go home. Under Article 11 of the Agreement, only those who have worked for over four years are entitled to a home leave.

If you ask any girl, all 120 Vietnamese girls will tell you that everything is fine and they like it, especially the wages. At home, the majority of them had no jobs and no wages (although they all see their homeland in their dreams)... It is entirely different now. Besides, those who work well and do not violate off-work regulations, get an additional 20 rubles a month from the enterprise for "living away from homeland." This does not relieve them from paying taxes and other dues under an article of the Agreement stipulating that "up to 10 percent of the monthly wages is deducted for the benefit of the Vietnamese side for participation in the building of socialism and defending the homeland." But this is not important after all.

At Home

The girls live in a dorm, three stops from the plant. There are 11-12 persons in an apartment and 3-4 persons in a room. Each apartment has a kitchen and there is a TV set on each floor. There is also a guest room which they call the "Ho Chi Minh room."

A janitor on the ground floor is supposed to keep men away. And he does not let them in. At first, the Vietnamese girls could not understand what that man was doing there. But then they found a way to get past him. They get their "boy friends" into their rooms through a window by using bed sheets.

Once every three months a Vietnamese girl is examined by a gynecologist. No, nobody prohibits foreign workers from getting married and having children. Article 12 of the Agreement even has a provision stating that... "the Vietnamese citizens receive temporary disability as well as maternity benefits in the same way and of the same size as laid down in the USSR legislation." But an earlier Article 7 "On Expulsion from the USSR" says: "If a citizen becomes disabled due to sickness or injury at work and physicians conclude that his ability to work cannot be restored during four months..." and so on, with all the ensuing consequences. So, the plant does not have to spend money to pay maternity leaves nor child care leaves. But the girls get pregnant anyway.

God has been merciful, so to speak, for the Moskva association. But we were told what usually happens in such a case. Pregnant women abscond, spend nights with their friends at dorms in other cities. They have children, but abandon them as a rule.

"What are the girls doing during their off-work hours?" we asked the interpreter.

"We visited Zagorsk, Lenin's Tomb, the Exhibition of National Economic Achievement, took a pleasure boat trip down the Moskva River. Went to see the circus, watched the fireworks."

Not that much in two-odd years... But both the girls and the interpreter complained about a lack of free time. Their hands are so full. Shopping alone takes so long...

"You have so many cheap and essential goods," they told us. "But it is hard to get many of them, and sending them home can be a problem too."

"Do you have Russian girl friends?"

"Yes, we have friends at the plant, they show us what to do and how to do it. But we live separately, and so we mix mostly with our own. We often have friends coming to see us from other cities, according to a special priority schedule. They all envy us. They often send us money to buy things for them..."

We should say again that the Moskva Sewing Association is regarded as a model plant. In Kharkov, for instance, the Vietnamese were housed in an old dorm, 10 people in a room. The building has only one shower for 200 workers.

About Friendship

From the Agreement: "Guided by the desire to deepen fraternal relations on the basis of the Treaty of Peace and Cooperation between the USSR and the SRV, the Governments of the USSR and the SRV agreed upon the following principles mentioned below governing the dispatch and reception of Vietnamese citizens for employment..."

High-style language is commonplace at a high diplomatic level. But has the deepening of fraternal relations been the only reason for sending Vietnamese and other foreign workers - Koreans, Bulgarians, Cubans - to work at USSR enterprises?

We have already witnessed mass protests against the presence of foreign workers from the SRV. The editorial board has received quite a few letters voicing doubts about the expediency of this, since our country has a sizable number of unemployed youths.

The people are irked by other things too. They say that the contingent of foreign workers has undergone considerable change over recent years. The first recruits were really hard working people who hoped to make good money. They soon realized soon that this was not possible. They came back and told people how things were in reality....According to the information provided by the internal affairs organs, the Vietnamese coming to the USSR have more and more people who hope to strike it rich by other means.

From the Reports of the USSR MVD

Kuybyshev Oblast. 1,400 Vietnamese are employed at enterprises here. Seventy persons have been brought to book in the past three months alone for petty hooliganism and selling and buying in unauthorized places.

Tula Oblast. A SRV citizen N. Z. Kh. resold 55 import wrist watches at a higher price, citizen L. K. K. sold 25 watches. The cases were sent to a Comrades' Court.

Latvia. Eight hundred and ninety SRV citizens work at Republic's enterprises, and 689 SRV citizens, or 87 percent of all those employed, were apprehended and brought to book by the militia personnel who staged preventive raids in 1989 (data for 4 months - Editors). The speculative goods worth over 3,000 rubles have been confiscated and turned over to the state (electronic watches, batteries for them, cosmetics and so on). Those apprehended explained that they engaged in such activities because of low pay.

Is this method of quick fixes going to be helpful in dealing with the goals of perestroika in our country, when nobody else but "cheap labor" from abroad is to be employed to do low-skilled work? Besides, these measures are intended to reduce social tensions in both countries. But the opposite is taking place...

India's Election Results, Future Stability Discussed

90UI0191 Moscow IZVESTIYA in Russian
6 Dec 89 Morning Edition p 5

[Telephone interview with N. Paklin, IZVESTIYA correspondent in New Delhi, by V. Skosyrev, correspondent in Moscow: "India: After the Fight"]

[Text] A change in the country's leadership has taken place in India. The leader of the National Front, Vishwanath Pratap Singh, has formed a new government. The Indian National Congress (I), which ruled for just under 4 decades, after elections to the lower house of Parliament, the Lok Sabha, has become the opposition.

Why did India's oldest party lose the fight? We begin the interview with our newspaper correspondent in New Delhi with this question.

[Paklin] The Indian National Congress Party (I) [Congress (I) Party] did not simply lose, it suffered a crushing defeat, losing more than half its seats in the Lok Sabha. It had no chance at all of forming a cabinet even with its allies. Conversely, the opposition, represented by three independent forces—the National Front (its nucleus is the Janata Dal Party), the right-wing Bharatiya Janata Party (BJP), and the left-wing bloc made up of two communist parties and groups associated with them—received more than half of the mandates overall. Such is the layout of forces in the house now. As far as the reasons for what has taken place are concerned, I would highlight three factors: Indians' discontent with the fact that the standard of living has not improved, or has improved little, and charges of corruption that were made against the government by opponents.

[Skosyrev] It seems to me that you are exaggerating the scale of the failure of the Congress. It experienced a crushing failure in 1977, when the voters "punished" the ruling party for imposing a state of emergency, which halted the normal parliamentary process. But this time the Congress still kept for itself the largest number of seats in the house. Not to mention the fact that considerably more votes were cast for it than for any other bloc—39 percent.

Nevertheless, a defeat is a defeat. It is clear that the voters unequivocally expressed their discontent with the administration of Rajiv Gandhi. Although this may seem strange in a foreigner's opinion: You see, never before has the economy developed so rapidly as in the last 5 years. Success is visible to the naked eye—streams of cars and motor scooters on the streets of large cities, multistoried buildings under construction, and stores filled with domestically produced products, including computers. The market has such a selection of food products that would make us envious: meat, fish, vegetables, fruit, groats, not to mention spices...

[Paklin] There is no question that there are many goods in the stores. As they say, if they only had money. The

majority of people are short of money. During the election campaign, a green poster caught my eye more than once. It showed the 1985 and 1989 prices for sugar, vegetable oil, milk, and certain other food products. When comparing, the difference is outrageous, sometimes severalfold. The opposition blamed the government for this. For example, it convinced the voters that the government, having received many billions of rupees from the sugar refinery owners in the form of gifts, it closed its eyes to price increases for sugar. The rise in prices hit all sections of the population. But the poor particularly suffered—and they are the majority in India. There was also little that changed in the life in the countryside.

For the man on the street, a car is an unattainable goal. In the best case, the limit of his dreams is a bicycle. The millions of tons of metal smelted and oil extracted in the last 5-year period and the number of machine tools and computers produced are abstract for him. But he encounters the rising prices daily. Who is to blame? In his mind it is the government. It is no by chance that immediately after his appointment to the post of prime minister, V.P. Singh emphasized that his first concern would be to fight against price increases.

[Skosyrev] Still, man does not live by bread alone. Many Indian observers link the decline of the Congress with the fact that bossism had taken root within the party: When elections of leaders were not held for many years, cliques were established in places, as we say, managed by cadre reshuffling and not wishing to listen to criticism.

[Paklin] Indeed, in many states the rank-and-file Congress members revolted against the local bosses appointed by the central leadership. How many times, for example, did Congress members from the state of Orissa appeal to the center to remove the chief minister of the state! A similar thing took place in the state of Haryana before this. In both cases, the center stubbornly supported its stooges. In Haryana, the matter ended with the complete failure of the Congress in the elections to the legislative assembly.

Persecution of so-called dissidents in the Congress (I) Party has intensified in recent years. They included both malcontents dissatisfied with sharing major posts and those who were sincerely protesting against the disregard of the norms of party democracy. They were expelled from the Congress (I) Party. Included among the dissidents was also V.P. Singh, who during his tenure in the posts of minister of finance and minister of defense declared war against graft and tax evasion. In 1987, he had to leave the Congress (I) Party. You will recall, already then the newspapers were calling him the "ideal candidate of the opposition" to wage a struggle against R. Gandhi for the post of prime minister.

[Skosyrev] Of course, today it is easy to expound on the miscalculations of the leadership of the Congress. But here is a paradox: In the north of India, in the so-called Hindi language belt, where 43 percent of the voters are

concentrated, the Congress (I) Party lost; but in the south, it did not simply gain strength, it even crushed its opponents who were in power in the states. In particular, the regional party of the chairman of the National Front, N.T. Rama Rao, suffered a fiasco. It is worth racking your brains over this contradiction. We have grown accustomed to cursing our bureaucratic apparatus. Well, from my observations, in India this apparatus is even more unwieldy, and it is perhaps more difficult for the average person to get the truth from officials than it is in our country. Therefore, the voting was to some extent negative in nature: People said "No" to the parties associated, in their eyes, with the government.

Hence, two conclusions follow: First, R. Gandhi was unable to restrain the bureaucracy; second, V.P. Singh is now faced with the same Herculean task.

[Paklin] It is too early to say how things will turn out, but for the time being I would like to emphasize that the incident with the construction of the Hindu temple next to a mosque in the city of Ayodya influenced the outcome of the voting in the north. Many of the people I have talked with consider the position of the Congress (I) Party in this delicate matter to be vulnerable. Trying to win the sympathy of both the Hindus and the Moslems, the government first made gestures toward the Hindus—it authorized them to hold a ceremony of laying the temple. Then it made gestures toward the Moslems—it forbid construction of the temple. As a result, both sides ended up dissatisfied. From all appearances, many of the Hindus cast their votes for the communal BJP party, which achieved unprecedented success, and the Moslems voted for the National Front.

[Skosyrev] Yes, I read Rajiv Gandhi's confession that his party turned out to be unprepared to oppose the splash of communal discord... Incidentally, NEWSWEEK and certain other Western press organs wrote that the failure of the Congress will mean a decline in the career of its chairman. Now, in my opinion, it is clear that these predictions have not been confirmed. Gandhi remains one of the popular people in the country. It is no wonder that in his own electoral district—and this is in the north of the country—he won with a big edge. After this, the Congress (I) Party deputies in parliament unanimously re-elected him leader of the faction.

[Paklin] Here is another detail: R. Gandhi met his party's defeat with dignity and did not delay in the transfer of power, although he had formal grounds for doing so. It cannot be ruled out that being in the opposition will be a good school for this 45-year-old politician. You see, experience comes not only with victories.

[Skosyrev] Whereas the picture with the Congress is clear at this moment, it is more difficult to predict the future of the ruling coalition. After all, the National Front has formed a minority cabinet. It is relying on "outside support" of two other participants in the former opposition—the conservative BJP and left-wing parties. Their

approach to many problems is diametrically opposite. In this regard, how stable is the government of V.P. Singh seen in New Delhi?

[Paklin] Its chances for a long life are assessed differently here. It is not ruled out that new elections will have to be held soon. But I would not want to engage in futile conjecture. I will note another aspect: Mainly former Congress Party members have come into power, and no one is predicting any major changes in foreign policy. The new prime minister has come out in favor of the traditional course of non-alignment for India and for improving relations with its neighbors, first of all, with Sri Lanka and Nepal, and with China. He has called the Soviet Union "a friend of India" and noted the need to further strengthen Indian-Soviet friendship.

Now a counter-question: What do they in Moscow think about the change in India's government?

[Skosyrev] To be honest, in our mass media this major event has taken a back seat to the Soviet-Italian and Soviet-American summits. I called the Ministry of Foreign Affairs to find out our official reaction. There they were not about to delve into the ups and downs of the internal political struggle in India, but they noted that the USSR seeks to develop close relations with India regardless of what party is in power in this country.

My personal opinion is that it is quite likely that India has entered a period in which it will be governed by coalition and not one-party governments. But this does not absolutely mean instability. In any event, despite the unprecedented scope of violence that accompanied the elections, 300 million Indians went to the polls and reaffirmed with their vote their faith in the democratic foundations of the state.

Effects of Iran-Iraq Conflict on Neighboring Countries Examined

Bahrain's Economy, Politics

90UI0180A Moscow PROBLEMY MIRA I
SOTSIALIZMA in Russian No 11, Nov 89 pp 66-67

[Article by Abdallah al-Rashid, member of steering committee of Front for the National Liberation of Bahrain (FNLB): "What the Front Is Fighting For"; first two paragraphs are PROBLEMY MIRA I SOTSIALIZMA introduction]

[Text] Several articles in our journal have dealt with one of the longest wars in 20th-century history—the Iran-Iraq war, which has had a substantial effect on the non-warring neighboring countries.¹

Today, now that the hostilities in the Persian Gulf has ceased, the editors asked executive officials of the national liberation movement in the region to discuss the problems of Bahrain and Oman.

We welcome the cessation of the senseless and destructive war between Iraq and Iran. The cessation of hostilities has had a beneficial effect on Bahrain and on the situation in the Persian Gulf zone and on the Arabian peninsula as a whole. The relaxation of tension in the region is depriving imperialism, especially American imperialism, of excuses for a military presence in the gulf. Our countries can defend themselves and can secure stability here by themselves. The armed forces of the United States, on the other hand, serve the inhumane policy of repression and terror the local regimes are pursuing against the liberation movement. There is no question that the elimination of this threat is in the interest of the people in the region who are fighting for complete sovereignty and independence and for democracy and freedom. The withdrawal of American forces will also stop the theft of the zone's national resources. They will remain in the hands of our people and will be used in the interest of development.

There is a close relationship between the cessation of the Iran-Iraq war and the signing of the Geneva agreements on Afghanistan. The violations of these agreements by the United States and Pakistan, however, are also having an adverse effect on the state of affairs in our region. Imperialist and reactionary forces are still taking advantage of the situation in the gulf and Afghanistan in their own interest. Washington is offering substantial aid to the gangs of Afghan counterrevolutionaries who have taken shelter in Pakistan. Saudi Arabia has recognized their "Islamic government" in exile, and this cannot help to stabilize the situation either. In this context, the principles R. Gandhi and M. Gorbachev declared with regard to the guarantee of security in the Asian-Pacific zone, and in the Persian Gulf in particular, are of constructive value.

The Gulf Cooperation Council (GCC), which essentially represents a politico-military bloc and serves imperialist interests, was established during the years of the Iran-Iraq conflict. During the war local regimes struck several blows at liberation movements on the pretext of "safeguarding security and stability." The present situation in the zone is distinguished by reactionary attacks on democracy. The public, especially the working class and the petty bourgeoisie, opposes this policy. In Bahrain the struggle is supported even by some members of the grand national bourgeoisie, who do not want the laws of the tribal society to stay in force in our country and neighboring countries and are striving for modernization in the image and likeness of contemporary capitalism.

There were significant advances in the development of Bahrain's socioeconomic structure in recent decades, especially during the "oil boom." Now that oil prices have dropped, however, the oil-producing countries in the region are in a state of crisis. The income of the laboring public is dwindling, the bankruptcy of companies and banks is more common, and some foreign banks are moving out of Bahrain and neighboring countries.

When the gulf states were first threatened by crisis as a result of falling oil prices, their governments began carrying out an "austerity" program at the expense of the laboring masses. In Bahrain, allocations for social needs were cut, new taxes were instituted, particularly taxes on passports and hospital treatment, and indirect taxes increased. Price supports for several consumer goods were lifted. This raised prices and primarily affected the lowest-income strata of the population.

Our government, with its reactionary domestic and foreign policy, has close ties to neighboring conservative regimes and to world imperialism, especially American imperialism, which was given a chance to build military bases in Bahrain. The authorities view the international liberation movement with fierce animosity.

The national economy rests primarily on revenues from oil, aluminum, and trade. The state budget is controlled by the ruling clan, and it is spending more and more money on the maintenance of the repressive power structure and army. Transnational corporations and banks (Bahrain is a major banking center) are actively involved in the theft of the resources belonging to the people of the region.

The working class in our country has accumulated some experience in struggle in defense of its rights. In spite of the ban, many underground trade unions are active and are united in the Federation of Bahraini Workers. Most of the workers are employed at enterprises of the BAPCO oil company, aluminum plants, ship repair yards, some small factories, and construction firms. Many workers are employed by trade firms, state establishments, and banks. The authorities are trying to erode the class structure by bringing foreign workers into the country (in spite of the 20,000 unemployed local workers recorded just in official statistics) and by transferring local workers to the category of employees and the bourgeoisie. Besides this, the government is selling workers stock and real estate and is taking other measures to cultivate bourgeois values.

The authorities are trying to crush the labor movement by establishing the semi-official Working Committee of Bahraini Workers, but the laboring public is fully resolved to fight for its constitutional right to form trade unions. Although the authorities have allowed merchants to have their own association—the Chamber of Commerce, which protects their rights—they have denied the right of workers to form professional associations. The position of the laboring public is constantly deteriorating, and real wages have been reduced by almost half.

The Bahraini regime is isolated from the people. It is on the verge of a political and economic crisis, from which, in our opinion, the only escape is the restoration of the constitution (as you know, the authorities suspended the majority of constitutional provisions back in 1975) and the guarantee of at least a minimum of democratic liberties.

Under these conditions, our party regards the struggle for democracy as its principal duty. This has been acknowledged as the primary duty of all national patriotic movements in the countries of the gulf and the Arabian peninsula. We are actively exposing violations of human rights and campaigns of repression and terror against national patriotic forces. We oppose illegal arrests and the physical and mental torture of prisoners. Just among the members of the FNLB, more than 200 comrades have been arrested and tortured since the beginning of 1988, and 24 of them have been given prison sentences of 3-5 years and have been incriminated by false accusations: attempts to overthrow the regime and establish socialism. The repressive operations are conducted by the Bahraini special services, in which American and British officers serve as consultants.

The struggle for democracy, for the elimination of the American military presence, and for the transformation of the Persian Gulf into a zone of peace is being launched in an alliance with the Popular Front of Bahrain (PFB), with which we have a coordinated political platform. We are already conducting a dialogue with the Islamic Front for the Liberation of Bahrain (IFLB). We hope it will develop and lead to agreement on at least a minimal program of action in defense of labor interests, and we also want to strengthen our alliance with the bourgeois groups with an interest in democracy and the development of a national economy free of domination by foreign monopolies. The representatives of three organizations—FNLB, PFB, and IFLB—addressed the last convention of the Gulf Cooperation Council to explain their position and to suggest ways of normalizing and improving the situation for the good of the people.

Our party and national patriotic forces in Bahrain and other countries in the region are pursuing the same goals as the international revolutionary movement: the achievement of complete independence and the guarantee of democracy and peace. Even the partial attainment of these goals will be a great accomplishment and will provide new momentum for advancement along the road of social progress.

Footnotes

1. See, for example, "The Outer Reaches of the Crisis in the Persian Gulf": M. Abdallah, "Under Cover of War"; S. Jabir, "Averting Disaster"; S. Ben Ali and Y. al-Khasan, "On the Pretext of Defending Sovereignty"—PROBLEMY MIRA I SOTSIALIZMA, 1988, No 3—Ed.

Oman-Iranian Ties

90UI0180B Moscow PROBLEMY MIRA I
SOTSIALIZMA in Russian No 11, Nov 89 pp 67-69

[Article by Suhayl Ali Said, member of the Central Executive Committee of the Popular Front for the Liberation of Oman (PFLO): "The Sultan and Democracy"; words in boldface as published]

[Text] Perceptible advances are being made in the resolution of regional conflicts at this time. The Iran-Iraq war has come to an end, progress has been made in the settlement of the Cambodian problem, the Geneva agreements on Afghanistan have been signed (unfortunately, imperialist and reactionary forces are violating them), and steps have been taken to improve the situation in South-West Africa.

The improvement of the general atmosphere in the world is also having a beneficial effect on the situation in the Persian Gulf, on the Arabian peninsula as a whole, and in our country. With a view to the international situation and the opinions of the popular masses, the Sultanate of Oman¹ declared a **new foreign policy** and established diplomatic relations with the USSR.² The current trend gives us reason to hope that other socialist states will also have embassies in our capital.

The changes in Oman's foreign policy line are largely the result of struggle by the popular masses. The national patriotic movement, including the PFLO, has been striving for the normalization of relations with all countries for many years. Now we can make use of the great possibilities connected with a more active role in the expansion of ties with the socialist world and with progressive national regimes.

The Iran-Iraq war was raging in the region for a long time. It severely inhibited the socioeconomic development of the fighting sides, which incurred colossal human and material losses, and also of several Persian Gulf states, and it also affected the national patriotic movement in the region. The conflict led to the dramatic growth of the American and NATO military presence in the gulf. The cessation of the war divested the imperialists of the main argument in support of the buildup of their armed forces here (the "threat to U.S. vital interests"). We are demanding the immediate withdrawal of foreign warships from the gulf.

Now that the gunfire on the Iran-Iraq front can no longer be heard, other consequences of the war are becoming apparent: Whereas the imperialist powers once saw it as a pretext to expand their own dominion in the region, now they are trying to use the cessation of hostilities for the same purpose. Large monopolies are literally vying with one another for lucrative contracts for the restoration of the war-ravaged economy in Iran and Iraq. We feel that this competition could strengthen imperialism's position and escalate tension in this part of the world.

During the war, Oman, in contrast to the other members of the Gulf Cooperation Council (GCC),³ maintained good relations with Iran. After the war ended, the relationship grew even stronger, especially in the political, economic, and commercial spheres. The relationship between Oman and Iran disturbs other GCC countries, and this is also affecting the overall situation.

After analyzing the domestic situation in Oman, we must admit that definite changes have taken place in the socioeconomic structure of our society in recent years.

The changes struck a blow at the pre-capitalist socioeconomic and communal institutions. Obviously, this is a positive sign, but the development of capitalist relations has been accompanied by negative occurrences. Economic growth rates have even slowed down. The reason for this is the dependent nature of local capitalism and its parasitical essence.

Development in Oman is following its own pattern, stemming from the distinctive features of the country and from the unique processes of class interaction and interpenetration. The social reforms conducted since 1970 have resulted in perceptible changes in the class structure of society. New substrata have come into being. There is a new social group with close ties to the world capitalist economy—the grand bourgeoisie, including compradors and industrialists—and the petty and middle bourgeois strata are growing.

The numerical growth of the young working class has been slow. One of the distinctive features of the situation in Oman is the high number of foreign workers (there are now around 500,000 of them) from a variety of Asian states. This is having an adverse effect on the development of Oman's own proletariat. At the same time, socioeconomic changes are objectively creating completely realistic possibilities for its qualitative and quantitative growth. The influence of national patriotic forces is encouraging workers to play a more active role in the society.

Reforms and substantial capital investments have led to more pronounced class distinctions and have increased property differences between the grand bourgeoisie and the workers and peasants (although we must admit that this gap is not as wide as it is in the countries outside the oil-producing zone). Not all of the classes and strata in our society have benefited from these changes. The greatest advantages have been reaped by the ruling clan and by those who were wealthy long before 1970. The reforms have only affected certain parts of the country, mainly the capital and the southern province of Dhofar. Other areas are still suffering from a lack of social services.

Oman produces less oil than Saudi Arabia, Kuwait, and the United Arab Emirates. It is not a member of OPEC or OAPEC and is not obligated to observe price or production limits. In 1989 oil production in the sultanate amounted to around 610,000 barrels a day.⁴ This is certainly an impressive figure, but the problem is that most of the proceeds from the sale of oil and most of the funds received from Saudi Arabia, the UAE, the World Bank, and the International Monetary Fund are not used to improve public health care and education and are not used for development purposes. Around 40 percent of the funds in the budget are earmarked for "security and defense," although Oman is not being menaced by any external or internal threats. It appears that the regime feels obligated to acquire and accumulate the weapons the American military corporations cannot sell to other countries.

Petroleum resources should serve the well-being of the people and the stability of the state, but oil has become a negative factor for the national patriotic movement in the region because the misuse of petroleum dollars by undemocratic regimes has prevented the harmonious socioeconomic development of society and killed the sprouts of democracy.

Today, just as in the past, the struggle for democratic renewal is the principal duty of national patriotic forces. In our region, just as everywhere else on the planet, the problem of democracy is connected with the problem of guaranteed peace. If ruling circles have a genuine commitment to the ideals of non-alignment, peace, and detente, they must also believe in democracy and give people a chance to express their own beliefs freely.

Although the Omani society is developing according to the capitalist pattern, the regime is still an absolute monarchy and is still using the medieval laws of feudalism to govern the country. There is no constitution in the sultanate, and there are no political freedoms or civil liberties. This is completely inconsistent with the requirements of socioeconomic development. This cannot go on for long, however, because a distinct class struggle is breaking out between national patriotic and progressive forces on one side and the opponents of progress and democracy on the other.

As a result of the "oil boom," Oman became one of the richest countries in the world. Bourgeois ideologists have taken advantage of this to assert that the socialist order and the ideals of socialism are unsuitable for such "prosperous" societies. We refute such statements with the declaration that socialism is good for everyone. Capitalism, on the other hand, belittles human values and is deforming the socioeconomic development of young states by assigning them the role of a backward periphery.

The perestroika in the USSR and the new political thinking have revealed the genuine advantages of socialism and the possibility of its constant renewal in the spirit of Marxism-Leninism and have thereby strengthened our faith in the viability and historical validity of the new order which rejects the exploitation of some people by others and pursues the goals of the welfare and happiness of people and peace throughout the world.

Prospects for national democratic development are becoming evident in our region. We are certain that the day will come when the revolutionary forces of Oman will be able to accomplish their historic mission.

Footnotes

1. A state in the southeastern portion of the Arabian peninsula (with a population of around 1.3 million). It is an absolute monarchy. Sultan Qaboos bin Said took the throne in 1970. A Consultative Assembly with advisory functions has existed since 1981—Ed.

2. Established on 26 September 1985—Ed.
3. The members of this organization for regional cooperation are Saudi Arabia, Kuwait, Oman, the UAE, Bahrain, and Qatar—Ed.
4. For the sake of comparison, the official OPEC limits for Kuwait and the UAE are 1.093 million and 1.041 million barrels of oil a day respectively—Ed.

Delicate State of Iran-Iraq Conflict Resolution Described

90UI0154B Moscow IZVESTIYA in Russian 28 Nov 89 Morning Edition p 5

[Article by Konstantin Geyvandov, IZVESTIYA political reviewer: "Problems Awaiting Solution"]

[Text] **The International Conference on the Persian Gulf was recently concluded in Teheran. Iran's Minister of Foreign Affairs A. Velayati spoke at its opening. He expressed the hope that as a result of the exchange of opinions, new means of regulating the problems of the region would be outlined and the prospects for cooperation and interaction of the countries in this region would be defined.**

For now, it seems, it is still early to judge whether or not this exchange of opinions which was held in the Iranian capital will yield any specific results. However, the leaders of Iraq, Saudi Arabia, and the other states adjoining the Persian Gulf will confirm the fact that there is an entire series of serious problems present in the region which await resolution. Moreover, among them are some very acute problems, whose non-regulation evokes real alarm everywhere, considering the strategic importance of this region.

In the first place here there is, of course, the Iran-Iraq conflict, for which a detailed plan of regulation was developed in Resolution 598 of the UN Security Council.

Almost 2 years have passed since we were able to achieve the implementation of one of the most important points of this document—the cease-fire agreement. However, the fate of the other [points] has in essence been left hanging in mid-air, since the negotiation process up until recently has been practically at a dead end. There is one main reason for this—different interpretations and priorities which, in the opinion of the parties, seem to set some points of the resolution before others.

This state of affairs is what predetermined the interest in the new round of "shuttle diplomacy" which was undertaken this month by the UN secretary-general's personal representative on regulating the Iran-Iraq conflict, Ya. Eliasson. Having been in Baghdad and Teheran several times and before leaving for New York, he made an announcement in which he expressed the hope that the process of peace talks between Iraq and Iran would soon be renewed. Eliasson pointed out the possibility of

meetings by the two country's ministers of foreign affairs with the UN secretary-general already in the near future, approximately in mid- December. "We must achieve progress on certain aspects of the negotiations, among which are the withdrawal of troops and the exchange of military prisoners", he said, specifically stressing that we must fulfill all the statutes of the Security Council Resolution 598 despite the difficulties which exist.

Note how carefully the UN diplomat expresses himself, and how streamlined are the phrases in which he places his ideas. This in itself is testimony to the existing extreme difficulties and delicacy of the problem. We may also gain additional information on this point from the statements of the Iranian and Iraqi leaders made after the meetings with the emissary of the UN secretary-general. Thus, Iranian Minister of Foreign Affairs Velayati announced: "Iran has officially informed Ya. Eliasson of its readiness for immediate and simultaneous exchange of military prisoners with Iraq and for the withdrawal of troops to the internationally acknowledged boundaries". This important decision, he said, was made by the IRI for the purpose of accelerating the realization of the "most immediate positions contained in UN Security Council Resolution 598, which is a manifestation of our good will and a contribution to the cause of finding a way out of the current artificially created dead-end, which does not meet the interests of either party".

The position of Iraq was in turn presented at the press conference of the country's deputy prime minister and minister of foreign affairs, T. 'Aziz. For the purpose of stepping up the Iraq-Iran negotiations on regulating the conflict, he proposed creating 5 joint committees of experts, which must hold no less than 4 meetings in Baghdad and Teheran within the course of the next 3 months, and thereby aid in the implementation of Resolution 598. These committees would be: 1. On sovereignty over the waterway of Shatt-el-Arab; 2. On the withdrawal of troops; 3. On military prisoners, which must include also representatives from the International Red Cross; 4. A committee on Articles 6, 7, and 8 of UN Security Council Resolution 598; 5. A committee on Article 4 of the same resolution. Moreover, 'Aziz noted that Iraq also does not exclude the possibility of holding meetings at the level of the ministers of foreign affairs of the two countries under the aegis of the UN secretary-general.

The Iraqi means of mass information, pointing out that their country is viewing direct negotiations as the shortest means of achieving mutual understanding and success, believe that the above-listed proposals are a new initiative by Iraq. However, Velayati says that they do not contain anything new, adding that in solving the problems concerning relations with Iraq, his country will give priority to diplomatic channels through the UN secretary-general. And now the Iranian means of mass information are calling the announcements of their country's minister of foreign affairs after the meetings with Eliasson Iran's new position. Also, they believe that

from now on the UN has everything at its disposal to take a conclusive step toward peace at the end of this year.

That is the extremely difficult task facing the UN secretary-general. In order to solve it by means of seeking a mutually acceptable compromise and balance of interests, as we see, it will be necessary to conciliate sometimes diametrically opposing positions. Well, undoubtedly, this is worth it. In today's interrelated, interdependent world, not only the peoples of these two countries, but all of us are interested in a strong political regulation of the Iran-Iraq conflict.

Death of Lebanon's President Decreases Chances for Peace

90UI0154A Moscow SOVETSKAYA ROSSIYA in Russian 24 Nov 89 Second Edition p 5

[Article by A. Novotochinov, SOVETSKAYA ROSSIYA APN correspondent: "A Blow to Hope"]

[Text] While I was thinking about these lines, the announcement came: In a little less than two and a half weeks since his election, Lebanese President Renee Muavvad had been killed. The announcement of the country's prime minister, S. Huss, stated that the murder of R. Muavvad evokes deep sorrow and anger, and that this villainous act is a crime against the unity of Lebanon, against national and human values, and a blow to the country's hopes for a better future.

In the spring of this year, at the very start of the "ports war", which added a new list of victims to the bloodshed continuing for the 15th year in Lebanon, SOVETSKAYA ROSSIYA wrote, evaluating the prospects for development of events during those days: "An unpredictable political and economic situation lies ahead, in which the chances for removal of the blockade and for continuation of the crisis are in fact equal". We can say the same about the present day. While just the day before yesterday the sinusoidal development of the political situation was rising sharply, after the explosion which took the life of R. Muavaad it stopped on the mark of indeterminacy, threatening to collapse at any moment into the abyss of new civil dissension.

Yet the possibility of coming to a national consensus has nevertheless not been lost. First of all, the very situation in the country has changed, where after the election of Parliament Deputy Renee Muavvad to the office of President of Lebanon there emerged not only the prerequisites for peace, but real steps were taken along the path of unblocking the acute conflict situation. They began to speak with new hope in Lebanon about the resurrection of the state and all its institutions. The implementation of such an important constitutional act as the presidential elections under the conditions of the Lebanese crisis became possible thanks to intensive international and inter-Arab efforts which led to the adoption of the "Charter of National Unity" by the Lebanese parliament in the Saudi city of Taife. Re-appointed to the post of the

country's prime minister, Salim al-Huss set about formulating the new cabinet—the "government of national accord", called upon to act in accordance with the spirit of the document adopted in Taife, to fight for a unified, independent and sovereign Lebanon.

Secondly, the foundations of hope if not for a lasting peace, then at least for a firm affirmation of a cease-fire, which is the main condition for its attainment, are provided by the broad international support of the processes which have begun.

Thirdly, despite the rather complex economic situation in the country, Lebanon is once again experiencing a notable upswing in business activity, hurrying to emerge as soon as possible from the state of paralysis which continued for over half a year. And although in Beirut there is felt, as before, an acute shortage of electrical power, and problems with water, telephone communications, and trash removal still continue, the process of restoring that which has been destroyed is gaining speed. There are glass-cutting trucks all over the city, bringing considerable income to the companies engaged in the repair of buildings which were damaged during the shelling. Work on unfinished construction sites is resuming.

The head of the transitional military government, General Michel 'Awn, does not agree with the new situation which has arisen in the country after the deputies approved the "Charter for National Unity" in Taife, which up until now had been in effect in the eastern zone of Beirut. He sees its implementation as the end of Lebanon's existence as a sovereign Arab state. On the eve of the presidential elections, he announced the disbanding of the national assembly, motivating his decision by the fact that the deputies do not represent the entire population of Lebanon, and specifically the generation which did not take part in the parliamentary elections, which were last held in 1972. He also refused to recognize the legality of the newly elected president. All efforts to find a compromise solution to the new dead-end situation have not as yet yielded any notable results.

Be that as it may, the process of formulating a new "government of national accord" instituted by Salim al-Huss is encountering considerable difficulties. The leading Christian parties and groupings of Lebanon have not yet announced their participation in it, and this means also their readiness to continue synonymously on the path of peacemaking. Without their support, everything may return to the point from which the last escalation began. Active political consultations are continuing in the country, whose meaning we may briefly reduce to efforts by their participants not to allow another wave of bloodshed.

Without going into the details of the sharp polemics which have developed here over the fate of peace in Lebanon, I will conclude my report on the prospects of regulating the Lebanese crisis with the words of one of

my friends, a Lebanese journalist who recently said that the passion for resurrection is growing from day to day among the people, and that there will be no forgiveness for him who this time dares to disrupt the peaceful respite and drag the country into another bloody conflict. After all, there is no doubt that those who stand behind the murderers of R. Muavvad expect to hinder the implementation of the course toward national rebirth and resolution of the crisis.

Reader Accuses IZVESTIYA of Pro-Arab Bias

90UI0141A Moscow IZVESTIYA in Russian 18 Nov 89
Morning Edition p 6

[Letter to editors from M.A. Chernyy (Moscow):
"IZVESTIYA's Pro-Arab Lobby"]

[Text] An item headed "Consider Your Own Interests," reporting Y. Arafat's advice to Japan to curtail its trade with Israel, was printed in IZVESTIYA, No 277. Formally, it would be difficult to nag at the newspaper, because it hid behind the REUTER AGENCY, but the favorable account of Arafat's arguments and the absence of critical judgments testify that the newspaper essentially agrees with the PLO leader's views. But after all, this is a case of flagrant interference by Arafat in Japan's internal affairs, an area in which Japan, and only Japan, has the right to make decisions, and without any prompting. Would you really think it was normal if someone started teaching the USSR how and with whom it should conduct its trade?

Judging by all indications, there is an influential pro-Arab lobby among the employees of IZVESTIYA. I will not try to judge whether they are doing this out of "ideological" conviction and an affinity with "Pamyat" or whether they are receiving some form of acknowledgment from Arab activists. I do not know, but there are grounds for suspicion.

This lobby is not the slightest bit impressed by the facts attesting to the "building of bridges" between the USSR and Israel, including the possible arrival of S. Peres in Moscow, which the newspaper also reported, again citing REUTER, Israel's admirable behavior in the incident involving the extradition of the gangsters from the Yakshiyanz group to our country (but did anyone extradite those who killed one of our embassy staffers and kidnapped another three in Beirut 2 years ago?), or its aid to the earthquake victims in Armenia. None of this means anything to the lobby, and it does whatever it wants, with the connivance of the newspaper administrators, turning the readers against an entire country and its people. When will this end?

PLO Diplomat Defends Palestinian Cause in KRASNAYA ZVEZDA

90UI0141B Moscow KRASNAYA ZVEZDA in Russian
11 Nov 89 Morning Edition p 5

[Article by Nabil Amr, representative plenipotentiary of the PLO in the USSR: "The Palestinian Uprising and the Question of Peace"]

[Text] The mass uprising of the Palestinian people will soon enter its third year and will become one of the most massive and protracted popular uprisings in contemporary history.

From the very beginning it was joined by representatives of all strata and groups of the Palestinian population. The uprising has engulfed all parts of the West Bank of the River Jordan and the Gaza Strip. In the last 2 years Israel has been trying to crush the uprising by sending out army subunits, security forces, and groups of militant settlers, who have indisputably been in constant communication with official government services.

In their firm and steadfast commitment to the slogan of the uprising—"Freedom and Independence"—the Palestinian people have suffered great losses: Around 8,000 have been killed and tens of thousands have been wounded. The number incarcerated cannot be calculated because individual and mass arrests are made each day and on a broad scale, as a result of which the Israeli Government has had to turn many schools and other public buildings into prisons.

The uprising is headed on the local level by an organ known as the united command. Its members represent all of the movements and organizations united under the PLO banner. In other words, the united command represents a PLO assault force operating in all of the occupied territories.

Fierce confrontations between the Palestinian rebels and occupation troops take place every day. The territory of the West Bank and Gaza Strip has become the site of bloodshed, which is compounding the tragedy of our people and, by the same token, complicating the maintenance of the occupation regime.

Many political forces in Israel realized the danger of the preservation of the status quo. This led to the proposal of alternatives to the doctrine calling for the use of armed force to safeguard national security. This does not mean, however, that the "iron fist" policy will disappear by itself and that everyone will sit down at the negotiating table right away. The Israeli Government, headed by the extremist Likud bloc, is still relying heavily on this policy and hopes to use it for the purpose of imposing its own decision, which would formally and essentially deprive the Palestinians of the right to self-determination and the right to create an independent state.

The Government of Israel proposed the so-called "peace plan" known as the "Shamir plan." In essence, this plan proposes that elections be held in the occupied territories under the supervision of the Israeli Government for the purpose of electing representatives to conduct negotiations on behalf of the Palestinian people. In this way, Israel is granting itself the right to choose the "players." This will be enough in itself to produce predictable results.

The Palestinians rejected Shamir's initiative. This plan did not win any noticeable popularity even in American

groups. The United States let it be known that it had several reservations. To break the deadlock, Egypt proposed its own plan and submitted it to the Israeli Government, which rejected it, however, by a majority of one vote. After this, everything went back to the way it had been.

The U.S. administration, which had been too slow in making its own decisions on Middle East affairs, tried to step into the breach by proposing the plan known as "Baker's five points." It was clear from the wording of the points that the American administration was deferring to Shamir and had no intention of mentioning such crucial issues as the political rights of the Palestinians.

All of these ineffective and slow steps led to a single result: the loss of precious time and the establishment of conditions for an increase in violence on the West Bank and in the Gaza Strip. It is possible that when the United States chose this political tactic, it was trying to give Israel enough time to crush the uprising and impose its own settlement plan. The Americans must take an objective look at what is happening, however, and they must acknowledge the impossibility of crushing the uprising and, consequently, the impossibility of forcing the people to accept political solutions ignoring the right of the Palestinian people to self-determination.

The impossibility of stopping the uprising by means of repression is not only a matter of the position taken by the Palestinians themselves. This is the logical conclusion which can be derived from a careful look at how the Palestinian masses on the West Bank and in the Gaza Strip are living at the present time. The uprising has become a way of life here. And not only in the sense of demonstrations or of people throwing rocks and gasoline-filled bottles. There are feelings of indignation and rage which have taken root and have become ingrained in the last 2 years. In these years the people have established their own economy, supplying the population with the vital necessities and allowing it to survive the economic blockade. Work is being conducted with the masses, according to plan, in every field: culture, education, public health, and the national movement. The Palestinians have been highly disciplined and highly responsible in carrying out the programs which are drafted and implemented daily by various departments and organs of the united command.

The Palestinian society in the occupied territories is gaining strength and is so solidly united that no Israeli forces can divide and conquer it. With these new attributes, this society constitutes the foundation of the Palestinian State, the birth of which was announced a year ago at the session of the Palestine National Council in Algiers. Persistent efforts are now being made to put up the edifice of this state.

The Israelis are trying their best to find cracks in the Palestinian building, but all of their efforts end in failure because of the strong national consciousness and passionate patriotism of all Palestinians. These qualities

have been distinctly manifested in the continuing uprising and in the unanimous support of the PLO as the Palestinian people's only legal representative and the leader of their struggle.

Israel is still trying to swim against the current. It is closing its eyes to the profoundly meaningful fact that the Palestinian State has been recognized by the overwhelming majority of countries in the world, and to the growing international support for the rights of the Palestinian people, including the support of influential segments of the Israeli public.

Now that the uprising is entering its third year, the time has come for the Israeli leaders to open their eyes and to see the facts. It is time they realized that a just and lasting peace is the only way out of the blind alley Israel entered when it began relying on military superiority.

The time has come to listen to the voice of reason. It is time for Israel to accept the historic peace initiative of the Palestinians, backed up by the support of the entire Arab world and by all peaceful states and forces on earth, because it is a way of putting an end to the tragedy which has brought equal suffering to the Palestinians and the Israelis.

'Laotian Phenomenon', Economic Rebuilding of Country Described

90UI0029A Moscow LITERATURNAYA GAZETA in Russian No 41, 11 Oct 89 p 15

[Article by Ilya Fonyakov: "The Laotian Phenomenon. Building So As Not To Destroy"]

[Text] In the middle of Luang Prabang, the second most important city in Laos, in the former royal residence, which is now a provincial center, there is, appropriately, a busy market. Traditional fabrics, from which Laotian women sew their remarkable skirts with a strip of decoration around the edge, are in special demand. Here these skirts are worn by literally all representatives of the fair sex (with the exception of the "black Meo" who come down from the mountains in their light trouser garments that are black in color): young and old, well-off and poor, the wife of the prime minister and the woman who runs the eating facility on the street, the journalist in the office and the maid in the hotel. Like any work of folk art the decoration is distinguished by impeccable taste and is almost never reproduced. I do not rule out the possibility that the Laotian fabric will become fashionable far beyond the borders of the country. Now under the shed of one of the stores a tall thin European is raising havoc, admiring a piece that has struck his fancy. The shopper's face is familiar: He is an Italian from a tourist group staying in the same hotel as we are.

The parties are in no hurry; they are bargaining. First with fingers, then with the help of figures on paper, and finally with an electronic mini-calculator borrowed from the shop next door. No, they are not talking about the price of the item, about which the buyer and seller agreed

long ago. But the Italian is paying with dollars and the young sales clerk with the dazzling smile is giving him his change in the national currency—kips. The Italian does not object but demands that she use the official exchange rate: 450 kips per dollar. But the sales clerk insists on a figure of 400: "This is used everywhere on our market, just ask anyone!" God only knows what the difference is—kips are small monetary units; we do not even know for sure what to call the unit in Russian—"kips" or "kip" because nobody uses the word in the singular. But in a European's mind, in monetary matters the procedure should be clearcut.

I do not even want to hear how the argument ended. One is struck by something else: It turns out that the best known Western currency is valued on the "black" market here below the official rate!... Incidentally, there is no "black" market here; everything is done freely and legally both in Luang Prabang and in the capital—Vientiane. True, in a store in the capital you can get a little more for a dollar than you can in a bank: 480 kips—again, the difference is more symbolic than anything else. And this situation, with insignificant fluctuations, has continued in one country or another for a fairly long time. The times when there were several different, and arbitrary, exchange rates in a country—one for international organizations, another for tourists, and a third for citizens receiving transfers from abroad—are a part of the past. There is now only one exchange rate, which is dictated by the economic situation.

It is amazing: Has a country which not without justification has been included among the least developed in the world really been able to provide for a national currency that is stable and freely convertible—at least within the country? This seems almost incredible against the background of the galloping inflation in neighboring Vietnam which has a much greater economic potential. And then there are our own dreams, still quite vague, of a freely convertible ruble. But nonetheless this is true. This is one of the signs of the Laotian phenomenon about which much is being said lately in diplomatic and journalistic circles.

People who were in Vientiane 3 years ago say that you cannot recognize the Laotian capital, even from the outside. The city is cleaner and more attractive. A lot of building is going on: There are no gigantic construction sites, but here and there residential buildings and shops are springing up and stores are being opened. There is more and more activity on the streets. In the lobby of our hotel a large group of people all with the same yellow badges on their lapels were gaily pushing their suitcases toward the exit. One of them, noticing my interest, took the badge from his suit and handed it to me. I offered something from my stock of Soviet badges in exchange and immediately several hands were extended from all sides: "Me too, me too!" Someone even offered money and then in confusion explained himself in excellent English: I have nothing to give you now but if you happen to be in Bangkok when we are...

The Thais are residents of Thailand, which can be seen right from the center of Vientiane, on the opposite bank of the Mekong! Has it been a long time since the relations between the countries have been strained, the newspapers have been dotted with reports of armed provocations on the border, and in the courtyard of the Vientiane Museum of the Revolution one of the displays was a Thai fighter that had been shot down? True, it did not appear for long—times have changed. Today practically nobody remembers the disputed patch of land on the border: Is this worth fighting about when tempting prospects for cooperation are opening up, when in the stores and markets of Vientiane and other cities there are more and more Thai goods and the head of the government of Thailand is received in the capital of Laos with respect and joy?

The turning point for the Laotian changes is quite definite: November 1988, the 4th Congress of the People's Revolutionary Party of Laos, whose decisions were developed and concretized by the subsequent 5th Plenum of the NRPL Central Committee. They proclaimed a course toward comprehensive renewal of life, which is frequently denoted by a familiar phrase: new economic policy—NEP. Although some parallels here are conventional, in general the constituents of the Laotian NEP are familiar. They include weakening centralized control over foreign and domestic trade and granting the provinces the right of trade with foreign partners (previously there were control posts to check on who was taking what where even on the borders between the provinces!). This destroys the competition of trading firms and the activity of private merchants. And, finally, there are measures for transforming state enterprises into "independent economic enterprises" based on complete economic accountability, so that the economic leaders will be concerned with profit and not rely for everything on the state, which is not supposed to allow them to perish and will cover losses in the event of failure. These three points of the current Vientiane economic policy are singled out by the authoritative Hongkong journal FAR EASTERN ECONOMIC REVIEW. It would seem that there is really nothing new here. Something similar is being carried out in Vietnam and certain aspects of it are reminiscent of our perestroika. But competent specialists emphasize that in the former "kingdom of a million elephants and a white umbrella" the seeds of transformations fell on largely specific kinds of soil. Having proclaimed after the victory of the 1975 revolution a course toward the construction of socialism, the Laotian leaders took into account the experience of those who had entered on this path previously and acted circumspectly. They were not tempted by any "large leaps," they did not give in to megalomania, and they did not strive to construct large and prestigious modern enterprises regardless of the price. Although there were such proposals: Right up to building a new capital following the example of Brazilia and Islamabad, supposedly because Vientiane lies on the Thai border. They thought about the transformation of agriculture in time as well: Having reported the creation

of more than 2,000 peasant cooperatives at the end of the seventies they rapidly became convinced of their ineffectiveness, disbanded the premature associations, and began to create new ones. This was done without hurrying, without striving necessarily to reach the highest forms of cooperation. The country now has in operation about 3,000 peasant associations which remind one of the TOZ's [associations for joint cultivation of land] we once had. Relying on ancient traditions of communal mutual assistance in labor, these cooperatives do not hamper the peasant and do not extinguish their personal interest in their labor.

In general they have not tried to tear down as much as they could here. They have not even gotten rid of the statues of the deposed king that were in Vientiane and Luang Prabang. And the immense depictions of the former monarch, his wife, and his eldest son which, incidentally, were painted by the Soviet artist Ilya Glazunov in keeping with all the canons of the formal court portrait, still greet the visitors in one of halls of the Luang Prabang palace which has been transformed into a museum. Nor have they engaged in an exhausting struggle with religion, with the buddhist monks, whose orange robes are so familiar on the streets of Laotian cities. The majority of the monks are young men, even adolescents, and only rarely does one see an older bespectacled mentor. When a youth enters a buddhist monastery it certainly does not mean that he will be removed from the world forever. True, one can do this no more than three times in one's life. But during the time spent within the monastery walls the young person receives a certain moral education and some trades are also taught: I once saw 16- and 17-year-old youths in their exotic clothing with the bare right shoulder, equipped with chisels and planes, restoring the building of a temple, doing carving on the door, and building boats...

One way or another the years of popular power did not pass without benefit for Laos. And when during the course of the transformations the Laotian leader Kay-sone Phomvihane advanced the thesis of the interdependency of the national economies of various countries, regardless of their social structure, especially neighboring states, this thesis encountered a lively response. And not only from the neighbors. They saw in the republic a reliable partner—calm, stable, and not inclined toward adventurism. It is a rare issue of a Laotian newspaper today that has no reports of, for example, the Australian government making a decision to grant aid to Laos in the amount of 30.5 million dollars for the construction of a bridge across the Mekong to the Thai side; that the Laotian leaders had received the French minister of agriculture and forests, Henri Nallet, and expressed their gratitude to the government and people of France for their help in developing the country; that there had been (for the first time since the formation of the LNDR) Laotian-American negotiations which envisioned, in particular, joint actions in fighting against the production and dissemination of narcotics; that an

agreement had been signed between the trade ministry and a Laotian businessman living aboard Buom Ratanavong for the reconstruction of hotels in the provinces of Champasak, Savannakhet, and the municipality of Vientiane, and also the construction of similar new facilities for joint operation.

The cooperation between Laos and our country and how effective it is are the subject for another discussion. But we cannot but mention road number 9 which gave the mountainous republic access to the sea through the Vietnamese port of Danang, the program for training national cadres for work in various areas of the economy and culture, or the development of trade on a mutually advantageous basis. Laos has something to give us—from tin concentrate to coffee, from plywood to medicinal plants and even such an exotic product as benzoin which is used in church rituals. Not the last thing to be mentioned should be the cooperation between their national institute of social sciences and the USSR Academy of Sciences in creating the concept of the development of Laos up to the year 2005. The creation of this concept was not simple although there are highly qualified, modern thinking economists in the country. Laos has now adopted a formula: We are improving the national democratic system and building a basis of socialism. As before the "controlling interest" is in the hands of the socialist state—energy, bridges, roads, transportation, a considerable share of the timber industry, construction, medical service, and the education system (although there are physicians in private practice and the question of private schools is being discussed).

Of course there is no means that would enable them to emerge from ages of backwardness in one leap. Problems remain: Suffice it to say that the limitation of shifting cultivation is still a crucial problem in Laos. There is a critical shortage of personnel and those who are there do not have enough experience and sometimes do not wish to think and work in the new way. Recently the newspapers criticized the leaders of the timber industry: Is it reasonable to export round timber at a low price when there are capacities for processing it (and they are standing idle!)? The Laotian "perestroyka" has shown the imperfection of the tax system: Merchants find it easy to shelter some of their income and the treasury does not have enough money to pay state employees. At the time when I was in Laos acquaintances of mine were complaining: They had not received any pay for 3 months; there was no money in the bank. Under these conditions, of course, the state has the temptation to increase emissions, if only by a small, barely noticeable amount. But...first there is one "barely noticeable" amount, then another, and before you know it you have inflation! Laos has taken a different path: Most of the wages are paid in goods, using coupons and ration books in state stores. This, of course, significantly limits the selection but it also produces certain guarantees. And at the same time it prevents the inflation of the mass of money and contributes to maintaining the "weight" of the national payment unit.

Salaries are not very high. It is difficult to live on them. Subsidiary farming helps—even in the cities.

"I have a small plot"—I was told in Russian by a publishing industry worker named Vivan who, of course, had been "rechristened" Ivan. "I raise fruits and vegetables and dealers buy my products and sell them on the market. My relatives help me when things get difficult. My uncle, for example, has a large subsidiary farm; he is the director of an institute. It is not easier for us but we get by. And we have hope!

The hope of the Laotians is not springing out of nowhere. There is no reason to speak of any "Laotian miracle":

The processes that are taking place are fairly contradictory and some people are bothered by the renewed economic "polarization" and the appearance of new "rich" and "poor" people, and state employees are frequently among the latter. But still on the whole the tone of life is improving considerably. No miracle is taking place but the Laotian phenomenon does indeed exist.

I again met the Italian I knew at the Vientiane airport. The ancient design of the Luang Prabang fabric shone from inside his transparent plastic bag. They had made a deal!

Africa Institute's Yu. Vinokurov on African Colonization

90UI0135A Moscow KOMSOMOLSKAYA PRAVDA in Russian 18 Nov 89 p 3

[Interview with Yuriy Nikolayevich Vinokurov, sector head at the Africa Institute, USSR Academy of Sciences, by correspondent A. Svistunov: "Unretouched Picture of Africa"; first paragraph is KOMSOMOLSKAYA PRAVDA introduction]

[Text] Think of what we missed when we looked at Africa through the prism of the old thinking! Did colonialism accelerate or decelerate the development of the continent? This was the topic of discussion at an all-union conference on "Africa and the New Thinking." Our correspondent A. Svistunov had a conversation there with Yu.N. Vinokurov, sector head at the Africa Institute, USSR Academy of Sciences.

[Vinokurov] Many countries and whole regions of the world are facing economic upheavals. I think I will not be wrong if I say that the African countries are at the top of this list. Judge for yourself: Africa represents no more than 10 percent of the world agricultural product, 1.5 percent of the industrial product, and 2 percent of the world's goods and services. What is more, 26 of the 36 least developed countries in the world are located on this continent (and represent half of all the African states).

Whereas 45 percent of the children of school age in Latin America and 35 percent of those in Asia are attending school today, the figure in Tropical Africa is only 11 percent. Two-thirds of its population is illiterate. The annual income of 40 percent of the Africans is below 250 dollars (i.e., below the official poverty line). A seemingly harmless disease—malaria—kills a million Africans each year. And just think of how many die of other diseases! Around 30 million Africans are starving. And if we compare the infant mortality rates of, for example, the United States and Africa, we derive respective figures of 12 and 137 per 1,000 births.

[Svistunov] In terms of natural resources, Africa is one of the richest continents. Experts have calculated that if agriculture here could be organized on a modern basis, it could produce enough food for all humanity. What is the reason for the poverty and underdevelopment of a region where the countries certainly did not win their independence just yesterday?

[Vinokurov] There are many reasons. Here is one of them: I personally do not care for the theory that Africans are incapable of mastering modern techniques, but the ethno-psychological characteristics of nationalities cannot be disregarded, and local traditions do discourage change. The rich natural resources only belong to the people in the nominal sense. They are actually controlled by the ruling elite and by those capable of extracting and using them—i.e., Western firms. Africa is suffering huge losses because of its inferior position in

the world market, where the prices of raw materials are low and the prices of manufactured goods and modern technology are quite high.

There is another reason which I find quite significant but others sometimes ignore. I am referring to the economic and social policies of the African governments. There are frequent complaints about the burdensome legacy of colonialism. It is true, of course, that Africa was turned into an agrarian and raw material appendage of imperialism during the colonial era and that its human resources were brutally exploited, but it was also at that time that a foundation was laid for the possible economic progress of free Africa, which has been undermined in the three decades of independence. In the past Africa exported many agricultural products, but now it cannot feed itself without outside help.

[Svistunov] If I understand you correctly, you are saying that Africa degenerated after it lost its "master" and was not threatened by the overseer's "stick."

[Vinokurov] I am certainly not trying to idealize colonialism, but an unbiased assessment of present conditions presupposes comparisons. The gap between the levels of development in Africa and progressive countries has displayed an ominous tendency toward growth instead of reduction. During the years of independence the standard of living has declined so much that the majority of the African peasantry, constituting 80 percent of the population, has no reason to be concerned about the good life because its physical survival is in question. The economy in 30 African states is in what I would describe as a comatose state. The currency entering the treasury in the form of revenues collected from monopolies or borrowed funds (Africa's debt has reached 280 billion dollars and is still growing) is only partially used, in my opinion, in the interest of social progress. Most of it is spent on industrial projects which might be prestigious but are usually of secondary importance, and a large portion is plundered by the ruling elite and by middle-level and even minor "officials." Graft and favoritism are rife.

We naturally wonder about the commitment of the groups in power in independent Africa. Their economic policies have turned out to be more or less groundless. Objective circumstances can explain some of these developments, but they do not excuse them.

[Svistunov] Is it possible that the flaws in the political structure in the African countries are to blame for everything?

[Vinokurov] There is a one-party system in 27 African countries (furthermore, in several countries all citizens are automatically registered as party members at birth or when they reach a certain age), parties are prohibited in 9 countries, and there are several parties in 16. There is clear prevalence of authoritarianism, even in the countries with more than one party. The mechanism by which policymaking is influenced from below is absent in these countries. It does not exist in the countries taking the

capitalist road or in the 13 African countries which have declared their socialist orientation.

The shortest road to power is the coup d'etat. There have been around 80 coups in independent Africa. The absence of democratic procedures has even put odious individuals in power—for example, "Emperor" Bokassa I, "renowned" for his cannibalism, or President Idi Amin Dada of Uganda, who indulged his passion for beer and boxing instead of governing the country. Of course, these are regrettable exceptions to the rule. It is much more disturbing that the authoritarian regimes are incapable of mobilizing the economic potential of society for the sake of progress even in the presence of a market economy.

[Svistunov] Yuriy Nikolayevich, the topic of the current scientific conference is "Africa and the New Thinking."

[Vinokurov] The Africans began to support the new thinking when the most dangerous regional conflicts began to be normalized on the initiative of the USSR. The increasing rapprochement of the opposing sides has resulted in favorable changes in the Republic of South Africa, and the significance of these extends far beyond Africa. The civil war which had gone on for years in Angola was stopped with the active participation of several African governments. Finally, there was the rapid advancement of the last large non-autonomous territory—Namibia—toward independence. Just 3 or 4 years ago, this scenario would have seemed completely unrealistic. Of course, many conflicts still exist, but current processes are encouraging.

All of these matters were discussed at the conference, which coincided, incidentally, with the 30th anniversary of the main center of Soviet African studies—the Africa Institute of the USSR Academy of Sciences. This was the fifth such conference and the most representative. It was attended by African scholars from almost 70 scientific and academic centers in virtually all of the union republics.

[Svistunov] What were the results of the conference?

[Vinokurov] The creation of an association of Soviet African scholars was proposed, and an initiating group was formed at the conference.

Decolonization of Namibia Crucial to Its Independence, Stability

90UI0135B Moscow KRASNAYA ZVEZDA in Russian
21 Nov 89 First Edition p 3

[Article by V. Vinogradov: "The First Step Has Been Taken"]

[Text] Just as the experts predicted, the South-West African People's Organization (SWAPO) won the election held in Namibia in accordance with the UN plan and under UN supervision. It is true that it was not an easy victory, because there was a vigorous campaign

against SWAPO, including provocative and even terrorist acts, but it was a well-deserved victory because this is the organization that led the armed struggle to liberate the country from colonial oppression for more than 20 years.

There is probably no need to repeat the numerical results of the election. I will simply remind you that SWAPO was supported by 58 percent of the voters and received 41 of the 72 seats in the constituent assembly. It turned out, however, that this was not enough to have the final word on the drafting of the national constitution—this would have required two-thirds of the assembly seats. Therefore, SWAPO will have to negotiate the elaboration of the basic law of the country with opposition parties, the largest of which, the Democratic Turnhalle Alliance, was able to win 21 seats.

In the next few months the constituent assembly will have to frame and approve a new constitution and set the date for the official declaration of Namibia's independence. This is expected to occur on 1 April next year. For now the country will continue to be governed by a South African administrator general, but with the participation of the Namibian Government and under UN supervision.

At his first press conference after the election results had been announced, President S. Nujoma of SWAPO, who is expected, and with good reason, to head sovereign Namibia, confirmed his party's commitment to the cause of national conciliation and peace in the country. This is only the first step in a long journey, Nujoma stressed, and SWAPO now has the tremendous responsibility of leading Namibia to a state of genuine independence. During this process, SWAPO does not intend to impose its opinions on other parties in the work on the constitutional draft, and it will give them the opportunity to make suggestions, which will then be discussed on a democratic basis.

As Nujoma said, SWAPO intends to adhere strictly to the provisions of its campaign manifesto. He promised that his organization would not impose a one-party system on the country against the wishes of the voters and said that it wants to secure human rights, a mixed economy, and the development of agricultural and industrial production. As soon as Namibia is completely free, it will join the "frontline" states, become a member of the Organization of African Unity and the United Nations, and support the struggle in the United Nations for the elimination of the apartheid system in southern Africa.

These are the plans Nujoma announced for the near future. They will be preceded by daily painstaking work to form a government and elect a president, and this is unlikely to take place in favorable conditions. After all, although the Pretoria government announced its acknowledgement of the election results in Namibia and its willingness to work with the future government, there are influential forces in South Africa with no tolerance

whatsoever for the present course of events in the neighboring country, and they are ready to undermine its advancement toward complete freedom.

During the upcoming crucial period, it will be extremely important for all political forces in Namibia and all parties to the settlement to display a strong sense of political responsibility and do everything within their power to complete the process of Namibia's decolonization and establish the peace, stability, and national accord that will be so essential in the new state's free and independent development.

Angolan MPLA Leader Predicts Peace in South Africa

90UI0126A Moscow PROBLEMY MIRA I
SOTSIALIZMA in Russian No 10, Oct 89 pp 13-15

[Article by Jose Eduardo dos Santos, chairman of the MPLA-Labor Party and president of the People's Republic of Angola: "Peace Will Be Established in Southern Africa"; passages in italics as published; first paragraph is PROBLEMY MIRA I SOTSIALIZMA introduction]

[Text] The journal asked the Angolan chief executive to share his views on the state of affairs in southern Africa, the progress in the settlement of the regional conflict, and the situation in the country and the party. Here is what he said.

The main concern of the MPLA-Labor Party and the Government of the People's Republic of Angola with regard to the situation in southern Africa, the matter of the greatest urgency, is *the achievement of peace and complete stability in the region and the elimination of the apartheid regime*. Our second concern is the *independence of Namibia*, the territory of which has been illegally occupied by South Africa against the directives of the United Nations and the Organization of African Unity.

It is within the context of these two matters that we plan our policy in southern Africa and seek ways of eliminating apartheid and securing the independence of Namibia. Pretoria's occupation forces are illegally using its extremely long common border with Angola as the main base for acts of aggression and sabotage against our republic. We have drawn up a *general plan* for the resolution of South-West Africa's problems with the aim of implementing UN Security Council Resolution No 435/78 and cutting off the assistance UNITA gets from the United States and South Africa. Of course, we demanded the withdrawal of South African troops from the southern portion of Angola's territory they had occupied. In exchange for compliance with this demand, the PRA agreed to the gradual evacuation of the contingent of Cuban internationalists who had helped the Angolan people defend themselves against the aggression.

This was not accomplished easily. The talks went on for several years. As a result, agreements were signed in New York on 22 December 1988 to secure the fulfillment of the UN resolution starting in April 1989.

How the Peace Plan Is Being Carried Out

Our activity in this area can be divided into two phases. The first envisaged the resolution of problems connected with the *external factors* causing the deterioration of domestic affairs in Angola. In particular, this entailed the elimination of interference by imperialist powers in the republic's internal affairs and the cessation of the direct military intervention of the South African regime, the concerted military support of UNITA gangs, and the interference of the United States.

During the second phase we had to solve our own *domestic problems*: Above all, we had to settle the armed conflict between the Government of the PRA and UNITA. We are presently in this phase.

The internal peace program drawn up by the MPLA-Labor Party and the Angolan Government presupposes the cessation of interference by Washington and Pretoria in the internal affairs of our republic, the suspension of military actions everywhere in the country, and the guaranteed observance of the constitution and all other basic laws. This means that members of UNITA will be included in political, military, and economic affairs on an individual basis, in accordance with the rights granted to each citizen. The plan also presupposes the temporary departure of J. Savimbi from the Angolan political scene and his move abroad (in accordance with the personal wishes he expressed last March).

This May the peace plan our side submitted won the support of the leaders of eight African states at their meeting in Luanda. President Mobutu of the Republic of Zaire, Savimbi, and the UNITA leadership also approved the basic provisions of the plan. Later, the leaders of 21 countries, including 18 heads of state, met near Kinshasa for a new African summit meeting. They approved the basic points of the Angolan Government's peace program. A cease-fire in Angola on 24 June was announced.

We encountered certain difficulties, however, in the fulfillment of these agreements. They are understandable because our country has been living in a state of war for more than 27 years, and for more than 14 the UNITA units have been firing on us, killing civilians, and destroying populated communities and elements of the infrastructure in an effort to prevent the establishment of the socialist state. We hope that these initial difficulties will be surmounted and that peace will be established in Angola in the near future. Then our people will be able to devote all of their energy to the economic and social reconstruction of the country.

The complete implementation of the general plan will naturally create a new situation in southern Africa, and this will promote the search for peace in Mozambique.

The independence of Namibia and the guarantee of peace in Angola and Mozambique will also have an extremely positive effect on the regime in South Africa, where internal conflicts have grown more acute with each day, especially after the defeat the South African troops suffered in Angola in 1987-1988, which was the main reason for the changes in Pretoria's policy toward our country and toward southern Africa as a whole. South Africa is suffering from increasingly difficult economic conditions, not to mention the social conflicts engendered by racial discrimination and the inhumane system of apartheid.

In view of the changes that are taking place in the region as a result of the growing strength of progressive forces, the growing ranks of the advocates of peace and freedom, and the changes in international relations contributing to the development of a general process of detente—the U.S.-USSR rapprochement—the new South African leader has publicly promised to make changes in policy, to seek a political solution to the problem of apartheid, and to establish more balanced relations with all neighboring states on the basis of mutual interests. The countries of the region are watching all of these events with great interest because they want the elimination of apartheid and the establishment of a democratic regime of the black majority in South Africa.

Theory of Economic Development

Now let us take a look at problems in Angola's internal development. Our party elaborated a new economic theory at its second congress (in 1985). It is based on an alliance of the private and state sectors and the use of all economic factors for the purpose of national reconstruction and economic and social progress.

As you know, the country has mixed and capitalist sectors in addition to the important public sector. The capitalist sector naturally consists of foreign investors, including transnational companies, and of small and mid-sized Angolan businesses. Although the government directs, coordinates, and monitors activity in all sectors of the economy with the aid of various mechanisms, it is concentrating on the fulfillment of the annual assignments in the national development plan.

Of course, we are trying to pay the necessary attention to problems connected with activity in the *socialist* sector of the economy. In essence, these problems do not differ much from those which arise in all socialist countries and are now the object of thorough investigation and major reforms. The improvement of economic conditions and of the entire economic structure and the elimination of the excessive centralization and bureaucratization of economic management are being carried out in line with the perestroika in the Soviet Union and similar processes with certain distinctive features in other socialist states. We are arming ourselves with the kind of methods of economic management that will secure *greater decentralization*, and we are changing the very principles of planning in connection with this.

A new law on state enterprises has been passed to enhance the *autonomy of enterprises* and improve management. On the macroeconomic level, the establishment of efficient pricing practices is underway, and the exchange rate of the national monetary unit in relation to the dollar will be adjusted in line with its real purchasing power. We are also working on the regulation of wages and the *improvement of state finances*.

We have a state budget deficit, the result of the poorly organized and unprofitable operations of several enterprises. The reconstruction of the economy is intended to turn them into profitable concerns, primarily with the aid of financial leverage and economic methods of management in place of authoritarian procedures.

On the level of foreign economic relations, the recovery program envisages the revision of *debt repayment* schedules with the consent of creditors. Most of them are Westerners, and Angola's membership in the International Monetary Fund is one of the conditions they have set for the review of payment schedules. After weighing all of the facts, the government of the republic decided to join the IMF and become a member of the World Bank. This was not an easy process because the United States tried to prevent it, but everything eventually worked out in our favor. We were able to win the number of votes required for membership in the organization.

The next phase entailed discussions within Angola itself of the need for longer repayment terms for the foreign debt, in line with our wishes to revive the national economy and to free financial resources for its growth and development.

In general, the economic program proposed at the second party congress calls for changes in methods of management, the better management of state enterprises, the augmentation of their profitability, the reduction of their dependence on the state budget, the more efficient use of cost relationships, and the improvement of domestic and foreign finances. This presupposes the training and efficient use of national administrative personnel and all other participants in economic relations, maximum accessibility, and the use of foreign investments for economic recovery.

Decisive Force

The MPLA-Labor Party plays a leading role in government. Today it is the decisive force in governing the country and the entire Angolan society. This is why we are concerned about internal party unity and are keeping a close watch on the training of executive officials and middle-level personnel. We have a system of ideological education and a central party school with branches in the provinces.

The party influences the main public organizations in our country through its members and officials. These include the National Association of Angolan Workers, the League of Angolan Women, and some other organizations with hundreds of thousands of members. We are

also working with other social organizations and unions of writers, artists, actors, and musicians. There are many young people in the party, and they are influencing the younger generation of Angolans, especially university students. Schoolchildren are united in the Organization of Angolan Pioneers.

The problems our party is facing at the present time call for a new *strategy of political alliance*. The means and methods of analyzing the changes in the national economic structure and the methods of adjusting the political superstructure in line with these changes are being debated widely. This will lay a foundation for the broader participation of all citizens in political, economic, and social processes in the future.

Racial Harmony Is Possible

As I have already said in the most general terms, for objective reasons, the Government of South Africa cannot evade changes in its domestic and regional policies. The state has reached a certain level of economic, scientific, and technical development. It has qualified personnel and advanced technology, and it has the potential to offer its products to countries in the region and outside the region. This potential cannot be used in its entirety now, however, because of the policy of racial discrimination.

If significant steps are taken toward the elimination of the apartheid regime, we feel that this will lead to a *major political breakthrough in the African states' relations with South Africa*. On our continent it would be much more convenient and much less expensive to use

its products, technology, and technical expertise. I think the South Africans would like to make use of the opportunities the potential markets in neighboring countries can offer them. This means that in the near future, after the problem of apartheid has been solved, the South African Republic and other states of the continent will display an interest in mutual cooperation and the broader use of South African resources. Obviously, this will be a gradual process because no radical decisions can be made on these matters right away.

Consider the example of Zimbabwe, which attests to the possibility of the sequential resolution of the problem through the development of a national model of racial harmony in a normally functioning political system. We feel that the use of this experience in South Africa could lead to the creation of a system securing the harmonious combination of the interests of all races and tribes, and eventually of all the main political forces, within the confines of a single democratic state. There is no doubt that this model presupposes the release of political prisoners, including ANC leader N. Mandela, and negotiated solutions to the main political problems of the South African society.

We hope that peace will finally reign in the region before 2000. To attain this goal, it will be important for the international community to mobilize forces in support of the people of our continent, especially southern Africa, and to join the struggle of the members of the white population of South Africa who want to change the system and are fighting for the quickest possible elimination of racial discrimination and for a political settlement in the region.

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