



**FOREIGN
BROADCAST
INFORMATION
SERVICE**

JPRS Report

DISTRIBUTION STATEMENT A

Approved for public release;
Distribution Unlimited

Soviet Union

International Affairs

DTIC QUALITY INSPECTED 2

19980518 070

Soviet Union

International Affairs

JPRS-UIA-89-013

CONTENTS

15 AUGUST 1989

WORLDWIDE TOPICS

Controversy Over Meaning of 'Priority' of All-Human Interests	1
Foreign Communists' Concerns Cited	
[S.L. Agayev; <i>RABOCHIY KLASS I SOVREMENNYI MIR</i> No 6, Nov-Dec 88]	1
'Hierarchy' of Values Defended	
[B.I. Koval; <i>RABOCHIY KLASS I SOVREMENNYI MIR</i> No 1, Jan-Feb 89]	6
Continued Class Struggle Urged	
[A.M. Kovalev; <i>RABOCHIY KLASS I SOVREMENNYI MIR</i> No 1, Jan-Feb 88]	12
'Dialectic' of Class, All-Human Interests	
[N. Tabunov; <i>KOMMUNIST VOORUZHENNYKH SIL</i> No 8, Apr 89]	17
Czechoslovakia's Obzina on Priority of Ecology	
[Y. Obzina; <i>PROBLEMY TEORII I PRAKTIKI UPRAVLENIYA</i> No 2, 1989]	23
Official Describes Znaniye Society's Activities Abroad	
[N. Golovko; <i>ARGUMENTY I FAKTY</i> No 25, 24-30 Jun 89]	26

EAST-WEST RELATIONS

U.S. Call for COCOM Control of HDTV Technology Exports Ridiculed	
[A. Golts; <i>KRASNAYA ZVEZDA</i> , 8 Apr 89]	29
Soviet Contacts With Emigres Described [A. Yeliseyev; <i>SOVETSKAYA ROSSIYA</i> , 23 Jul 89]	29

SOCIALIST COMMUNITY, CEMA

CEMA Economic Results for 1988 [A. Borisov; <i>PRAVDA</i> , 19 Jun 89]	33
Problems in Trading with CEMA Countries [V. Shastitko; <i>IZVESTIYA</i> , 28 Jun 89]	34

THIRD WORLD ISSUES

Proposed Solutions to Third World Debt Crisis Viewed	
[M. Knyazkov; <i>SOVETSKAYA ROSSIYA</i> , 2 Jun 89]	38
AZIYA I AFRIKA SEGODNYA NO 6, 1989: Table of Contents, Summaries	
[AZIYA I AFRIKA SEGODNYA No 6, Jun 89]	39

GENERAL ECONOMIC AFFAIRS

Economist on Progress Toward Convertible Ruble	
[Yu. Konstantinov; <i>EKONOMICHESKAYA GAZETA</i> No 22, May 89]	42
Tourist Complaints of Customs Charges [V. Yashchenkov; <i>ARGUMENTY I FAKTY</i> , 20-26 May 89]	44
Pros, Cons of Food Exports, Imports [A. Ivashchenko; <i>SELSKAYA ZHIZN</i> , 17 Jun 89]	45
Foreign Participation in Agroindustrial Complex	
[V. Prosin; <i>PRAVITELSTVENNYI VESTNIK</i> No 8, Apr 89]	47
Role of Foreign Bank Credits Explained	48
Response to Readers' Questions [PRAVITELSTVENNYI VESTNIK No 1, 27 Jan 89]	48
Use of FRG Credits [PRAVITELSTVENNYI VESTNIK No 1, Jan 89]	49
Estonian Critique of Foreign Economic Ties [R. Kaarepere; <i>SOVETSKAYA ESTONIYA</i> , 17 May 89]	49

UNITED STATES, CANADA

U.S. Soybean Experts in USSR To Discuss Markets	
[S. Vovkodav, B. Fesina; <i>SELSKAYA ZHIZN</i> , 19 Apr 89]	51

WEST EUROPE

Gomel Toolbuilding Association Forms Partnership with FRG [SOVETSKAYA BELORUSSIYA, 27 Jun 89]	54
Swedish-Soviet Economic Cooperation Mutually Advantageous [A. Sychev; IZVESTIYA, 17 Jun 89]	54
FRG Economics Minister Interviewed [H. Haussmann; PRAVDA, 27 May 89]	55

EAST EUROPE

Review of Bulgarian Electronics Exhibit [N. Palkina; SOTSIALISTICHESKAYA INDUSTRIYA, 16 Jun 89]	57
Hungarian Consul General in Kiev Interviewed [A. Paldi; MOLOD UKRAYINY, 10 Feb 89]	57

LATIN AMERICA

Selected Articles from LATINSKAYA AMERIKA No 3, March 1989	61
Table of Contents [pp 1-2]	61
Global Economic Security for Developing Countries [N. G. Zaytsev; pp 11-20]	61
Decrease in Latin American Dictatorships [V. P. Totskiy; pp 21-31]	66
Social Transformations in Latin America. (Part II, Conclusion) [Yu. N. Korolev; pp 32-40]	74
Roundtable on Cuban Reform [pp 41-55]	78
Roundtable on Latin American Peace Process, Reagan Doctrine [pp 56-69]	86
Officials Discuss Soviet-Peruvian Diplomatic Relations [pp 70-76]	93
Brazilian Scientist Interviewed on Latin American Economic Development [T. dos Santos; pp 92-97]	96
First Argentine Trade Exhibit Held in Moscow [M. M. Gurvits; pp 109-113]	99
Scientific Conference on Latin American Social, Economic Development [A. S. Bondar; pp 134-137]	101
U.S. Latin American Policy Examined [B. F. Martynov, S. V. Tagor; pp 138-143]	103
Coffee Shortage Linked to Decline in Oil Exports to Brazil [L. de Agiar Neto; ARGUMENTY I FAKTY No 14, 8-14 Apr 89]	106
Grenada Since U.S. Invasion [SOVETSKAYA KULTURA, 6 Apr 89]	107

CHINA, EAST ASIA

Improvements in Cambodian Economy Examined [M. Domogatskikh, P. Tsvetov, A. Chernyak; PRAVDA 14 Jun 89]	109
Problems, Successes of USSR-PRC Cross Border Trade [S. Kulik; Moscow SOVETSKAYA ROSSIYA, 30 May 89]	111
Japan's Scientific Research Programs Described [B. Kubichev; SOTSIALISTICHESKAYA INDUSTRIYA, 30 May 89]	113
Chinese Scholars View Mao Zedong Legacy [Yu. Savenkov; IZVESTIYA, 25 Mar 89]	114
Japanese Approach to Youth Problems, Children's Rights [Ya. Yesimine; SOVETSKAYA KULTURA, 8 Apr 89]	117

NEAR EAST & SOUTH ASIA

Soviet-Egyptian Economic Ties Viewed [E. Nalbandyan; TRUD, 28 Jun 89]	123
Economic, Social Changes in Oman [V. Isayev; AZIYA I AFRIKA SEGODNYA No 4, Apr 89]	124
Pakistani Opposition Leader on Afghanistan, Party Plans [O. Asghar Khan; KOMSOMOLSKAYA PRAVDA, 25 May 89]	126

Controversy Over Meaning of 'Priority' of All-Human Interests

Foreign Communists' Concerns Cited

18070614 Moscow *RABOCHIY KLASS I SOVREMENNYI MIR* in Russian
No 6, Nov-Dec 88 pp 112-120

[Article by Semen Lvovich Agayev, doctor of historical sciences, head of a department of the USSR Academy of Sciences International Workers Movement Institute: "The Universal and the Class: Communists' Attitude"]

[Text] During the meeting of representatives of parties and movements held in November 1987 in Moscow on the 70th anniversary of the Great October the leaders of revolutionary organizations of a number of developing countries presented a justification of their own, highly unusual understanding of the relationship of the movement for a nuclear-free world, the elimination of starvation and poverty, the conservation of nature and other most important values common to all mankind and the struggle for the liberation of oppressed peoples, in which national, class and group interests are directly interwoven. The exchange of opinions which took place shortly after this in the editorial office of the journal *PROBLEMY MIRA I SOTSIALIZMA* revealed the guarded and at times negative attitude of the communists of many countries, the developing countries particularly, toward the propositions on this subject submitted for discussion by a group of scholars of the CPSU Central Committee Social Sciences Institute (8). And in the wake of this the same journal carried an article by G. Hall, which sharply criticized certain Soviet scholars in respect of individual aspects of the understanding of the new political thinking concerning, specifically, problems of the relationship of the universal and the class in the modern world (4).

The question arises: about what, with whom and in the name of what are the arguments being conducted? Are there real differences in the world communist movement on the most cardinal aspects of the new political thinking in the form in which they were formulated at the 27th congress and subsequent forums of the CPSU and in the speeches of the Soviet leadership?

Let us turn to M.S. Gorbachev's book (3). The need for the priority of values common to all mankind over class interests is presented therein as the "main imperative of the era," but it is noted here that "a class approach to all phenomena of social life is the ABC of Marxism. This approach corresponds fully today also to the realities of the class society, in which class interests contend," inasmuch as the class struggle itself remains "the core of social development... in class-divided states now also." At the same time "an objective limit to class confrontation in the international arena has emerged: this is the threat of general annihilation," as a result of which there has arisen for the first time a real "interest common to all mankind—averting from civilization catastrophe" (3, pp

149-150). However, "the fundamental basis of general security in our time is recognition of each people's right to choice of their own path of social development and renunciation of interference in other states' internal affairs.... A people may choose either capitalism or socialism. This is their sovereign right" (3, p 146).

Raising the question of elucidation of "the new dialectics of universal and class sources in the modern area," M.S. Gorbachev writes: "But does it follow from this that we have abandoned a class analysis of the causes of the nuclear danger and certain other global problems? I say plainly: no. We cannot fail to take account of the class heterogeneity of the forces operating on the world scene, nor can we lose sight of the influence of class antagonism on international relations and the approaches to the accomplishment of all the other tasks of mankind" (3, p 152). It is noted further that the main thing is "the will of the working class reflecting universal interest in the affirmation of peace" and that "the historic mission of the working class, as the spokesman—via its own interests—for the interests of all social development, living on, continues even under the conditions, which have changed fundamentally since the time when it recognized it, this mission, for the first time" (3, p 161).

The formulation and substantiation in CPSU Central Committee material of the concept and methodology of the new political thinking has spawned an enormous amount of literature in our country. And, as is often the case, some scholars, endeavoring to overcome the strict attachment of all social processes to class-proletarian interests, which was, owing to certain circumstances, still predominant recently, wittingly or unwittingly went to the other extreme, which was close to some "supraclass" approach to an analysis of these processes.

Much here ensues from an invalid, sometimes purely mechanical identification of the tasks of the new political thinking in the sphere of interstate relations with the problems of class and political conflicts in individual countries. This is manifested in the frequently encountered assertions concerning the need for the abandonment of armed forms of struggle against local exploiter classes and strata on the pretext that it could be dangerous for the cause of general peace. Some authors are going so far as to declare that under current conditions revolutionary violence even within the framework of one country could easily change from being a "midwife" of history into its "grave-digger," and "social births" could prove to be "social death" (9, 10, p 77). There are also unwarranted attempts to buttress the emotional rejection of all violence by references to V.I. Lenin's statements concerning the impermissibility of making an absolute of... revolutionary methods (12, p 88).

Recently some Soviet authors have gone even further, posing the question of the need to view the priority of values common to all mankind over class values within the framework of a "hierarchy" of the aims and tasks of

the worker and communist movement (8, pp 53-54). An elucidation of such propositions from the viewpoint of the generally accepted meaning of the words prompts the reminder that, strictly speaking, "priority" means "first place," and "hierarchy," "order of subordination of lowest to highest". The following quite recent statement wholly confirms the fact of the use of the second of these terms in just such a sense: "Obviously, any policy must now conform to the truth that struggle for the interests and ideals of this class or the other is of *subordinate* (my italics—S.A.) significance compared with the guaranteed survival of human civilization. Thus does with inexorable logic the need for new thinking arise" (5). But does not the term "priority" lose its true significance in this case?

More substantiated, it would seem, is the understanding of the "priority of values common to all mankind" concept when it is interpreted in the sense that "no class, group interests and ideology are worth collective suicide." It is difficult also to take issue in any respect with the assessment of the universal and the class as two facets of social progress. But the ultimate conclusion in this case also is based on the division and delineation of these facets: "However paradoxical at first sight, it is the universal approach which serves as the main guarantee of social development in our world imbued with class and social contradictions" (7, p 120).

The article just quoted, as also many other publications (6, p 96; 5), adduces as a most important argument in support of the above interpretation of the priority of values common to all mankind over class interests Lenin's statement in "Draft Program of Our Party" (1899): "From the viewpoint of the basic ideas of Marxism the interests of social development are higher than the interests of the proletariat" (2, vol 4, p 220). Leaving aside the somewhat strained interpretation ensuing here from the certain ambivalence of the "values common to all mankind" and "interests of social development" concepts, I would like to call attention to the following. Whereas given an understanding of the term "priority" in the sense of "main imperative of the era" this idea of Lenin's "works" to a certain extent in favor of the new political thinking, this can in no way be said about the interpretation thereof whereby the said term is in fact identified with the other—"hierachy".

It is indicative that in the article quoted the reference to the adduced idea of Lenin's is accompanied by the following comment: "Time has vested this formula with a far richer content than was intended at the turn of the century." However, the essence of this new content is revealed in practice in the former, now virtually generally accepted, key: "In order to solve universal problems successfully it is necessary *take control of and subordinate* (my italics—S.A.) to the highest goal the contradictions between the classes. This is the meaning of the priority of interests common to all mankind" (7, p 120).

Let us examine Lenin's statement in the context of the said work. This makes it possible on the one hand to clarify its specific-historical meaning and, on the other, separate the methodological nucleus of Lenin's approach to the problem being analyzed.

It is significant that Lenin links the interests of social development here not with some "supraclass" task but with the "first political task of the worker's party" and "*class struggle* of the proletariat"—the "winning of political freedom". He observes: "...For an explanation of this task it is necessary, in our opinion, to characterize the class nature of contemporary Russian absolutism and the need for its ouster not only in the interests of the working class but in the interests of all of social development" (2, vol 4, p 220). As becomes clear from the subsequent exposition, the "interests of social development" concept in this case is linked with the "interests of the whole people" and "nationwide interests" concepts.

One notes also that Lenin in no way counterposes the interests of the proletariat and the interests of social development. The second are for him "higher" than the first to the extent that "the interests of the whole workers movement in its entirety are higher than the interests of an individual stratum of workers or individual aspects of the movement" and to the extent that the ultimate goal of the "class struggle" of the proletariat is "higher" than its "*immediate goal*" (2, vol 4, p 220). Thus Lenin puts the interests of social development "higher" than the interests of the proletariat not in terms of a hierarchical ladder but in terms of the breadth of envelopment of the social aspirations of all class forces interested in the liquidation of absolutism. After all, the practical significance of the adduced theoretical propositions amounted to an expression of support for "any revolutionary movement against absolutism" (2, vol 4, p 221). "Indication of the support of *all* fighters against absolutism is essential in the program because Russian social democracy, blended inseparably with the foremost elements of the Russian working class, must hoist a *general democratic* banner in order to group around itself all strata and elements capable of struggling for political freedom or if only to support in whatever way such a struggle" (2, vol 4, p 222).

In addition, Lenin links most closely the interests of social development and the interests of the proletariat. He formulates the thoughts adduced above in another version also: "The workers movement is going and will continue to go its own way.... The worker's party supports the peasantry only to the extent that it is capable of revolutionary struggle against the *autocracy*.... Making for lack of rights and oppression of the people and protecting the exploiters, Russian absolutism is the principal obstacle to the worker's movement, and for this reason the winning of political freedom, essential in the interests of all of social development also, constitutes the party's immediate political task" (2, vol 4, pp 229, 231, 239). In accordance with the logic of the interpretation of "priority" adduced above, it could be concluded from

this wording that Lenin put the interests of the proletariat "higher"—in terms of hierarchy—than the interests of social development, the more so in that he by no means confined these latter to a capitalist framework.

However, there can be seen in all that has been said, it seems to us, a different approach of Lenin's to the problem: at the general democratic stage of the revolutionary process the *current* interests of social development coincide with the class interests not only of the proletariat but also of other social forces interested in the accomplishment of the tasks of this stage; but proceeding from the interests of the further progressive movement of the same social development, the workers movement does not confine itself to the said tasks and struggles right up to the point of the achievement of its ultimate goals coinciding also with the *highest* interests of this development (2, vol 4, pp 233-234, 237). In subsequent years, as is known, Lenin directly formulated also conclusions according to which the accomplishment of more or less important general democratic tasks under imperialism was directly connected with implementation of a class-proletarian line.

In other words, Lenin understood priority in the class and, altogether, political struggle as first place in time—initially the "immediate task," then, the "ultimate goal". As far as the approach to their so-called "hierarchical" connection is concerned, it can be seen perfectly well in his repeated statements to the effect that whereas fundamental democratic demands may be implemented only on the paths of socialist revolution, socialist revolution itself is possible only via the development of mass struggle for general democratic transformations. Consequently, "we need to know how to *combine* the struggle for democracy and the struggle for socialist revolution, *subordinating* the first to the second" (2, vol 49, p 347).

Can it be assumed, proceeding from this, that Lenin equated the problem of priorities and an actual "hierarchy" of goals and tasks of the working class? The formulation of the question of the need to "combine" (and not separate) the struggle for democracy and the struggle for socialism means not the "hierarchical" but dialectic connection of these two types of mass movement. Lenin saw the "subordination" of the struggle for democracy to the struggle for socialism, however, by no means in an absolute plane—after all, he never denied that under certain conditions it assumes a relatively independent nature. It is a question here merely of what Lenin recalled constantly: the ultimate goal must not be lost sight of in the struggle for the accomplishment of the immediate tasks.

It is difficult ridding oneself of the impression that some of the above-mentioned attempts at an interpretation of the new political thinking are essentially constructed on the basis of old ideas concerning the paths and goals of socialist revolution. Ideas according to which this revolution primarily reflects the class—social and political—interests of the proletariat, which is called on ultimately

to liberate all the rest of the working masses. This simple and monochromatic formulation of the question overlooks the aspect of the active participation in the proletarian movement of nonproletarian strata and, what is most important, the democratic, national, humanitarian, universal potential of the socialist revolution.

Yet practically all proletarian revolutions which have occurred hitherto—from the Paris Commune through the revolution on Cuba—have begun on the basis of an interweaving of individual elements of democratic and socialist revolutions. Is this not an inalienable feature of the formation of the very phenomenon of the social revolution of the proletariat as a national revolution of a new type? Have not in all its specific manifestations the immediate demands of the broad working masses been realized not via the accomplishment of the intermediate tasks of the working class, as a result of which the ultimate goal of the proletariat has in one way or another gradually become the nationwide goal?

The rehabilitation of a genuinely Marxist understanding of the phenomenon of socialist revolution which has begun of late, its cleansing of all subsequent doctrinaire-dogmatic extraneous features and the "restoration" to this revolution of a humanitarian dimension afford an opportunity for an approach thereto from new standpoints: from the viewpoint not simply of a typologically particular social type but as a culminating stage on the long path of man's return to his essence and the shaping of a free, universally developed personality, that is, on the historical highway of general emancipation. But we still have to elucidate in full the deep-lying essence of the Marxist program of socialist revolution—humanism binding in one the interests of the individual, the most progressive class of the era and all mankind.

Of course, all past socialist revolutions occurred in more backward countries compared with the contemporary highly developed capitalist states. But it is all the more important to consider that the general democratic tasks arising in the latter are an offspring of the capitalist system itself, and not a legacy of past eras, as in Russia and other countries. And this could to an even greater extent contribute to the rapprochement and interweaving of the democratic movements and the anticapitalist struggle. It is with regard for this fact that the communist parties of developed capitalist countries have in recent decades elaborated the concept of "progressive," "anti-monopoly democracy" and are now putting on the agenda struggle for the "economics and democracy of peace".

This is precisely the intermediate task which on the one hand is appreciably extending the boundaries of the direct demands of all working people and, on the other, ensuring in the long term their connection with the ultimate goal of the all-around transformation of the

bourgeois system in the interests of general emancipation. It is on this touchstone that the objective problem of the "socialist character of the overwhelming majority" (Lenin) may be resolved.

In the modern, largely interdependent, but still class-divided, world the struggle for values common to all mankind cannot be conducted other than via the specific interests of all the sociopolitical forces participating therein. Under such conditions this struggle can, obviously, in no way be considered "supraclass"—this would be tantamount to discrediting the said values as "no one's". Considering its objective bases, as, equally, the composition of the participants, it may evidently be maintained that it is of a practically general class (more precisely—multiclass), that is, simultaneously both democratic and socialist, nature. If so, it is it which personifies the task of the current stage of world development within whose framework the struggle for democracy and the struggle for socialism do not simply intermingle but organically merge in a new, general character opposite to the inhumane principle in contemporary world politics whose exponent is primarily the military-industrial faction of the monopoly bourgeoisie. This process is obviously occurring in the channel of the changes which are currently under way in the working class leading to a broadening of the "aggregate workman" concept and, possibly, to the incipient molding of a new, aggregate subject of social progress (see 11, pp 89-90).

This approach raises to a new level comprehension of Lenin's statements to the effect that the implementation of fundamental democratic transformations inevitably leads to socialist goals. For "consistent democracy on the one hand becomes socialism and, on the other... it requires socialism" (2, vol 33, p 78). The more so in that "no fundamental democratic demand is practicable in any way broadly and lastingly in the foremost imperialist states other than via revolutionary battles under the banner of socialism" (2, vol 27, p 274).

What has been said by no means signifies a need for the immediate advancement here, there and everywhere of direct socialist goals. What has been said signifies merely the necessity of never losing sight of the "task of the *slow* approach to the start of social revolution" (2, vol 31, p 181), by, naturally, the paths and in the forms which are predetermined by the realities of the modern world.

In fact, consistent and purposive struggle for values common to all mankind inevitably leads to a confrontation with certain immanent properties of capitalism—militarism, a utilitarian attitude toward nature, inequality in international relations, the alienation and splintering of the personality and so forth. And its anti-capitalist potential, whose realization should bring about the conversion of certain basic properties of capitalism into their opposite (initially if only in the sense in which imperialism, according to Lenin, is the opposite of pre-monopoly capitalism) (see 11, p 84), will be reflected increasingly manifestly here.

Consequently, it is utterly wrong to interpret the priority of values common to all mankind over class interests noted in CPSU documents and material in the plane of the absolute subordination of the second to the first, which acquire, per the logic of such an interpretation, the predominant position. The demand for a dialectical approach amounts in this case, obviously, to the elucidation of their correlation not within the framework of the "domination-subordination" antinomy but in the context of equal interaction within a new contradictory unity.

The dialectics of this interaction are, it would seem, the fact that whereas values common to all mankind may be realized only via the class interests of the most progressive social forces of the present day, these interests also in the course of their realization become the most real embodiment of values common to all mankind. Just as within each country which has experienced a socialist revolution and subsequent stages of socialist building the class tasks of the proletariat have been transformed into a nationwide goal. This, in K. Marx's words, "is possible only on condition that the general interest becomes the particular interest *in reality*.... This, in turn, is possible only on condition that the particular interest becomes in reality *general*" (1, vol 1, p 273).

Thus in the modern era, when the threat of nuclear self-annihilation looms over mankind, the problem of the correlation of values common to all mankind and class interests should be posed with regard for the considerable complexification of the dialectics of social progress, which in the past also always blazed a trail for itself via a complex struggle of opposites. Speaking today of the priority of values common to all mankind means, consequently, recognizing their growing significance and taking account of them increasingly fully, and not subordinating to them national-state, class and other interests of the international proletariat and the world socialist system; this means acting as the consistent defenders of values common to all mankind and mobilizing for the struggle all progressive classes and strata of contemporary human society, and not prompting them to forgo their own interests in the name of the so-called "unity of mankind".

Not only a dogmatic absolutization of the fundamental contrast of the two world social systems signifying a renunciation of joint efforts in the search for ways to preserve peace and life on Earth but also the essentially anti-historical glossing over and blurring of the confrontation between capitalism and socialism, as a result of which the significance of the struggle for social progress is downplayed, are unacceptable in this connection. The pressing need for the wholeness of the world community to be reckoned with by no means precludes recognition of the unconditional right of each people to independent choice of development path for under modern conditions it is a question not of the conservation of the

evolved wholeness but of its free development in an atmosphere of general security, which not only must not but cannot be created by way of artificial preservation of the social status quo.

In other words, the real novelty of the new political thinking amounts, and this should be emphasized particularly, not to a renunciation of the class approach to reality but its correlation with the demands of the modern era. This applies equally to our understanding of the class tasks and aims of the proletariat, which at the present stage are acquiring a dimension common to all mankind which is even more profound than ever before. The classics and many popularizers of Marxism have in their time noted repeatedly that if the proletariat wishes to put the defense of its class interests on the broad basis of political struggle, it must fight for the common interests of truth, culture, justice and humanity. Nor is it fortuitous that many communist parties are now declaring themselves political organizations not only of the working class but all working people also.

Let us now attempt to collate the positive elements of the approach of representatives of the communist parties of nonsocialist countries to the questions broached above, taking as a basis the material of their speeches in the editorial office of the PROBLEMY MIRA I SOTSIAL-IZMA journal.

While recognizing the urgent need for changes in all spheres of the struggle for peace and social progress, many of them deem it necessary, however, to approach the problems ensuing from this with regard for the particular features of the situation in different regions and countries, to analyze this struggle more consistently at the international and national levels and avoid oversimplification and determinations given for all. The attempts to establish priorities within the framework of a hierarchy of goals and tasks of the worker and communist movements and to counterpose the peace movement and the class struggle are causing particular concern inasmuch as such attempts could lead to fatalism and social passivity and, at times, to abandonment of class struggle and social revolution.

While recognizing the priority, paramount significance of the task of the survival of the human race, the majority of the above-mentioned representatives at the same time consider it essential to link the struggle for the accomplishment of this task more closely with the struggle for democracy and social progress. They reject the propositions concerning some values of a "supra-class" nature, believing that, granted the existence of a whole number of fields in which interests may meet and opportunities for cooperation may be created, the ultimate goals of different classes and social systems remain different.

While agreeing with the proposition that the priority of interests common to all mankind is an essential prerequisite of social progress, the participants in the debate at

the same time emphasize the reverse connection: class struggle is a condition of the preservation of values common to all mankind. The main thing now is finding the correct correlation between the struggle for peace and social progress: without recognition of the direct connection between peace and development it will be difficult incorporating the people's masses of the emergent countries at large in the movement for values common to all mankind. For these countries, where no fewer people die annually from starvation and disease than from a dozen atom bombs, the very choice between nuclear catastrophe and the tragedy of day-to-day existence seems absurd.

At the same time many communists, particularly of the developing countries, are emphatically opposed to introduction of the principle of priority to forms of struggle in the choice of which specific local conditions cannot be taken into consideration together with the general international situation. The struggle for a nonviolent world, they believe, does not preclude revolutionary violence, which is usually a response to reactionary violence. A flexible combination of the entire diversity of forms of struggle for peace and national and social liberation and a search for new, original political solutions and combinations of *modi operandi* is required.

Particular attention is being paid to the fact that the fundamental regularities of capitalism preclude the possibility of a change in the intrinsic nature of the capitalist system. True, the interests of the monopoly corporations operating outside of the military-industrial complexes may at some moment and in some field coincide or move in parallel with values common to all mankind. It is this circumstance which should be taken into consideration upon formulation of the tactics of mass struggle.

Do the adduced theoretical propositions contradict the concepts and methodology of the new political thinking?

In the course of the meeting of representatives of parties and movements in Moscow in November 1987 the leaders of revolutionary organizations of the developing states called attention to two interrelated aspects of the policy of imperialism: the arms race and the plundering of countries of the so-called "third world". The struggle for peace and disarmament, they observed, should develop in a single direction with the struggle for the complete independence of the peoples of Asia, Africa and Latin America. The further progressive movement not only of the developing countries but of the whole modern world is practically impossible without the incorporation in the overall strategy of struggle against the nuclear threat—as a component thereof—of world resistance to all forms of the neocolonialist policy of imperialism.

It was observed in this connection that revolutionary actions, which oppressed peoples are forced to employ against the reactionary violence on the part of imperialism, are a manifestation and variety of the struggle for

peace, a version of this struggle imposed on them and a necessary act of retaliation aimed at limiting the possibility of regional conflicts becoming a general thermo-nuclear conflagration. Progressive circles of the Central America region, for example, point to the contribution made by their resistance to the export of counterrevolution in their countries to the halting of the escalation of direct imperialist intervention throughout this region following Grenada and to the need for an increase in joint actions and collective solidarity for the achievement of further successes.

Summing up what has been said, we may draw the perfectly obvious conclusion that the communists and progressive forces of nonsocialist countries are opposed in the said instances not to the new thinking as such but merely to certain insufficiently substantiated interpretations thereof by individual authors. The debate which is under way means, obviously, natural manifestations of scientific quest. After all, "for us ourselves the new thinking remains a process in the course of which we are continuing to learn, constantly accumulating new knowledge.... For this reason the ideas, evaluations, considerations and mutual benevolent criticism which we exchange with friends in terms of spirit and world outlook are of indispensable significance for the shaping and intensification of the new thinking and for the correct use in policy of the entire wealth of international experience reflecting the interests and mood of the working masses" (3, pp 156, 160).

But, in any event, a fundamental requirement of social dialectics is a comparison of values common to all mankind not from narrowly understood but real, newly recognized class interests.

Footnotes

* In this case, in our view, an invalid attempt is made to counterpose to the new political thinking Marx's well-known idea that "violence is the midwife of the *old society*" (my italics—S.A.) when it is pregnant with the new one" (1, vol 23, p 761). Engels commented on this idea of Marx's as a direct pointer to revolutionary violence, which is always a forced measure of self-defense against reactionary violence (see 1, vol 20, p 189).

Categorically rejecting the vulgar-materialist interpretation of the philosophical category "violence," the classics of Marxism-Leninism by no means identified its content with crude physical force capable of sowing only destruction and death, as bourgeois ideologists and propagandists attempted to portray this. Marx supplemented the idea quoted above with the following explanation, which is not always reproduced at the time it is quoted: "Violence itself is economic potential" (1, vol 23, p 761). The assumption that "economic potential" could spontaneously be the cause of "social death" is just as

groundless as the bourgeoisie's charge against the revolutionaries that their use of violence was the equivalent of a woman in childbirth bringing suit against the obstetrician who facilitated the birth.

1. K. Marx and F. Engels, "Works".
2. V.I. Lenin, "Complete Works".
3. M.S. Gorbachev, "Perestroika: New Thinking for Our Country and the World," Moscow, 1987.
4. G. Hall, "Keeping the Planet Fit for Life," PMS No 5, 1988.
5. A. Adamishin, "Factor of World Significance," PRAVDA, 25 June 1988.
6. Ye. Ambartsumov, "Letter to the Editors in Connection With the Article 'Raising Yourself as a Citizen of the World'" in PMS No 10, 1987.
7. A. Bovin, "New Thinking—New Policy," KOMMUNIST No 9, 1988.
8. "Communists in the Modern World: Marching With Whom and For What?" PMS No 3, 1988.
9. Ye. Plimak, "Marxism-Leninism and the Revolutionary Character of the End of the 20th Century," PRAVDA, 14 November 1986.
10. Ye. Plimak, "New Thinking and the Prospects of the Social Renovation of the World," VOPROSY FILOSOFII No 6, 1987.
11. "Social Progress in the Modern World (Theses for Discussion by Scholars of the CPSU Central Committee Social Sciences Academy)," KOMMUNIST No 7, 1988.
12. V.L. Sheynis, "The Developing Countries and the New Political Thinking," RK i SM No 4, 1987. COPY-RIGHT: "Rabochiy klass i sovremennyy mir", 1988

'Hierarchy' of Values Defended

Moscow *RABOCHIY KLASS I SOVREMENNYI MIR* in Russian No 1, Jan-Feb 89 pp 98-105

[Article by Boris Iosifovich Koval, doctor of historical sciences, deputy director of the USSR Academy of Sciences International Workers Movement Institute: "Global Interests of the Present Day: Class and Universal Meaning""]

[Text] Social interests have always been and remain the main motive of the activity of people, various social groups and individuals. Whatever interest we take specifically, two aspects—the class and universal—are interwoven in its content. The first reflects the specifics of people's position in society, their "social distinctiveness," so to speak, the second, their membership of the

single human race and adherence to generally recognized standards, traditions and values of life. Both these aspects are interrelated. Nonetheless, the quite stable opinion concerning the contrast and mutual exclusion even of class interests and those common to all mankind have taken shape. When it is a question of the interests of exploiter classes or reactionary political groups, of fascism, for example, this contrast is inevitable. In fact, the interests of the most reactionary and militarist groups of big capital have always been directed not only against the interests of socialism and all working classes but also against interests common to all mankind. This circumstance, incidentally, made it possible to form the anti-Hitler coalition. But the class interests of the people of labor and interests common to all mankind simply cannot be counterposed. However, their relationship at different stages of history is not identical.

It is even now obvious to everyone that with the onset of the nuclear era the central task is general concern for the survival of mankind. Of course, the military-monopoly bourgeoisie has no intention of revising its own class views on account of some vague talk about the fate of civilization. It puts its hopes, as before, in violence, and its most reactionary circles are openly preparing for nuclear war.

A quite different attitude toward interests common to all mankind is adopted by the working masses. The preservation of life on Earth and the solution of global problems are an organic part of the structure of their interests and cherished aspirations.

But what in this case about the revolutionary interests of the working class in respect of the ouster of the exploiter system? What are the prospects of revolutionary mass movements under conditions where the immediate task is not the elimination of capitalism but the preservation of life on Earth? Will not the "incautious" exacerbation of social antagonisms or an explosion of anti-imperialist uprisings somewhere in Latin America, Asia or Africa not impede the achievement of general compromise for the sake of this highest goal?

None of these are idle questions, but investigating them is not that simple. There is even a certain confusion in circles of the left. It is no secret that leftist enthusiasms making an absolute of social antagonism and revolutionary violence independently of objective conditions, which, it seemed, had long been buried, have once again begun to strengthen in places. Some people are prepared to immediately rank any new political approaches and even simply a sober consideration of the current situation in the "betrayal of the cause of world revolution" department. On the other hand, a trend toward the virtually complete abandonment of the organization of active forms of mass social protest under the flag of concern to preserve the world status quo is spreading. Representatives of the "worker aristocracy" would like under the cover of the idea of survival to fine-tune lasting "social peace" and consign radical social action

to oblivion. Which tendency will become predominant it is hard to say for different versions are possible in each region of the world; it will all depend on specific circumstances and the maturity of the subjective factor.

In order to avoid dangerous centrifugal trends in the development of the new mass social protest movements it is essential to investigate composedly and in depth the combination of the class and universal content in the manifold evolutionary and revolutionary processes of contemporary social life. Unfortunately, it is this aspect which remains theoretically the least developed and for this reason most unclear. In the way of a renewal of thinking stands a giant mound of petrified dogmas. The customary "sacred" incantations in connection with the historic mission of the proletariat, the successes of the world revolutionary process and so forth have relieved us of the need, as it were, to soberly evaluate the actual and far from always unambiguous situation on the fronts of the class struggle and have prevented timely recognition of the weaknesses of the forces of the left and their miscalculations and difficulties.

If we take an honest and impartial look at the present state of the international workers and, particularly, communist movement, the existence of serious crisis phenomena have to be recognized. The authority of parties of the left is declining. A protracted slump in the strike struggle has emerged. The prestige of the socialist ideal in the mass consciousness is being slow to strengthen. Conformist tendencies and time-serving are growing. The international ties of the working class have weakened. Many negative features have accumulated also in the development of the anti-imperialist movements, realization of the socialist orientation of the development of the emergent states, the organization of mass antiwar actions and so forth.

Clumsy attempts to close our eyes to all these facts and pretend that the processes of social protest have been "developing successfully" have fully revealed their bankruptcy. The customary canonization of a number of theoretical ideas of the founders of scientific socialism led to the affirmation of some "ferroconcrete" pattern to which, in time, we contentedly became accustomed and came to take cover behind, without any great need, but on every occasion. Stagnant political thinking, accompanied, what is more, by half-sincere, half-posturing concern for preservation of the fundamental principles of Marxism-Leninism, somehow imperceptibly became firmly established.

The fruit of this unnatural state of affairs was a serious discrepancy between theory and live practice, between the realities of social existence and their reflection in our political consciousness. The place of active scientific creativity was occupied by monotonous preaching based on the utterances of "great leaders". As a result there appeared both serious deformations in the development of socialism and the present crisis phenomena in the international workers and communist movement.

The new political thinking is opening the way toward a real increase in the scientific reliability of the analysis of the current phenomena in social life. However, the renewal of revolutionary thought is only just beginning and is not proceeding of its own accord, what is more, but in acute struggle with the old, dogmatic dogmatic thinking which has long lagged behind practice. It needs to be borne in mind also that in the atmosphere of constant ideological confrontation we firmly adapted ourselves to self-protection and lost the taste for the development of theory. Some constant irritation would arise more often than not in connection with, although reasonable even, nonetheless "foreign" ideas, which could and should have been creatively assimilated and put at the service of the cause of progress. However, instead of this, we would curse again and again from the Marxist pulpit the "intrigues" of bourgeois genetics, cybernetics, bionics, information science and so forth.

...But let us turn from self-criticism to a specific discussion of the new connection of the class interests of the revolutionary proletariat with interests common to all mankind. The real possibility of a nuclear apocalypse has imparted, seemingly, a utopian nature to the former hopes for securing the interests of any one class or social group independently of concern for global problems common to all mankind. All economic and political interests, about whatever class we are speaking, are now tightly bound in a single complex knot with the common problems of human civilization. Pulling out some one thread is impossible: it is necessary to thoroughly and carefully unravel the whole skein. And this is having to be done, what is more, not in a tranquil atmosphere but sitting on a powder keg.

A most important theoretical conclusion of the new political thinking based on Lenin's concept of peaceful coexistence and a collation of the lessons of practice is that to the effect that at the present time "an objective limit to class confrontation in the international arena has emerged: it is the threat of all-annihilation" (1).

There will hardly be classes or states wanting to resemble the Japanese kamikaze. And if such volunteers appear, they should be pacified at all costs. The best method is the development of good cooperation and partnership for the sake of the survival of humanity. Only on this path is it possible to fundamentally improve the whole atmosphere in order, in K. Marx's words, that "the ordinary laws of morality and justice... become the highest laws in relations between peoples also" (2, vol 16, p 11). Socialism subordinates its foreign policy line to precisely this goal. It has no other interests.

But this is just one—international—aspect. The other is how now to construct interclass relations in the capitalist society itself. Does not the threat of nuclear catastrophe remove the very possibility of free struggle for the revolutionary transformation of the world? Various opinions are expressed on this score, but the arguments

have frequently been as yet of a scholastic nature and, what is most important, could at any moment take the form of a stream of the mutual affixation of labels and accusations.

It is not fortuitous that when it is a question of class interests, a set of quotations from the works of the founders of scientific socialism is frequently offered instead of their in-depth analysis. Even a capacity for recognition of these interests and, even more, their theoretical comprehension is sometimes baselessly attributed to the whole working class and each worker individually. The wish is taken for the actual, which comforts the consciousness of Marxist authors, but by no means corresponds to the actual state of affairs. Unrestrained exaltation and almost deification of the working class prevents us getting to the heart of things, substituting for sober analysis incantations concerning some petrified "class interest". But what specifically is this "class interest"?

Philosophical dictionaries define "interest" as the motive to action of individuals and social communities (class, stratum, nation, group). At the basis of interests are the economic, political and spiritual-cultural conditions and requirements of reality. "The economic relations of each given society," F. Engels wrote, "are manifested primarily as *interests*" (2, vol 18, p 271). They express a particular subjective will, motive, attitude toward the *socium*, evaluation of the past and present and orientation toward the future. In a word, any interest, however simple or elevated, has a complex inner structure. What is the main content of the class interest of the proletariat? There is no progressing without the preliminary elucidation of this question.

It should be noted first of all that the class interest of the proletariat took shape far from all at once. Initially, in the period of struggle against feudalism, the working class strove to defend its interests together with bourgeois interests. These were the most commonplace and simple requirements, which, strictly speaking, could not even be called "class" in the full sense. Only as capitalism developed, in the course of the confrontation of labor and capital, did the aspirations of the workers acquire the nature of an independent social interest and, in addition, begin with the passage of time to appear in the form of the revolutionary demand for the remaking of society in a socialist key. This interest was expressed in consummate form by the founders of scientific socialism.

The highest goals of the working class, taken, what is more, in their scientific-socialist, theoretical expression, should not, of course, be confused with the most commonplace, everyday economic and political interests of the overwhelming masses of workers. The proletariat cannot reach an understanding of its mission right away, by way of the book assimilation of the ideas of socialism. It is necessary for this to travel the long and difficult path of gradual political self-education and reach one's social

interest "through suffering". This process is under way in a certain sense today also inasmuch as increasingly new generations, which are gradually acquiring their own political experience, shaping their own demands and arriving by ways different from their fathers and grandfathers at a recognition of socialist interests, are constantly entering the orbit of the class struggle.

Our discussion now concerns precisely these interests, which are being shaped not spontaneously but are being introduced to the mass consciousness from outside, thanks to the activity of revolutionary parties and ideologists.

Speaking of the historic mission of the working class, K. Marx and F. Engels from the very outset vested its content not with some narrow egotistical but primarily general humanitarian meaning. In liberating itself the working class is at the same time called on to have done forever with man's oppression of man. For many decades this function "common to all mankind" was in fact simply declared and existed within the framework of theory, not affecting the ordinary life of the proletarian masses. The latter understood "their" interest extremely rectilinearly, as defense of the right to work, introduction of the 8-hour work day, improvement of living conditions and so forth. However, neither Marx, Engels nor Lenin ever counterposed the primary and highest class interests of the proletariat to universal values and the interests of general progress. This applied primarily to the problem of war and peace, an end to exploitation and the safeguarding of nations' right to self-determination. The founders of scientific socialism always viewed the interests of the proletariat as a specific form of expression of the simplest truths of human morality and the most humanitarian aspects of world (general) progress.

At the same time they most actively derided all kinds of speculative sentimental utopias, which merely blurred the difference in people's class position, disoriented the proletariat and clouded its consciousness with philistine hopes.

In the "Theses on Feuerbach" even K. Marx made of paramount importance not passive contemplation but the organization of "practical-critical" activity. "The coincidence of a change in circumstances and human activity may be seen and rationally understood only as *revolutionary practice*" (2, vol 3, p 2). Whence K. Marx and F. Engels reached the conclusion of the impotence of morality compared with objective economic relations, that is, in other words, the superiority of real interests over abstract values. According to the Marxist concept, each social group and each individual has his "own" view of good and evil. And at the same time, however, this purely class attitude contains some universal, humanitarian aspect. After all, each person is a member of society, and, whatever its morality, it is primarily of a "human" nature.

This humanitarian content is characteristic to the greatest extent of the class interest of the proletariat. The liberation of mankind from exploitation and wars was for this reason conceived of as something derived from the full realization of this interest, that is, the victory of the socialist system on a world scale. Prior to this, interests common to all mankind were imagined in too abstract a manner. The attempts of individual liberal philosophers and theologians to attract attention to the ideas of "planetary humanism" and the "general good" were branded as harmful and utopian, hampering the struggle of the proletariat and the cause of "world socialist revolution".

For some time this maximalism or nihilism, as you will, was of no fundamental significance since nothing threatened the life of the human race. But with the invention of atomic weapons the situation became completely different. The threat of mankind's nuclear suicide arose. This has been intensified by the danger of the gradual destruction of man's normal environment. A whole system of other aggravating global problems has arisen. Under these conditions an imperceptible, but relentless process of the interweaving and mutual penetration of particular, class interests and problems common to all mankind and the shaping of new humanitarian thinking and action is under way.

It should be acknowledged that the communist vanguard has generally found itself ill prepared for rapid theoretical comprehension under the new conditions. Only after a considerable delay has the difficult quest for a modern view of the dialectics of class and universal interests, not for the purpose of their counterpoise but for finding ways toward their harmonization given both the preservation of life on Earth and the possibility of further social progress, begun.

Many years ago F. Engels shrewdly wrote: "The more the proletariat is imbued with socialist and communist ideas, the less bloody, vengeful and brutal the revolution will be. Communism is in principle above enmity between the bourgeoisie and the proletariat and recognizes merely its historical significance for the present, but denies its necessity in the future. While this enmity exists, communism views the proletariat's hardening against its enslavers as a necessity, as a most important lever of the *incipient* workers movement; but communism goes further than this enmity for it is a matter not just of the workers but of all mankind" (2, vol 2, p 516). Our times have created important prerequisites for this.

But, after all, everyone knows full well that the vital interests of exploited and exploiters are antagonistic and cannot be reconciled. They are realized in full only via the denial of one another in the course of class struggle and revolution. The "Communist Manifesto," which was published by K. Marx and F. Engels 140 years ago, contains the idea that this struggle has always ended either in "the revolutionary rearrangement of the entire social edifice or the general perdition of the contending

classes" (2, vol 4, p 424). The task now is precisely to achieve a rearrangement of society without the perdition of the contending classes and all mankind. Obviously, finding the sole true path between such a Scylla and Charybdis is extremely difficult and responsible.

A true compass in this respect is determination of the common interest, the highest priority. But is it possible to find such a common interest if it is a question of class adversaries? History has shown that it is not only possible but, given certain circumstances, simply essential.

Thus, say, in the war for the independence of the Spanish colonies in America (1810-1825) both the peasants and Creole landowners fought together for national liberty. There are many known instances of the national (anti-imperialist, anti-oligarchical) interest in colonial and dependent countries bringing together all classes, including the local bourgeoisie and the proletariat. In the period of struggle against the autocracy in Russia, as V.I. Lenin emphasized, "the interests of social development (were—B.K.) higher than the interests of the proletariat" (3, vol 4, p 220). In the 1930's-1940's the common purpose of different classes and social systems was the countering of fascism. Nor can we forget, incidentally, that it was this "supraclass" cooperation which made it possible not only to smash fascism but also create the conditions for the birth of the world socialist system.

Why in the face of general perdition can concern for the survival of mankind not be such a unifying interest? It is from this proposition that the new political thinking proceeds. It is not the equivalent, of course, of a denial of the class antagonism between labor and capital, as some people maintain, but puts this contradiction in the new context of the world situation.

Questions of war and peace have always been decided unambiguously for the working class. Back at the dawn of the proletarian movement the Chartists were the first to include the idea of peace among the vital interests of the people of labor. K. Marx and F. Engels constructed their concept of the historic mission of the working class on this basis. The "Constituent Manifesto of the International Workingmen's Association," which K. Marx wrote in October 1864, pointed out that the working class is called on not only to do away with the exploiter society but to ensure peace and harmony in international relations.

The revolutionary-class and humanitarian (universal) principle are two aspects of the single mission of the conscious proletariat. Unfortunately, the "left" vulgarizers of Marxism, beginning with M. Bakunin, having started the ball rolling, these functions came increasingly to be counterposed to one another.

During WWI the leaders of the Second International betrayed the revolutionary interests of the proletariat, pushing it into the swamp of defensist conciliation with the bourgeoisie on the pretext of defense of "common

national interests". This brought about a turbulent retaliatory reaction. Under the influence of the "left"-communist propaganda of the 1920's-1930's purely class (socialist) goals of the struggle screened, as it were, and relegated to the background values common to all mankind in the ideology and policy of the revolutionary working class. The time has now come to pay particular attention to the second—humanitarian—aspect. The worker and communist movement not only will not lose anything but, on the contrary, will gain much if it can organically unite its class and humanitarian tasks. This conclusion is fundamental.

This means that under no circumstances, however favorable or unfavorable to some system or class, can a nuclear military conflict be in any event permitted. At the state level this goal may be achieved with the aid of a policy of peaceful coexistence. However, besides international relations controlled by states, laws of the class struggle, the process of which does not cease for one moment, which are not subject to anyone's "instruction," operate in society also. The liberation movement of the peoples of Asia, Africa and Latin America continues. Both socialism and capitalism participate in these processes in one way or another; the first, as a bastion of the revolutionary forces, the second, as the basic factor of counterrevolution. But these roles also can and should be bound by a general agreement not to bring things to the point of the open military encounter of the systems for such a version would threaten at any moment to eventuate in nuclear war, in which there would be neither victors nor vanquished.

The new dialectics of the class interests of the proletariat and values common to all mankind amount not to the changed nature of the demands of the working people or the policy of capitalist circles—they remain as before—but to the fact that a closer relationship of the struggle for peace and the struggle for social progress has evolved. The military preparations of imperialism have brought about a powerful upsurge of mass protest movements, in which tens and hundreds of parties, organizations and groups are now participating. Representatives of the most varied, even hostile, classes and the most contradictory political currents defending values and aims common to all mankind are in the single formation of fighters for saving life on Earth.

A profound delusion, if not deliberate falsification, is the opinion that peace and struggle for social progress are incompatible. They are both compatible and interrelated. Experience shows that of the overall number of revolutions which have occurred since 1905 through our day, the vast majority has developed under conditions of peace, and not war.

What is new is not that the revolution is ready from fear to renounce itself but that it is now occurring under different historical conditions, under the conditions of nuclear confrontation. This fact changes, and very appreciably, the forms, rhythm and nature of mass social

movements, including the methods of the class struggle of the proletariat. The course of events cannot be foretold but it is clear even now that the particular combination of class interests, values common to all mankind and global problems which has taken shape in recent years will paint in its colors the prospects of all aspects of social development, including the workers movement and other manifold forms of mass social protest.

It is time to move beyond the customary framework of the narrow and vulgar and, essentially, "left"-communist understanding of the highest class interest of the proletariat as the direct and swift revolutionary overthrow of capitalism. Unreasoning ultra-revolutionism is just as impermissible as cowardly passivity. The working class and its communist parties should evidently be feeling their way toward, finding and divining methods which correspond to specific national conditions and the general demands of the era.

The entire centuries-long experience of class struggle has shown the preferability of a broadening of humane, civilized, political forms of class struggle and the need for a conscious reduction in the crudest, most direct, forcible and bloody means. Too many human lives have been sacrificed on the altar of progress for the multiplication of these losses to continue. Now, when there is a powerful socialist system and dozens of liberated states in the world, when imperialism and socialism possess military parity, when there is tremendous experience of peaceful, nonviolent movements and the authority of public opinion and the mass antiwar struggle is growing—under these conditions additional opportunities are afforded for a general reduction in military-forcible methods of confrontation.

Whereas humanitarian principles are entirely conceivable and practicable in the development of interstate relations and the creation of a nonviolent world, as the Delhi Declaration says, is some semblance of "peaceful coexistence" in the sphere of class relations possible? Previously the mere formulation of such a question was seen unambiguously as opportunist treachery. We have grown accustomed to believing that the class struggle is constantly and consistently "intensifying," "growing," "expanding" and so forth. Whence ensued a purely revolutionary and, what is more, basically destructive orientation. But practice testifies to the failure such a one-sided guideline to correspond to the actual situation. Let us take, for example, the United States or Great Britain or Japan, not to mention Denmark, Sweden and other countries, and we see that the workers movement has for many decades been developing within particular bounds, by no means growing into a movement "against the system". And this situation could last a long time. Class antagonism does not disappear because of this but nor does it at the waving of a magic wand eventuate in social revolution. When and how this happens, nobody knows.

Is there not in the citadels of imperialism a certain "social peace" and level of "civilized" relations between antagonistic classes? The antagonism has not disappeared, it exists, but is manifested in different forms. Whether this is good or bad is another question, but it cannot be denied that this situation exists. Closing one's eyes to this fact means simply ignoring reality and adapting each and everything to dogma.

Thus the most varied versions of evolutionary and revolutionary processes and violent and nonviolent forms of class relations, of class struggle included, are possible now also.

Whereas previously the common task of the international communist movement was conceived of as being the revolutionary buildup of the masses and their speediest arrival at social revolution, moving increasingly naturally to the forefront now is a task pertaining to the organization of the prolonged "positional" struggle of the working class and its allies, struggle for the democratization of the social system, the gradual introduction of the material prerequisites of socialism to the economy and policy (worker control, participation in planning, parliamentary activity, for example), for a limitation of the omnipotence of the monopolies, in defense of the rights of the individual and elementary liberties, against the militarization of production and so forth. In other words, strategy should proceed from the flexible and efficient use of all—both evolutionary and revolutionary—forms of realization of the class interests of the proletariat. In any event, however, political choice must take account of the new international situation.

The priority of survival is not simply supraclass, it now constitutes the nucleus of the entire structure of the class interests of the conscious proletariat, which can to the greatest extent express and defend this general interest of mankind. The highest class interests of the proletariat and interests common to all mankind in fact coincide. It is not easy for the masses of working people at large to recognize this situation. They are accustomed to abiding by tradition and proceed from the old understanding of their interests. This fact raises even higher the responsibility of the revolutionary minority for dissemination of the new style of thinking and new revolutionary policy.

Almost 150 years ago, in 1844, K. Marx and F. Engels wrote: "If correctly understood interest constitutes the principle of all morality, it is necessary, consequently, to strive to ensure that the particular interest of the individual coincide with interests common to all mankind..." (2, vol 2, pp 145-146). The new political thinking puts this task on a practical footing.

Footnotes

* From the editors: in the articles of B.I. Koval and A.M. Kovalev in this issue we continue discussion of the subject of the correlation of the universal and the class raised in S.L. Gayev's article (see RK i SM No 6, 1988).

1. M.S. Gorbachev, "Perestroika: New Thinking for Our Country and the World," Moscow, 1987, p 150.
2. K. Marx and F. Engels, "Works".
3. V.I. Lenin, "Complete Works". COPYRIGHT: "Rabochiy klass i sovremennyy mir", 1989

Continued Class Struggle Urged
18070614 Moscow RABOCHIY KLAS I
SOVREMENNY MIR in Russian
No 1, Jan-Feb 89 pp 106-114

[Article by Aleksandr Mitrofanovich Kovalev, doctor of philosophical sciences, head of the Department of Scientific Communism of Moscow University's Philosophy Faculty: "Dialectics of the Universal and the Class"]

[Text] Exceptional relevance and seriousness are attached to the problem of the universal and the class under current conditions. The danger of nuclear war and other global problems which mankind has encountered affect not only one social attribute of the personality or another, social relations, classes and social systems but also all mankind and life itself.

The increased urgency of the said problem is brought about also by the fact that as a result of the development of S&T progress and the growth of economic ties and relations the modern world, more diverse than ever and rent by the most acute contradictions, is acquiring ever increasing wholeness, and this integral interconnected world is experiencing the most diverse loads of a social and ecological nature, what is more.

It is not fortuitous that this problem is currently the focus of debate both in the international arena and within the country. There are still figures overseas prepared in the name of the assertion of their selfish interests and aims to unleash war and forgo the interests of all mankind and life itself. At the same time certain leftist-anarchist figures are not afraid in the name of the "victory of socialism" to unleash a general nuclear war. On the other hand, some reformist sociologists are attempting in the guise of the need to tackle tasks common to all mankind to cancel out class tasks.

F. Engels wrote: "Even now there are people who, with their dispassionate 'highest viewpoint,' are preaching to the workers a socialism soaring high above class interests and the class struggle and aspiring to reconcile in the highest humanity the interests of both contending classes. But they are either neophytes who still have much to learn or the most wicked enemies of the workers, wolves in sheeps' clothing" (1, vol 21, p 265).

The problem of the universal and the class is central throughout the history of social and political thought. In their study of history the vast majority of pre-Marxist sociologists failed to notice the class, and everything was usually reduced to the universal. As far as the class,

however is concerned, this problem was substantiated at the start of the 19th century by French restoration historians (Thierry, Minie, Guizot and others).

However, the decisive contribution to the question at issue was made by Marxism-Leninism. But even today different approaches in the debate on the correlation of the universal and the class are frequent and various viewpoints are expressed. In one way or another, the class is frequently counterposed to the universal here. In one case there is a tilt toward the universal, proceeding from the fact that the latter may allegedly absorb the class, substitute for it and make it unnecessary. For this reason we sometimes hear voices to the effect that the class approach has become aged and that in the name of peace and the preservation of world civilization we should virtually abandon the class struggle, class violence and so forth. Their opponents, on the other hand, proceeding from misunderstood class interest, believe that speaking of the priority of the universal means virtually yielding class positions and betraying the interests of the proletariat.

Such notions are connected to a large extent with the fact that public life is usually analyzed at the social level and that at the same time its natural foundations, man's generic essence and his natural surroundings are underestimated. But can that which is common to people of all countries and regions, despite the differences in their social essence, be denied? Are all parts of the modern world not responsible for its preservation?

Of course, it would be wrong in principle to counterpose the universal to the class and in the name of values common to all mankind to cancel out the formational and class approach to phenomena of social life. At a certain stage the universal cannot be realized directly and immediately, it is realized via the class and manifested via it since social formations and classes are just as real as society itself, although they exist within its framework. V.I. Lenin wrote for this reason that people have always been and always will be foolish victims of deception and self-deception in politics until they learn to seek behind all moral, religious, political and social phrases, statements and promises the interests of this class or the other (2, vol 23, p 47).

Despite the deformation and difficulties of real socialism, the working class is not only the most revolutionary force of the present day but is at the same time the most consistent exponent of the ideals common to all mankind. It is closest to the realization of these ideals. It is the working class, if it may be so put, which is the most human class. It is the sole class in history which is capable of creating in the future a society without class, and in the distant future, without state differences. As Pushkin wrote, there will come a time when "the peoples, strife forgotten, will unite in a great family."

It is essential upon an analysis of the universal and the class to consider that there are not only classes but also mankind as some whole entity with common generic characteristics. There is also that which is common in people themselves, irrespective of their class and national affiliation. In this connection K. Marx and F. Engels emphasized that the existence of classes "should not be understood in the sense that, for example, the rentier, capitalist and so forth cease to be individuals but in the sense that their personality is conditioned and determined entirely by specific class relations, and this distinction appears as their antithesis to another class, and is revealed for they themselves only when they have become bankrupt" (1, vol 3, p 77; also vol 23, p 95).

Thus class relations do not and cannot do away with that which is common which is inherent in human society as such. They merely modify it. This that is common is the corporal organization of human individuals, their common conditions of existence and common principles of self-realization by way of social and historical activity and also the common or, in the words of the classics of Marxism, "eternal laws of nature" which determine this activity and so forth. Classes, nations and other social formations are not outside but within the framework of the natural foundations of human society as some integral social organism. It is no accident that Marx wrote about "antagonistic forms of social unity" and, noting the multiple nature of the "antagonistic forms of social unity," pointed out here that their antagonistic nature "can never be exploded by way of quiet metamorphosis. On the other hand, if this society, as it stands, lacks in concealed form the material conditions of production and the relations of intercourse essential for a classless society corresponding thereto, all attempts at an explosion would be quixotic" (1, vol 46, pt I [sic], pp 102-103).

It follows from this that there is a unity of society. At the same time at a particular stage this unity assumes an antagonistic nature. However, these antagonisms do not blow up the foundations of this unity.

Merely the difference between universal and class interests and aims is emphasized usually. However, this approach does not exhaust the entire depth and complexity of the problem. There is between the universal and the class not only a difference but also intrinsic connection and unity. At a particular stage of history the universal appears in the form of the class since classes are composed of people characterized by certain specific conditions of their life. On the other hand, the class also in a certain sense is the universal too for classes are a part of society, a particular social group thereof. For this reason the correlation between the universal and the class appears as a correlation between the general and the particular, where the interests of all of society are the general, and the interests of the given class, the particular.

Further, the unity of the universal and the class is also manifested in the fact that ultimately the classes themselves are a product of the universal. This class or the

other acts as the guiding force of society only because, while satisfying its own interests, it at the same time personifies more precisely and on a larger scale than other classes universal interest at the given stage of society's development. For this reason the consistent solution of progressive class interests, of the working class primarily, leads to the solution of universal interests, and the accomplishment of universal tasks leads to the accomplishment of class tasks.

At the same time, however, Marxism-Leninism affirms the priority of the universal over the class. "In the world of people, as in the world of animals and plants," Marx observed, "the interests of the species always blaze a trail for themselves at the expense of the interests of individuals, and this is because the interest of the species coincides with the interests of particular individuals" (1, vol 21, pt III, p 123).

V.I. Lenin wrote: "From the viewpoint of the basic ideas of Marxism the interests of social development are higher than the interests of the proletariat, and the interests of the whole workers movement in its entirety are higher than the interests of an individual stratum of workers or individual aspects of the movement" (2, vol 4, p 220).

The general cannot fail to take precedence over the particular and the individual, as, equally, the whole over its part. If the part starts to contradict the general, the part is sacrificed in the name of the general, and not the other way about. It is on this basis that classes preventing progress are removed from the historical arena inasmuch as their activity comes into conflict with the general interests of all of society.

The priority of the universal over the class is conditioned by the fact that mankind is not reduced to classes. Classes are a social category, whereas man and mankind incorporate not only social but also natural foundations. The prerequisite of the existence of classes is the existence of the human race. At the same time class character is essentially a brief period in human history.

In the prenuclear era class confrontations, although undermining the unity of society and upsetting its natural foundations, did not pose the question of the existence of humanity as such. Struggle would be conducted for the purpose of replacing at the helm of government or domination one of its groups with another. It is not fortuitous that there were particular laws and limits of any struggle, going beyond the framework of which was immoral. For the working class its interests, the interests of class struggle and the class approach are ultimately not an end in themselves but a means of the affirmation of ideals and values common to all mankind. At the same time, when people speak of the priority of the universal over the class, it is by no means a question of a belittling of class interests and class tasks. While having arisen in the soil of the universal, the class acquires relative independence and exerts a reverse

influence on all social development. The correlation between the universal and the class here is not only various and contradictory but is of a specific-historical nature at various stages of society's development. Thus under current conditions there has been a certain shift in the correlation of the universal and the class toward the universal.

The dialectics of the correlation between the universal and the class also depend on the nature of the class expressing interests common to all mankind. Whereas all previous classes which struggled for power and ascended to the helm of government pursued their selfish egotistical interests and for this reason sooner or later inevitably came into conflict with the interests of social development, the proletariat is the sole class whose interests do not come into antagonistic conflict with the general course of history. For this reason the universal is realized therein most fully and consistently.

To begin with the fact that class interest may coincide with universal interest and may, by virtue of its relative independence and also because it contains specifically class features, be contrary and opposed to it. This applies particularly to the exploiter classes, whose interests sooner or later conflict with social interests. Neither is the working class entirely free of the class-specific. And what is true from the viewpoint of the working class at present may not always be true in the future. This class or the other, the proletariat included, is as yet far from being all mankind, taken in the past and future, even less so. No one class, only mankind itself, can fully express the interests of all mankind. The working class may more or less fully express the interests of society only at the given stage of its development. Owing to this, there is also the possibility of the noncoincidence of its specific interests and the interests of the whole.

Far from every working class is capable of reflecting universal interest. It could be a question of a working class with a highly developed, and not economist trade-unionist, consciousness and, in addition, of detachments thereof which pursue a correct policy. It is well known that individual detachments of the working class may find themselves captive to ideology which is alien to the interests of society and fascist ideology even. At the same time a communist party and even a class could when deciding this specific question or the other wrongly evaluate the fundamental tasks of social development and when tackling them either anticipate prematurely or, on the contrary, lag behind the course of events, which could lead to the disruption and counterpoise even of the class and the universal. The conversion of the class into the universal cannot be of an automatic nature. For this, besides objective prerequisites, certain subjective prerequisites (degree of consciousness and organization of the working class and so forth) are required also.

The nature and character of the modern world and the priority therein of values common to all mankind help reveal the basic features of the new political thinking,

which, in our opinion, is not exhausted merely by international relations or the mutual relations of the two world social systems. This political thinking represents a new vision of the world as a whole brought about by the new stage of the development of human society. In accordance with this, the content of the new political thinking includes primarily the priority of the human factor as the highest value since man is the measure of all things and the criterion of progress.

Further, a characteristic feature of this thinking is the primacy of interests common to all mankind over national and class interests (in East-West, North-South relations included) and, as a result, the subordination of the interests of the part to the interests of the whole, to the general struggle for the preservation and multiplication of human civilization. In addition, the content of the new thinking includes consideration of the diversity of human society in different regions and countries and recognition of its inalienable right to "freedom of choice". The new thinking demands both a new standard of human relations and, particularly, a respectful attitude toward one people's right to be unlike others.

M.S. Gorbachev said at the 19th All-Union Party Conference: "A key place in the new thinking is occupied by the concept of freedom of choice. We are convinced of the universality of this principle for international relations, when the main, summary world problem is the very survival of civilization. This concept has been brought into being by the unprecedented and growing diversity of the world. We are witnessing such a phenomenon as the active incorporation in world history of billions of people who were for centuries outside of it" (3).

And inasmuch as each class and social group may perform its historic mission and secure its own interests merely to the extent that they express and embody the interests of society as a whole, the struggle for the new political thinking is a struggle for the particular historic designs of the working class and other progressive forces of the planet.

Finally, inasmuch as classes and other social groups are an objective reality, consideration of their interests constitutes an important aspect of the new political thinking. "In analyzing the modern world," M.S. Gorbachev said, "we will have a clearer picture of the fact that international relations are realized increasingly, without losing their class character, as relations precisely between peoples. We have ascertained the growing role in world affairs of peoples, nations and the new national formations which are taking shape. And this presupposes that the diversity of interests has to be reckoned with in international affairs. Consideration thereof is an important element of the new political thinking" (3).

Sometimes the priority of the universal over the class is interpreted in such a way that renunciation of the struggle for the progressive ideals and interests of the

working class and other social forces is necessary in the name of the universal. This is a mistaken idea. The priority nature of values common to all mankind by no means signifies any disparagement of class interests and renunciation of the struggle for their realization. On the contrary, the dialectical character of the problem is that the realization of values common to all mankind is not of an automatic nature since many classes and social groups, including those adhering to reactionary positions, claim to reflect them. For this reason only the active assertion of the interests of the progressive classes can ensure the triumph of ideals common to all mankind. It follows from this that the priority of the universal not only does not impose an absolute ban on the class struggle and does not entail passivity in the realization of the progressive ideals of classes, nations and social groups but also presupposes such a struggle against the forces of reaction in the name of the speediest accomplishment of goals and ideals common to all mankind. It is merely a question of the fact that the forms and methods of such a struggle depend on the specific-historical situation.

Under current conditions, as M.S. Gorbachev has observed, an objective limit to class confrontation in the international arena has emerged: it is the threat of all-annihilation. An interest common to all mankind has arisen—averting this threat from civilization.

In fact, the highest prevailing requirement of mankind is that of self-preservation and self-realization. All other requirements are ultimately subordinate to it. Consequently, the interests of classes and all social groups, those which are called on in their activity to realize interests common to all mankind the more so, should be subordinate to this requirement. In this connection the peaceful coexistence of states with different systems is also testimony to the fact that there are more fundamental laws associated with the self-preservation of mankind as a species, which take precedence over the laws of production and historical laws, the product of which the different social systems are.

Inasmuch as the effect of the activity precisely of the working class is ultimately determined by the extent to which it pursues and realizes interest common to all mankind, its specific purpose now and the purpose of real socialism is to contribute in the best and most consistent form to the accomplishment of the historic task of mankind's survival. Nor can other progressive social forces be exempted from this function.

The essence of the new political thinking consists also of the ability not only in theory but in practice also to "combine" various opposites. V.I. Lenin once spoke about the art of combining various opposites under the conditions of the transitional period within the framework of individual countries. These tasks now confront with particular seriousness the communist parties in the international arena also. Specifically, this means a capacity for ascertaining and making the maximum use

of the opportunities for the peaceful cooperation and mutual relations of different states in the atmosphere of the unceasing rivalry of the different social systems. This means that it is necessary, without abandoning revolutionary policy, to at the same time pursue it such that it contribute to the cohesion of forces for the struggle for peace and social progress. Both extremes are unacceptable and dangerous here: both the renunciation of revolutionary policy and disregard for the interests of the struggle against the nuclear threat.

Under current conditions, when the trend toward the unity and wholeness of the world has strengthened and when the need for the survival of mankind is of paramount importance, there is increasing speculation on the part of all kinds of bourgeois and revisionist theoreticians concerning the ways of settling the historic dispute between socialism and capitalism and the ways of resolving other fundamental contradictions of the present day. The most anti-communist theoreticians maintain that the proposition concerning survival is unacceptable as long as communism exists. Whence their reckless policy of global social revenge, which could threaten the very existence of mankind and the civilization which it has created.

We would note for fairness' sake that in the past not everything was done on our part either for implementation of the principles of peaceful coexistence. M.S. Gorbachev has said: "Learning from the past, it has to be acknowledged that command-administrative methods did not bypass the foreign policy sphere either. Even the most important decisions would be adopted by a small group of persons, without collective, all-around examination and analysis, and sometimes without due consultation with friends even. This led to an inappropriate response to international events and the policy of other states and sometimes to wrong decisions. Unfortunately, it was not always considered what this action or the other would cost the people and in what it could result" (3).

There are also other views, the essence of which is that it is necessary in the name of the preservation of the life of mankind to disregard class disagreements and abandon the defense of socialist ideals and the interests of the working class. Such a policy would essentially mean in practice renunciation of the struggle for the progress of mankind and preservation of the status quo sine die.

While seeking the accomplishment of tasks common to all mankind the communist and workers parties cannot disregard and forget about the specific interests of the working class and the progressive forces of this part of the world or the other, region and country. All-around consideration of specific conditions, the stage this social movement or the other is at and its nature and also the seriousness of the social contradictions themselves are also part of the content of the new political thinking.

There inevitably arises the question: does peaceful coexistence continue under current conditions to be a specific form of the class struggle? It is hardly correct to conclude that peaceful coexistence has lost its class character. After all, there remain different social systems and different classes, as also different ideologies and values by which the peoples are guided. And, consequently, class contradictions remain also. It is important, however, that these contradictions be resolved under conditions of the unconditional unacceptability of nuclear war, under conditions of the peaceful interaction, cooperation and mutual influence of states with different systems.

At the same time, however, peaceful coexistence cannot be reduced to a particular form of the class struggle of socialism and capitalism. It is based on such principles as nonaggression, respect for sovereignty and national independence, noninterference in internal affairs and so forth. In addition, as E.A. Shevardnadze observed, "the struggle of the two opposite systems is no longer the determining trend of the modern era. Decisive significance at the current stage is attached to the capacity for building up at an accelerated pace on the basis of progressive science and high engineering and technology material benefits and distributing them fairly and by joint efforts cultivating and protecting the resources necessary for mankind's self-survival" (4).

The new political thinking demands the establishment in international relations of a new criterion of the acceptability of this military, political, economic and ideological action or the other—the extent to which it contributes to the survival of mankind. Otherwise the struggle of antagonistic systems could culminate not in the victory of progressive social forces but lead to the mutual annihilation of all mankind.

There is a change also in this connection in the correlation between the struggle for peace and democracy and the struggle for socialism. Of course, under all conditions only realization of the fundamental interests of the working class may ensure the consistent accomplishment of tasks common to all mankind in the struggle for peace and the progress of humanity. However, whereas previously a condition of the accomplishment of fundamental tasks pertaining to the democratic transformation of society was the accomplishment of class tasks of the working class, now the struggle for peace and the accomplishment of tasks common to all mankind of survival and so forth is a condition of the accomplishment of the fundamental class tasks of the proletariat.

In connection with the move to the forefront of tasks common to all mankind a certain convergence of morality and policy and moral and social tasks is under way under current conditions. The point being that morality as such, as a reflection of the general generic laws contained in the nature of man himself, determines—variously and with different consequences, depending on specific social conditions—the rules of

human community life at all times and in all countries. Moral rules and principles, although at a particular stage acquiring a class aspect, are to a large extent characterized by content common to all mankind. As far as policy, however, is concerned, it is the product primarily of the specific conditions in which society develops in a particular period of its history and, consequently, of the interests of this class or the other.

Owing to the low level of development of production and the domination of antagonistic relations, at a particular stage of history moral rules and principles common to all mankind could not be fully realized. The interests of society as a whole dictated one thing, the specific conditions in which it found itself, something directly opposite. Reflecting these specific conditions and the interests of the exploiter classes, policy was in opposition to nationwide moral standards and was to a considerable extent of an amoral nature.

Under current conditions, when the struggle for peace and social progress are converging and when the class has more than ever to proceed from the universal, policy is having increasingly to be constructed on moral principles and to proceed from them.

To understand the essence of global problems it is essential, it would seem to us, to go beyond the framework of classes and individual formations even and also overcome the well-known outline set forth in the "Short Course in the History of the All-Russian Communist Party (Bolshevik)," according to which population, the mode of material production and the geographical sphere are seen as isolated components ranged alongside one another. It is usually considered that global problems are ones which: a) essentially affect the interests of all mankind; b) assume a world nature, encompassing all the main regions of the Earth; c) require for their solution the international cooperation of all or a majority of peoples of the world. These criteria are of importance for an analysis of global problems and their classification. At the same time the said criteria are chiefly of a quantitative, and not qualitative, nature. It is not entirely clear from them what the cause of the global problems which have arisen is, what their class content is and what their difference is from social problems, which are also confronting mankind and are of a general nature (the struggle against exploitation, oppression and so forth, for example).

In order to approach an analysis of the essence of global problems, it is necessary to proceed from the fact that the mode of production of material benefits, the population and the geographical sphere in which people engage in their production activity are not components which are isolated from and ranged alongside one another. They represent a certain integrally interacting system, which is called the *mode of production of social life*. As distinct from the mode of production of material benefits representing a sum total of the productive forces and production relations, the mode of production of social life

encompasses all three above-mentioned components. Whereas the mode of material production reflects merely one, the production, sphere of human activity, the mode of production of social life reflects all aspects of this activity. Just as the law of correspondence operates within the framework of the mode of material production between the productive forces and production relations, correspondence is required also, although in distinctive form, among the three components of the mode of production of social life.

All the problems mankind is encountering under current conditions are of a social nature. They are all born of the contradictions in people's *modus vivendi* and affect their interests in one way or another. The majority of them are inseparably connected with the existence of the exploiter system. They are all interwoven. In particular, the global problems of the present day may be tackled only via the solution of fundamental social problems. At the same time, in our opinion, it would be expedient subdividing the problems which confront modern man into two basic types of problems. Some are born of the conflict within the framework of the material mode of production between the productive forces and capitalist production relations, which have lagged behind the level of development of the modern productive forces. Among these are the problem of struggle against big capitalist private ownership, man's exploitation of man, the struggle for the establishment of social justice, the struggle against national oppression, neocolonialism and so forth. A characteristic feature of these problems is the fact that they are born of the capitalist mode of production, affect man's social essence and for this reason may be solved as a result of the elimination of the capitalist system and transition to socialism.

The second type of social problems (so-called global problems) is caused by the conflict not only within the material production mode but also, which is particularly important, by the conflict between the human factor and the material production mode as a whole and between the material production mode and the geographical sphere.

Although the social and global problems are of a public nature and cannot be counterposed, global problems should, nonetheless, be distinguished from the above-mentioned fundamental social problems of capitalism.

The global problems of the present day affect, first, the inner nature of man himself, putting his very existence in doubt. Second, they encompass his environment and his relations with nature. In other words, whereas social problems are associated chiefly with people's mutual relations, global problems are, besides this, further associated with the problem of people's attitude toward nature, both that surrounding them and the particular nature of man himself, that is, they affect "man-technology," "man-nature" and "technology-nature" relations within the framework of the mode of production of social life as a whole.

It is evidently necessary from these standpoints to approach also the content of the crisis of civilization, about which much has been written recently. In fact, if it is recognized that there is a crisis of the whole of civilization, it is necessary, consequently, to change all its parts and achievements. Of course, there is a crisis of particular conditions, which is manifested in social and global problems and which is of not a provincial, not a local and not even a regional but of a world nature. This crisis is not associated merely with some one class and social system even, although it is realized specifically through them and in them. At the same time, however, it is not a crisis of the whole of world civilization since it does not affect such most important conquests thereof as language, literature, progressive culture, many achievements of technical progress and so forth.

Of what kind of crisis in this case are we dealing? It could be a question both not of a general crisis of capitalism alone and not of a crisis of all of world civilization. We should evidently understand by crisis of civilization a crisis of modern industrial civilization, which is in conflict with the interests of social development and requires replacement by a new S&T civilization.

Does the history of society know of such global crises? Yes, it does.

The gathering mode of the production of social life, which was replaced by the farming, and the latter, by the industrial, mode, once came into conflict with the development of society. Having exhausted its possibilities, the industrial mode of production also is now in a whole number of countries demanding replacement by a new, more consummate—S&T—mode of the production of social life based on robotization, computerization, biotechnology, new social practices and a solicitous, jealous attitude both toward surrounding nature and man himself, which will lead to the establishing of the adequacy of social relations both with intrinsic human nature and the surrounding environment.

Footnotes

1. K. Marx and F. Engels, "Works".
2. V.I. Lenin, "Complete Works".
3. PRAVDA, 29 June 1988.
4. IZVESTIYA, 26 July 1988. COPYRIGHT: "Rabochiy klass i sovremennyy mir", 1989

'Dialectic' of Class, All-Human Interests

18070676 Moscow KOMMUNIST
VOORUZHENNYKH SIL in Russian No 8, Apr 89
pp 17-24

[Article by N. Tabunov, reserve major-general, doctor of philosophical sciences, professor: "The Dialectic of Class and All-Human Interests"]

[Text] A contradictory but interrelated, largely wholistic world is being created today. It has two inherent dialectically associated tendencies: On one hand there is the

historical opposition of two systems, and on the other—the growing tendency toward interrelation of states in the world community. In the context of these two tendencies, the class and all-human interests are correlated differently than they were in the past prior to the mid-20th century. Under current conditions, the correct understanding of their dialectic has taken on a truly fateful importance for working out strategy and tactics in world politics. The question of combining class and all-human principles in real world development, and consequently in politics, was emphasized at the February (1988) CPSU Central Committee Plenum. This is a basic theoretical question which has sharply arisen both before Marxists and before their opponents. An in-depth clarification of this problem by the officers of the Soviet Armed Forces would facilitate their deeper understanding of the current CPSU defense policy.

In the second half of the 20th century, basic socio-economic, political and scientific-technical changes took place on our planet. The world system of socialism emerged. The colonial empire fell, and in the place of the former colonies tens of liberated states emerged whose voice came to be heard with ever-increasing force in world politics. The waves of the scientific-technical revolution are rising ever higher, accelerating social progress and at the same time carrying a threat to the very existence of life on Earth. Mankind is faced in full force with global problems which were hitherto unknown, and whose solution requires immediate action on the part of large and small peoples alike. All this could not help but be reflected in the content of international relations and in the correlation of class and all-human interests within them.

The CPSU, considering the new realities, restored in its laws the Marxist-Leninist thesis about the priority of all-human values and interests over class, group, or individual values and interests. K. Marx noted that all-human interests, or the interests of mankind, "always blaze their trail at the expense of individual interests..." (K. Marx and F. Engels, "Works", Vol 26, Part II, p 123), coinciding with the interests of specific individuals who comprise the most progressive classes. Applying this idea to the relation of all-human interests to the interests of the working class, V. I. Lenin back in 1899 formulated the thesis that "from the standpoint of the basic ideas of Marxism, the interests of social development are higher than the interests of the proletariat—the interests of the whole worker's movement in its entirety are higher than the interests of an individual stratum of workers or individual moments of the movement..." (Collected Works, Vol 4, p 220). And this is as it should be, since the part must correlate with the whole, and not vice versa.

Within the channel of these ideas, the CPSU came to the conclusion that under current conditions, when a real threat of destruction of mankind has arisen and continues to exist, the class antagonism between the world bourgeoisie and the world working class must not

become a detonator for inter-state cataclysms. Therefore, in the new edition of the CPSU Program, the thesis that peaceful coexistence is a specific form of class struggle between socialism and capitalism which was contained in the program document adopted at the 22nd Party Congress (1961) has been deleted as inadequately reflecting the content of current international relations and not corresponding to the imperatives of the new thinking.

However, the new idea was not synonymously understood by all and received varying interpretations in our country.

Two extreme positions emerged in the views on this idea. The proponents of one of them believe that peaceful coexistence relates exclusively to the sphere of interstate relations, while the class struggle is the matter of the people of each country. The one-sidedness of this viewpoint consists of bringing the entire system of international relations down to only intergovernmental ones. The latter, being the most important, nevertheless does not exclude other relations—international, inter-class relations, as well as relations between political movements, parties, various organizations, etc., which comprise a variegated pattern in the interrelation between peoples. As evidenced by all world experience in the struggle of the working class against the bourgeoisie, the class struggle is international both on the part of the oppressors, and on the part of the oppressed. In any case, it always has an international aspect. These are the rudiments of Marxism but, unfortunately, they are forgotten or overlooked by some.

The proponents of the second point of view continue to consider peaceful coexistence to be a specific form of class struggle, not bothering to understand the multiplicity of ties between states having opposing social systems—their intertwining, their intersection at certain points, and their sharp divergence at others. In essence, the proponents of this position reduce all the richness of interrelations between peoples merely to a struggle.

In order to avoid one-sidedness in our views at the current stage of world development, we must understand what the class and all-human interests actually represent in the interrelations of people unified into social groups and classes participating in various types of direct, as well as mediated (for example, through the state) social interaction. The content of these interrelations comprises the behavior and activity of people. The key points of this interaction are the needs, interests, and values of orientation and the results of deeds and actions. Focusing attention on one of them, V. I. Lenin wrote: "People always have been and always will be stupid victims of deceit and self-deceit in politics, until they learn to seek out the **interests** of certain classes behind any moral, religious, political, and social phrases, statements, or promises". (Collected Works, Vol 23, p 47).

Since the class acts as one of the vehicles of the richest spectrum of interests, its interests are called class interests. However, the class, like any social group, is not the monopolistic owner of these interests. The latter also have such a content which is akin to the content of interests of other classes, other groups and socio-ethnic communities (nations, peoples). In other words, class interests also have all-human content. Thus, for example, the recognition of the need by the working class for healthy nourishment (and this, after all, is an interest!) is inherent in no lesser degree to any other class, to any social group, community, etc. However, class interests also have a specific content. Thus, the exploiting class has an inherent desire to keep for itself the surplus product—the part of the gross national product created by the workers which goes beyond the margins of that portion which is necessary for maintaining the producers themselves and their families.

Consequently, **class interests** are the combination, first of all, of the general (or, as we usually say, all-human interests) inherent not only to a specific class, but also to other classes and communities, and secondly, the specific class interests (or class interests in the extremely narrow sense of the word). **All-human interests** are that general content which is included in class as well as in group and individual interests, outside of which it cannot exist. Therefore, the contraposition of all-human interests to class interests which is rather widespread in publications is, strictly speaking, incorrect and erroneous. We can juxtapose only the all-human content to the specific class content in class interests, but not all classes. And here is why.

The founders of scientific communism proceeded from the premise that antagonist classes act in equal degree as bearers of all-human and specific class interests respectively. Being products of the same historical development and resting on a common historical basis, the antagonist classes of the same society, naturally, have something in common. Keeping in mind, specifically, the moral values, F. Engels wrote in "Anti-Dühring" that those [values] whose bearers are the working masses, the workers, contain a huge number of elements which promise and guarantee them (these values) the most long-lived existence. In his early work, "The Position of the Working Class in England", he stressed that the interests of the workers "coincide with the interests of all mankind" (K. Marx and F. Engels, Works, Vol 2, p 237), presuming the prospects and interests of social development. Yet, naturally, the interests of the workers could not coincide, do not coincide, and cannot coincide with the specific class interests of the ruling classes. Specifically, the portion of all-human interests contained in the interests of the bourgeoisie at the beginning of the revolutionary activity of K. Marx and F. Engels was too small to be able to count on its class reason and on its movement along the path of social progress without a socialist revolution.

The classics of Marxism-Leninism subsequently did not deny the presence of all-human content in the interests of

the bourgeoisie. This finds its reflection, for example, in the activity of such social institutions as the bourgeois state. In the words of K. Marx, being in essence the expression of will of the bourgeoisie, it strives at the same time to engage also in the fulfillment of general matters inherent to any society. V. I. Lenin also stressed that it is absurd to equate Russian autocracy with the supremacy of the bourgeoisie. It had relative independence and partially balanced between the opposing interests of different classes.

However, the logic of the class struggle forced the Marxists to place their emphasis on the decisive role of the specifically class interest within the interests of the bourgeoisie, to ignore to a certain degree the presence of elements of the all-human and at the same time to idealize to some degree the interests of the working class. In the past this did not lead to consequences dangerous to the fate of mankind.

Summarizing what has been said, we may conclude that up to the middle of the 20th century, it was not all-human, but specifically class content which was the main motivating force in the dialectics of class interests. This circumstance was the reason why the specific class (part of the interests) and the class interests in general (the entire content of interests) were equated in popular Marxist literature. Yet the position of the founders of scientific communism regarding all-human content in class interests was underestimated and practically ignored.

The relation of class and all-human interests began to develop in a principally different way beginning with the mid-20th century, when mankind was faced with the global problems of modern times. We are speaking of those problems which have touched upon the vital interests of our entire planet's population, have begun to pose a real threat to its present and its future, and demanded close attention to themselves on the part of large and small peoples, unifying their efforts for the immediate solution of these problems in the name of mankind's social progress.

The real threat of mutual annihilation, including also in the case if one of the nuclear parties launches a deterrent strike against another, has significantly changed people's views toward international relations. The means of mass information have facilitated the clarification by all peoples of the truth that all people are passengers on one ship, and it is called Earth. They are destined either to survive together, or to perish together. The general interest toward the immortality of mankind has also illuminated with unusual clarity the fact that under conditions of earthly civilization there is nothing dearer than human life in its species sense, and that the all-human content in the interests of people has under these conditions taken on a more important significance than the specific class interest.

Under these conditions, peaceful coexistence of peoples and states takes on an entirely different significance. **Peaceful coexistence is a peculiar form of international relations between countries with different social systems, aimed at affirming between them businesslike, mutually beneficial cooperation and competition which absolutely exclude armed violence as a means of resolving controversial questions.**

In the first years of Soviet rule, peaceful coexistence was viewed as a phenomenon which was temporary and necessary for both sides. After the Great October, V. I. Lenin often said that the Bolshevik Party has led the people to storm czarism with the hope that this revolutionary endeavor in Russia will immediately be taken up by the peoples of other countries. Speaking on 5 July 1921 at the 3rd Comintern Congress, he admitted: "We thought that either the international revolution would come to our aid, and then our victories would be fully secured, or we would perform our humble revolutionary work with the knowledge that in case of defeat, we will still serve the cause of the revolution and that our experience will benefit other revolutions. It was clear to us that without the support of the international world revolution, the victory of the proletarian revolution is impossible" (Collected Works, Vol 44, p 36). But the international revolution did not take place. The Land of the Soviets had to build socialism alone. Under these conditions, peaceful coexistence was for it the optimal means of retaining its conquests.

But for the capitalist states too, peaceful coexistence with the Land of the Soviets was also necessitated. Most of these states in the inter-war years did not risk starting an armed crusade against it, seeing the strengthening of our country's economic might and the increase in its defense capability, as well as the growth of sympathies by the workers of the entire world with the USSR. The defeat of fascist Germany and its allies in World War II, in which the Soviet Union played the main role against the party primarily guilty for unleashing [this war], also increased our country's authority.

The CPSU Program adopted at the 22nd Party Congress was based on the idea that "the monopolistic bourgeoisie cannot shoot its way out, even with nuclear weapons, from the inevitable course of historical development", that "mankind does not want to and will not reconcile itself with the historically outdated system of capitalism", and if all the imperialist aggressors dare to unleash a new world war, the peoples will no longer tolerate the order which has thrust them into ruinous wars, and therefore will topple and bury imperialism. The idea was affirmed that if the imperialists unleash aggression, we could achieve victory in a nuclear war.

At the present time it is entirely evident that such a prognostic analysis of international relations was not entirely realistic and well thought-out. As evidenced by the post-war events, state-monopolistic capitalism turned out to be capable of self development. It was able

to use the achievements of the scientific-technical revolution in its own interests, and to create a powerful social infrastructure. At the same time, due to a combination of a number of objective and subjective factors, crisis phenomena gripped certain socialist countries. Despite this fact, the potential might of socialism has not been shaken. The socio-economic reforms which have been implemented in recent years, the policy of renovation and perestroika in the socialist countries, strengthen our confidence in the fact that the time is not far off when the new social order will have its main effect on the non-socialist world through achievements primarily in the economic, political-legal, social and spiritual spheres. This is where the main conscious efforts of the communist and workers' parties and the peoples of the socialist countries have been shifted. **Peaceful coexistence has become for us not simply a problem of tactics, but a vitally important strategy affirmed seriously and for a long time in international relations.**

Peaceful coexistence as a businesslike, mutually beneficial cooperation is objectively necessary and beneficial to both parties. The all-human interest (the desire to survive) motivates the population of the capitalist countries, including also the class of capitalists, as well as the population of the socialist states to opt for, in the words of Lenin, "peaceful coexistence" over military opposition, which holds the threat of extinction of all living things.

At the same time, peaceful coexistence does not exclude competition between different systems, and in the language of materialistic dialectics this is also called a struggle. And there is nothing odious or frightening in this term. Fighting (and quite justifiably) for strengthening mutually beneficial business ties with the West, certain Soviet authors completely banish the term "struggle" from their lexicon when they examine peaceful coexistence as a form of international relations, affirming rather that the class struggle has no relation to peaceful coexistence, that it is the exclusive internal affair of the people. Is this really so?

There really are principle differences between peaceful coexistence and the class struggle. **First of all**, the subject (vehicle) of peaceful coexistence as a specific form of international relations are peoples, nations, classes, states, etc., while the most active subjects of the class struggle, as a rule, are antagonist classes. Therefore, it is completely inadmissible to extend the "class approach" to peaceful coexistence as a whole. In this case, the working class of the capitalist countries, which is itself interested in strengthening peace to the greatest degree as compared with the bourgeoisie, would also become a class enemy to the peoples of the socialist countries.

Secondly, peaceful coexistence and the class struggle differ also in their means. The former absolutely excludes the application of armed force, while in the arsenal of class struggle the latter remains to this day a means of opposition.

Thirdly, peaceful coexistence and the class struggle differ significantly also by the character of relations contained in them. In the first case, relations of cooperation between the peacefully coexisting parties is presumed. In the second—relations of confrontation, often leading to sharp opposition.

Fourthly, the comparable phenomena are distinguished also by the primary goals which are pursued by their subjects. The main purpose of peaceful coexistence is the affirmation and development of businesslike, mutually beneficial cooperation, and in the class struggle—primarily the attainment of political supremacy of one side over the other.

All these distinctions were the basis for excluding from the new edition of the CPSU Program the formula which states that "peaceful coexistence is a specific form of class struggle".

However, what we have said does not refute the fact that even under conditions of peaceful coexistence the class struggle continues, and not only within one country or another which has an exploitive society, but also within international coordinates. Here we may rightly speak of rivalry, when the question turns to the relations of two world systems. The specific character of international relations in this case consists primarily of the fact that the working class of the socialist countries, by virtue of its example, facilitates the struggle of the proletariat in the capitalist and liberated countries for their social rights, giving it moral support. The ruling classes of the capitalist countries are forced to consider this. The materials of the 27th CPSU Congress stress that international solidarity with the international workers' movement comprises one of the main goals and directions of our party's international policy.

Summing up what has been said, we may quite definitely conclude that although peaceful coexistence in itself is not a specific form of class struggle, still the rivalry between the two systems does not cease, but is conducted in various forms which exclude armed force, continuing to serve as the international (and not only domestic) cause of the workers of the entire world. The uniqueness of such relations proves the priority of the all-human interest over the class interest, since the development of military technology and weapons of mass destruction has placed an objective limit on the class confrontation in the international arena.

New aspects in the relation of all-human and class interests have emerged also in such a specific direction of international relations which is tied with the spiritual life of the people. A reflection of these new aspects was the emergence of the formulas for "de-ideologizing international relations" (overcoming the deep ideological confrontation which lies at the basis of the current world schism). In my opinion, the name of this phenomenon is not quite accurate. **First of all**, it causes the unwilling

association with the bourgeois conception of de-ideologization which was widespread in the middle of the current century. Its proponents called for liberating science from party affiliation, from ties with ideology and class interests, slipping in the political views of the bourgeoisie under the guise of "objectivism" and "lack of party affiliation in science". **Secondly**, the expression "de-ideologization of inter-state relations" is capable of giving rise to the illusion that inter-state relations can be freed of any effect of ideology upon them. We might add that such a point of view has already appeared in the Soviet press. This question is not a simple one, and it is directly tied with the dialectic of all-human and class interests in world politics.

The answer to it significantly depends on whether the ideology expresses the class interest in its full volume or only the specific class interest, excluding the all-human content of class interests. In resolving this question, V. I. Lenin stressed that ideology reflects the class interest in the unity of its specific class and all-human content. In his letter "To the Northern RSDRP [Russian Social-Democratic Workers Party] Congress" (1902), while critically analyzing the program of this organization, he pointed out that reducing the ideology of socialism, the ideology of the class struggle of the proletariat, merely to a specific class content is inaccurate, ambiguous, and even dangerous. The ideology of socialism in the volume of its reflection is broader than the specific class content of the working class interests. Aiming the proletariat specifically toward a political struggle, it does so not only for the workers, but also in the interests of general all-human development, i.e., in the name of all-human interests. The opinion which prevailed in the recent past that peaceful coexistence does not extend to ideology does not withstand criticism. The theoretical inconsistency of this position is associated with the absolute isolation of ideology from politics (in politics, they say, cooperation and compromises are possible, while in ideology they are not), and with the absolutization of the specifically class content in class interests. The content of politics organically includes political consciousness, including also a political ideology, and in principle it is impossible to exclude the latter from politics. If we affirm that compromises occur in politics, then, so as not to fall into a contradiction in logic, we must also extend this thesis to one of the existing and inalienable components of politics—political ideology.

The possibility of cooperation in ideology is determined by the presence in it of elements associated with the reflection of all-human content in the class interests. Ignoring this content during the lifetime of V. I. Lenin did not entail any significant cost in politics. Yet Vladimir Ilyich's genius was manifested in that already at the dawn of the revolutionary workers' movement in Russia he perspicaciously saw the outlines of the emerging danger—the underestimation of the all-human factor. Under current conditions, however, ignoring the all-human factor in class interests and reflecting it in the ideology is not only dangerous, but even criminal.

The most important all-human interest today—the conscious need for survival—dictates to all who are not devoid of reason to unite their efforts in the struggle for peace. It is absurd to believe that we can follow this imperative of the times only in politics, yet maintain the opposite position in ideology and sanctify the need for mutual obliteration. It would be absurd and dangerous to look with dispassion upon how the economics, politics and culture of the countries of two opposing social systems are striving to march in step with each other, while ideology breaks the common rhythm of movement toward the all-human goal.

Something else is also quite evident. As long as different classes have specific class interests, there will inevitably be not only economic and political, but also ideological competition and opposition. One way or another, this ideological rivalry will be “present” also in the fabric of inter-state relations—the most important component in international relations.

“We do not reject our convictions, our philosophy or traditions, and we do not call upon anyone else to reject theirs,” announced M. S. Gorbachev from the rostrum of the United Nations Organization on 7 December 1988. “Yet we also do not intend to lock ourselves into the circle of our values. This would lead to spiritual impoverishment, since it would mean a rejection of such a powerful source of development as exchange in all that is original which is created by each nation independently.”

“In the course of such an exchange, let each one prove the advantages of his own order, his own way of life, and his own values—not only through words and propaganda, but through real actions.”

“This is the honest struggle of ideologies. Yet it should not be transferred over to interrelations between states. Otherwise we simply will not be able to solve a single one of the world’s problems...”

Here we are speaking essentially of a new concept: Of **giving ideological opposition and ideological discussions civilized forms which exclude the transformation of ideological differences into an obstacle to the development of cooperation between states representing different social systems.** This is the essence of de-ideologization of inter-state relations. It also stems from the priority of all-human values over class values.

The happy fate of the working class consists of the fact that its class interests in principle unite into an integral whole their specific class as well as their all-human content. The countries of socialism, personifying the interests of the working class and all the workers, are moving in the channel of progressive historical development. And the defense policy which has been placed in the service of protecting their interests is lofty and noble.

Soviet soldiers, in realizing this policy, are performing a much-needed task. [They are doing so] in the name of all mankind and in the interests of the people of their country.

A component part of the defense policy is defense consciousness—a specific variation of political consciousness oriented at the reflection, study, and social evaluation of problems associated with war and peace, with building and defining the intent of armed forces of peace-loving states. The new thinking is reinforced and guaranteed by **defense consciousness.** The latter includes two components—**defense-political and defense-special.**

The first component represents a system of views stemming from the acknowledgement of the objective need for eliminating war from the life of mankind, excluding the application of military force in international relations, stopping the arms race, affirming peace and a universal system of international security, and implementing complete and general disarmament.

The bearers of defense consciousness do not treat any one people as their enemy. They do not have territorial pretensions on any state, and they base their international relations on respect for the principles of independence and national sovereignty, non-application of force or threat of force, inviolability of state boundaries and territorial integrity, resolution of conflicts by peaceful means, non-intervention in domestic affairs, equal rights and other [principles] provided by the UN Charter, the Helsinki Concluding Act and the universal standards of international relations.

The second component of defense consciousness encompasses the views toward methods of conducting current armed combat, toward managing personnel, combat technology and weapons, and toward supplying the armed forces with them. This component includes a number of principles, the most basic of which is the following: The armed forces of a peace-loving state are called upon to be in such a state of readiness and at such a level which would be sufficient not only to prevent their being caught unaware, but which could also repel any attack from outside.

* * *

Today the people of our planet are faced with the inevitable questions: Is the all-human interest capable of gaining the upper hand over a number of centrifugal forces and tendencies? Do the peoples have sufficient wisdom and force of will to stop militarism and prevent nuclear war? These questions, of course, are not simple. They will not be easily resolved. The accumulated experience as well as the new mechanisms of international regulation will come in handy here. Yet today it is becoming apparent: It is impossible to evade the fact that today the priority of all-human interests is the condition

for preserving life on earth. That is the dialectic of the international situation. Those are the realities of the new world. COPYRIGHT: "Kommunist Vooruzhennykh Sil", 1989.

Czechoslovakia's Obzina on Priority of Ecology
18250174 Moscow PROBLEMY TEORII I PRAKTIKI
UPRAVLENIYA in Russian No 2, 1989 pp 3-7

[Article by Yaromir Obzina, deputy chairman of the Czechoslovak Socialist Republic's government: "Ecology Is a Priority Avenue of State Policy"]

[Text] The formation and protection of the environment and the rational use of natural resources are closely connected with the social and political realities of individual states. From this point of view, the problem of peace throughout the world and the prevention of a thermonuclear war, which threatens the existence of life, humanity and its culture, is the basic one. The military strategic balance on a world-wide scale between socialism and capitalism—the USSR and the United States—and the measures to reduce armaments, to disarm and to strengthen trust between states and peoples emerge as the decisive factor here.

All of this must be recalled primarily because the United States has still not taken upon itself the obligation to refrain from using nuclear weapons and has not rejected the militaristic doctrine of a "nuclear first strike." At the same time, the United States has not accepted the concept of the peaceful coexistence of states with different social systems and adheres to the thesis of conducting relations with world socialism from a position of strength.

In this connection, it seems important that the efforts, which are aimed at implementing ecological programs, are seriously lagging behind the efforts in the nuclear weapons area. One cannot call for the development of world-wide ecological programs and simultaneously support the idea of atomic weapons.

The ideological and political aspects of environmental protection require intense attention because the appropriate programs among the Czechoslovak Socialist Republic's capitalist partners are only being disseminated to more economically developed states with high living standards. The social problems of the less developed capitalist and developing countries, which do not have sufficient financial resources at their disposal for this, are also being reflected in these programs. The pressure, which is being exerted on socialist countries in the ecological area, reminds one more of an attempt to create additional difficulties for them than a humane concern for the environment in these countries and has an exclusively propagandistic nature in many respects.

The fundamental aspects of environmental protection were a subject of discussion during the session of the Warsaw Treaty Organization's Political Consultative

Committee that was held 15-16 July 1988. It adopted a political document which has enormous international importance—"The Consequences of the Arms Race for the Environment and Other Questions Concerning Ecological Dangers." In particular, the document pointed out: "The violation of nature's balance is reaching such scales that it can lead to irreversible consequences and destroy the material basis for humanity's social and economic progress and directly threaten its existence itself."

This document proposes the following actual solution to the problem: "The cardinal avenue in the struggle to protect the environment was and remains the prevention of nuclear war, the inescapable result of which would be a total ecological catastrophe. Any armed conflicts adversely affect the status of the environment. Constantly and to an ever-increasing degree the arms race is destroying it, contrary to the efforts to safeguard nature, and is a serious obstacle to the solution of the noble problem of creating on Earth a harmonious balance between technology and nature. That sort of line finds unanimous and implicit support in the Czechoslovak Socialist Republic.

I

The Czechoslovak Communist Party Central Committee and the government of the Czechoslovak Socialist Republic are paying intense attention to the entire series of problems connected with protecting the environment and rationally using natural resources in the country. As the 8 November 1988 program statement of the Czechoslovak Socialist Republic's government in the Czechoslovak Socialist Republic's National Assembly and the speech of M. Jakes, general secretary of the Czechoslovak Communist Party Central Committee, during the Czechoslovak Socialist Republic's National Front Central Committee plenum pointed out, the concern for forming and protecting the environment and rationally using natural resources is a priority program of state policy today. In particular, the fact that a document entitled "Principles for a State Concept For Forming and Protecting the Environment and Rationally Using Natural Resources" was carefully worked out and approved in 1985, testifies to this. It has become the main directive document for economic and state agencies and a reference point for all the informal groups and public organizations that are united in the Czechoslovak Socialist Republic's National Front, for the governments of the Czech and Slovak socialist republics, for federal and republic ministries and departments, and for kray and okrug national committees in the development of their own program documents, their direct and planned implementation and the preparation and submission of summarized material and recommendations to the Czechoslovak Socialist Republic's government.

The Czechoslovak Socialist Republic's government carefully studied the proposals and documentation submitted. After additional consultations with specialists in the area of theory and practice and an analysis of the proposals considering foreign experiences and the international obligations of the Czechoslovak Socialist Republic, the "State Concept for Forming and Protecting the Environment and Rationally Using Natural Resources out to the Year 2000" was adopted on 26 June 1988. This document poses and thoroughly justifies the strategic task of renewing the ecological balance in the Czechoslovak Socialist Republic under the conditions of a further intensive expansion of industry, agriculture, the construction industry, transportation, and communications.

The final goal is not the solution of individual private questions such as, for example, the stabilization of the general situation or the reduction of the existing level of environmental pollution but the renewal of the ecological balance in the country as a whole. Considering this, the "State Concept" establishes two stages of renewal. The first one—out to the year 2000—consists of substantially improving the situation by carrying out all the international obligations of the Czechoslovak Socialist Republic. One can justify and realistically define a program for implementing and thoroughly supporting this stage today. The second stage, which directly follows from the first one, consists of achieving the assigned strategic task during the period after the year 2000.

During the first stage, the "State Concept" singles out five main factors with all the variety of their international intercommunications and dependencies. Thus, in solving ecological problems, questions of providing humanity with food, raw material and energy resources; health care; and guarantees at the required professional and cultural levels as the basis for the development of human civilization and culture, are posed along with the task of preventing a world-wide thermonuclear war. Thus, from the viewpoint of forming and protecting the environment, the main factors are: providing sufficient water resources and protecting their purity; protecting the land in general and, especially, cultivated land; being concerned about its safekeeping and increasing its area; protecting forests and vegetation; maintaining the purity of the atmosphere; solving the series of problems connected with architecture, urbanization, production, and municipal wastes, including the more rational distribution of production forces on the country's territory and the introduction of waste-free production processes.

The fulfillment of the tasks in the first stage of the "State Concept" will be done during three five-year plans—the Eighth, Ninth and Tenth—and will embrace the period from 1986 to the year 2000.

The "State Concept for Forming and Protecting the Environment and Rationally Using Natural Resources During the Period out to the Year 2000" is the summarized result of branch, regional and republic concepts.

The main difference between the 1988 "State Concept" and the 1985 "Principles for a State Concept for Forming and Protecting the Environment and Rationally Using Natural Resources" lies in this. The "State Concept" is not the usual administrative departmental directive from the Czechoslovak Socialist Republic's government nor is it simply a planning act; it is a comprehensive, program, government, and public document that is binding on everyone. It is the strategic policy of a socialist society and state—the Czechoslovak Socialist Republic's National Front.

The Czechoslovak Socialist Republic is one of the few states in Europe and the world where the government has prepared, approved and published its own ecological program. Based on the intrapolitical and international importance of this document, its discussion by the Czechoslovak Socialist Republic's Federal Assembly is not excluded. The social importance and goals of the "State Concept for Forming and Protecting the Environment and Rationally Using Natural resources During the Period out to the Year 2000" make its discussion by the highest legislative body of state power simply necessary.

II

The "State Concept" defines the main avenues and sequence of work to solve specific tasks during each five-year plan and achieve the overall goal of the first stage before the year 2000—the establishment of the preconditions for realizing the strategic task during the period after the year 2000: The investment of assets in solving ecological problems during the Eighth-Tenth five year plans should insure the overcoming of the damages inflicted on the environment during previous years. During the period out to the year 2000, these measures will be very important and they will permit an improvement in the general ecological situation to be achieved when compared with its present condition. During the current (1986-1990) five-year plan alone, it is planned to construct 217 important ecological projects at a total cost of 17.6 billion koronas within the framework of the state ecological construction plan in order to reduce pollution and gradually stabilize the ecological situation. It is planned to achieve a partial improvement in the ecological situation in two main regions—Prague and Severocheshskiy Kray.

Problems, however, exist. The construction of 23 ecological projects has still not been begun and has been put off to 1989 and 1990. There is a danger that all of the assets and resources allotted by the state will not be used in a timely and purposeful manner since a number of ecological measures have not been prepared in the required way. In this connection, the government statement gave a critical appraisal of the situation and demanded that the fulfillment of the planned tasks be guaranteed. This approach is necessary since it is assumed that approximately 42 billion koronas will be allocated for the construction of ecological projects during the Ninth

Five-Year Plan (1991-1995) and another 40 billion koronas—during the Tenth Five-Year Plan (1996-2000). Thus, during the period up to the year 2000, the total amount of capital investments in measures to solve ecological problems will be almost 100 billion koronas.

The next main avenue in the work to achieve the goals that have been assigned is the overall ecologization of the social reproduction process. In practice, this means protecting the environment against the harmful influence of production activity in industry, agriculture, construction, transport, communications, and the non-production sphere.

In perspective, this is the only strategically correct approach since the cause of new damage in the future and, respectively, its elimination should become an extraordinary event. It is necessary to prevent any opportunity for inflicting damage. This can be completely assured during the second half of the Nineties. According to the estimates of specialists, the ecologization of public production through new capital construction up to the year 2000 will be assured by only 20-30 percent. In the remainder, all capital construction of ecological projects will be aimed at overcoming the damage that was previously caused. This ratio will undoubtedly change after the year 2000 when the effectiveness of the assets invested in the ecology and their impact on the environment will grow significantly.

This concept urgently requires the rejection of various types of concessions and exceptions during the approval of construction plans. During the compiling of design and estimate documents and the determination of financing sources and during the realization of any project, it is necessary to take into consideration the tasks involved in preserving the environment. This requires, as the Czechoslovak Socialist Republic's government points out, the accelerated development of the appropriate design, production and installation capacities, primarily in machine building and construction, and the mandatory use of scientific and technical achievements, know-how and licenses. This means the decisive renewal of the entire Czechoslovak Socialist Republic's production base.

The third main avenue in the activity to implement the "State Concept" is the rational use of natural resources both from the viewpoint of their economic effectiveness and from the preservation of Czechoslovakia's natural wealth.

It is necessary to admit that this complex of questions is less developed in the "State Concept." That is why it is necessary to continue the work to improve programmed support and to solve urgent problems. The rational management of natural resources, especially those which exist in sufficient quantity in the Czechoslovak Socialist

Republic, is necessary. This means learning to treat any resource—without exception—carefully, having rejected "profound" arguments about the limited nature of the country's natural wealth.

The "State Concept for Forming and Protecting the Environment and Rationally Using Natural Resources During the Period out to the Year 2000" requires the development of a program and the systematic introduction of waste-free production processes and the effective use of those wastes which remain as by-products from past production. One must approach the mining rates and consumption amounts of non-renewable natural resources extremely responsibly while, at the same time, looking for substitutes and alternative sources for them. Concerning the renewal of natural resources, it is necessary to concentrate attention on a decisive increase in the quality of the natural systems that insure their renewal. In this connection, it is especially necessary to single out the problem of protecting and safeguarding reservoirs and land on which the preservation and reproduction of forest tracts and the general condition of the atmosphere depend to a great extent—the more so since land is an irreplaceable source of food products and water—a condition of life.

The preconditions for carrying out the directions that have been examined are, on the one hand, the building of a material, technical and production base for realizing ecological projects and, on the other hand, thorough attention toward ecological problems. A state special-purpose program entitled "Forming and Protecting the Environment" has been prepared and is being discussed. It includes five parts that provide for achieving the required level in developing production processes, modern equipment and measuring instruments; providing primary material and raw materials; training qualified personnel; and establishing all the political and legal conditions which will be reflected in the law that is being prepared on the environment and the rational use of natural resources. The scattering of the state's efforts in this area will be overcome in this manner.

As is known, the Czechoslovak Socialist Republic's government is firmly fulfilling its international duties in the area of environmental protection. In this connection, I would like to dwell on another question.

One cannot agree with the viewpoint that today's condition of the environment in the Czechoslovak Socialist Republic, which Czechoslovak specialists themselves admit is insufficiently favorable, is the result of the conscious refusal of a socialist society, responsible party and state agencies and the government to examine ecological problems. One must evaluate the situation objectively and approach it historically. It is important to remember that, beginning with the Marshall Plan and ending with the latest measures of the Committee for Coordinating the Export of Strategic Goods (COCOM), the Czechoslovak Socialist Republic and other countries, which are moving along the path of constructing

socialism, have been objects of an embargo, political discrimination and nuclear blackmail. Acts, which undermined their economy at a time when the main task of these states was the struggle for survival, were directed against the socialist countries.

The task of preserving the independent process of constructing socialism in the Czechoslovak Socialist Republic and of insuring the country's contribution to the development of the socialist commonwealth forced it to intensify the mining of coal and the smelting of steel and to carry out other measures not always ecologically justified. The Czechoslovak people have made enormous efforts to consolidate the rights of socialism in life in the very center of Europe. If it were decided that history should be repeated, Czechoslovakia would select that same path which it selected then. However, based on today's experience, the Czechoslovak Socialist Republic would not have repeated the mistakes which were made in the ecological area in the past. Today, the country has a completely different and powerful potential and greater capabilities than 20-30 years ago. That is why it is making important political decisions on matters concerning environmental protection. COPYRIGHT: Mezhdunarodnyy zhurnal "Problemy teorii i praktika upravleniya", 1989

Official Describes Znaniye Society's Activities Abroad

18070674 Moscow ARGUMENTY I FAKTY in Russian No 25, 24-30 Jun 89 pp 4-5

[Interview with "Znaniye" governing board First Deputy Chairman N. Golovko conducted by AiF correspondent D. Makarov: "'Znaniye' Abroad"]

[Text] In many cases, the "Znaniye" society is the official representative of Soviet science abroad. AiF correspondent D. MAKAROV speaks about the international activity of this society with N. GOLOVKO, first deputy chairman of the governing board.

[Correspondent] Nikolay Kononovich, I know that you recently were in Italy during the time of the governmental crisis. Tell us, how are the political cataclysms reflected in the lives of the Italians?

[Golovko] You know, it is not the first time that I have been to Italy. I have also been to other capitalist countries many times, and here is what I have noticed long ago: The Americans are actively engaging in business, always seeking new spheres of application for their energy and their capital. The Italians, or, say, the French, it would seem, spend their entire lives in the cafes. Unlike them, the West Germans are well known for their diligence and punctuality. Nevertheless, there are no sharp distinctions in the average standard of living of practically all the countries of Western Europe and America, and alas, it is much higher than ours. In some places the climate is cold, as for example in Norway and Finland. In some places it is hot, as in Spain or Greece.

Yet everywhere the store counters are filled with various assorted fruits, vegetables, and other products regardless of the geographical latitude of the trade center. This means there is a well regulated mechanism which allows the country to develop, regardless of who specifically is at the helm of power. This economic mechanism has been honed for centuries in the countries of the West, and today under conditions of perestroika we have something to learn from the Europeans or the Americans.

[Correspondent] Is it specifically for this knowledge that you go abroad as the official representative of the "Znaniye" society?

[Golovko] For this too. But also to bring there a knowledge about perestroika, and about the changes in our society.

[Correspondent] Nikolay Kononovich, the activity of the All-Union "Znaniye" Society is well known in our country. It is thousands of scientists lecturing on various fields of science and culture at the enterprises and institutions. It is also the widely popular periodical publications such as NAUKA I ZHIZN [Science and Life], NAUKA I RELIGIYA [Science and Religion], NTR: PROBLEMY I RESHENIYA [Scientific Technical Revolution: Problems and Solutions]...

[Golovko] This list should also include the bulletin ARGUMENTY I FAKTY, where you work, which was founded 11 years ago and which during these years has edged out many highly respected publications.

Nevertheless, the notoriety of the "Znaniye" society up until recently has been, so to speak, domestic, and did not go beyond the USSR boundaries. Of course, there were official exchanges of delegations with other countries in the past. Soviet scientists participated in symposia abroad and foreign colleagues were invited to participate in analogous measures in our country. But, you know, all this bore rather a protocol character. When we went abroad, we thought more about not saying too much, about the fact that, God forbid, someone might defect, someone might get drunk, someone might end up at the police station, or be "subjected to provocation" In short, our visits abroad were reminiscent of the trips of the Russian princes to Orda.

Today, however, the exchanges of delegations between the "Znaniye" society and its foreign partners have become, first of all, more frequent, and secondly, the very atmosphere of our meetings has changed. Both here and there it has lost its former tense character. Mutual interest has emerged in exchange dealings which are beneficial to both parties.

[Correspondent] In other words, "Znaniye" will, so to speak, buy and sell knowledge?

[Golovko] Specifically, as the process of relaxation of tensions develops throughout the world, there will be fewer scientific and technological secrets which will be forbidden for export to "unfriendly" countries, since this concept is itself gradually dying out. Over the past years of total secrecy in our country, we have accumulated much knowledge which does not exist in other countries and in which we could successfully trade. Space is only the most obvious example. You must agree that it is more profitable to deal in knowledge than to deal in oil, which we and our descendants still have a need for.

On the other hand, in the next few years the USSR, I believe, will merge into the system of the world market. And, as I understand, the leading capitalist countries are showing a great interest in exporting current industrial technologies to the USSR.

[Correspondent] How is "Znaniye" preparing for such lucrative prospects?

[Golovko] First of all, in our opinion, it is necessary to create an infrastructure which we can use to organize effective and mutually beneficial trade in the sphere of information. Such an infrastructure is being created within the framework of the international association "Interznaniye".

This will be, if you will, a sort of concern which unifies numerous branch companies operating along different directions. Already today there have been 11 joint enterprises created in which part of the authorized capital belongs to the V/O "Znaniye". These enterprises were created quite recently. The first of them emerged only last year. Their task is the cooperation of scientific and production forces of different countries on a commercial basis.

[Correspondent] Along what directions are these enterprises operating?

[Golovko] It is as if they are 11 pilings designating the contours of "Interznaniye". Among them is an innovative commercial bank which has already begun financing the innovative activity in our country. There is an international computer club which includes, aside from "Znaniye" and other Soviet organizations, also a significant number of foreign firms. The purpose of the club is to establish cooperation in the sphere of application of informational technologies. There is the Soviet-Luxemburg enterprise "OTEMA" which will sell Soviet inventions on the Western markets and will market the developments of the sales markets. These are three examples which demonstrate the multi-aspectual integrated approach of "Interznaniye" to the solution of the task which has been presented—to help bring our economy out of crisis.

[Correspondent] In your opinion, how informed are Western businessmen and scientists about the possibilities of cooperating with the USSR in the field of science and technology?

[Golovko] I believe that a broad field of activity still remains here for our means of mass information. For now, all our efforts to present information abroad about the capacities of our market and its needs have been clearly insufficient.

It is possible that we should seek out new means in the sphere of information and advertisement aimed at the West.

[Correspondent] What specifically?

[Golovko] Well, for example, during a recent trip through Italy I was with the editor-in-chief of AiF, V. Starkov. And do you know what amazed me? How well the Italians know your publication. It is actively quoted by the press, television and radio, and political leaders refer to it. I even felt a slight tinge of jealousy because the "Znaniye" society which gave rise to it is not as well known.

Thus, I think that such popularity should be used more effectively. On the basis of AiF, we could create a joint enterprise together with one of the Western companies. It would engage in informing readers abroad about the business opportunities in the USSR and would publish advertisements. The prestige and popularity of AiF would help lay the path for this brainchild.

Interest in Soviet publications is undoubtedly great. Almost everyone we met in Italy asked us how to subscribe to our periodical. Today, when "Znaniye" is a cost accounting organization, and I believe that in the near future AiF will also change over to cost accounting, foreign subscriptions should be expanded. Nevertheless it seems to me that a more realistic channel of exchange of information, primarily practical information, must be the joint publications issued in two variants, one aimed at the Russian reader and the other—at the reader abroad.

[Correspondent] You mentioned that in the past the foreign contacts of "Znaniye" bore more of a protocol character. How is this changing today?

[Golovko] Meeting in Italy with many business people, we became convinced that we at "Znaniye" must drastically change our relations with our partners abroad. From contemplative trips we must move on to business contacts. The interest in our country is now great. Therefore, many Western firms are want to conclude agreements for lecturing before large audiences. It seems to me that this new direction in the activity of "Znaniye" is also very promising. I might add that we are speaking not only of lecturers in social sciences telling about the

USSR, but also about specialists—doctors, biologists, and mathematicians. Cosmonauts V. Gorbato and S. Savitskaya, OGONEK Editor-in-Chief V. Korotich, and surgeon-ophthalmologist S. Fedorov have already presented lectures in Italy under the auspices of the "ZNaniye" society...

The foreign political events of recent years testify to the fact that the "iron curtain" has fallen, and we will hope—irretrievably. Under the new conditions, the role of the "ZNaniye" society as the organizer of business, scientific, and even human contacts must undoubtedly change.

U.S. Call for COCOM Control of HDTV Technology Exports Ridiculed

*18070221 Moscow KRASNAYA ZVEZDA in Russian
8 Apr 89 First Edition p 3*

[Feuilleton by A. Golts: "No Definition!"]

[Text] "Gentlemen, we have completely forgotten about the Soviet threat!" The exclamation of General Nabryaker [transliterated], retired, was like a bolt of lightning in the dense atmosphere of the meeting of the board of directors of the largest electronic company in the United States, which took place over a 4-day period.

One of the board members looked expressively at the chairman, twisting his finger near his forehead. The chairman took a deep breath and in a tone of a school teacher turned to Nabryaker:

"Sir, all of us, who are present here, deeply appreciate what you did for our corporation when you assigned contracts in the Pentagon. This is precisely why on the day after your retirement you were sitting here, on our board of directors. However, you obviously still do not understand the difference between your previous service and your present job. In the Pentagon, it was sufficient for you just to assimilate what we suggested, but here you have to think on a larger scale and independently. So, I don't see any connection between the topic of our meeting and the Soviet military threat."

"How is that? There is a direct connection. Just listen..."

"No, general, you listen to me. And try to understand. We have gathered to discuss measures to repel the threat..."

"That is what I say: the Soviets..."

"What do the Soviets have to do with this?! We have been discussing for some time what we are to do with high definition TV—HDTV in brief. The fundamentally new technology—electronic motion pictures, so to speak—was developed in Japan and in Western Europe, not in the USSR. Sony, Toshiba, and, moreover, West Europeans have already developed their own experimental HDTV systems, but we," the chairman cast an angry look at his colleagues, "are still at the technical development stage. Is this clear?"

"Much clearer. In this case as well the Russians..."

"You are at it again. Please understand, any day now our competitors from Japan and the Old World will begin to sell qualitatively new television sets and video tape recorders. The population's entire, listen to me, entire television equipment will change. This vast market with an annual sales volume of tens of millions dollars may be out of our control. We can do nothing with this absolutely real threat. Well, did you finally understand?"

"Yes, I understood everything a long time ago. Therefore, I am talking about the Soviet Union."

"No," the chairman groaned. "This is intolerable. Simply clinical idiotism. To hell with them, with military contracts, never again anyone from the Pentagon..."

"Silence!" Nabryaker, who turned crimson, roared in response. "You listen to me! The only thing that I want to propose to you is to announce immediately that your, that is, their, HDTV is of vast military importance. We should tell the lie that it can be used in military satellites, or somewhere for military purposes. Consequently, this strategic technology in no way must fall into the hands of the Soviet Union. I hope that you have heard about COCOM, the Coordinating Committee for Strategic Exports to Socialist Countries. So, our COCOM representative should demand that restrictions on HDTV be introduced. In the interest of Western security we will obligate our competitors from Tokyo or Paris to demand from every client a confirmation that he is not a Russian spy. Let them try to trade under such conditions. There will be no problems! But you keep repeating: 'high definition, high definition.' There will be no definition as long as we have such a wonderful tool as the Soviet threat."

Judging from a recent announcement in the Japanese newspaper NIKHON KEYDZAY, the proposal by General Nabryaker, retired, was accepted with delight. After all, the U.S. representative to COCOM demanded an immediate placement of HDTV technology on the lists of technology prohibited for export.

Soviet Contacts With Emigres Described

*18070715 Moscow SOVETSKAYA ROSSIYA in Russian
23 Jul 89 Second Edition p 5*

[Interview with Aleksey Stanislavovich Yeliseyev, chairman of the Presidium of the Soviet Rodina Society: "Compatriot Abroad"]

[Text] *The Vienna meeting of representatives of states participating in the Conference on Security and Cooperation in Europe (CSCE) was an unprecedented event in terms of the decisions that were adopted and the expected political consequences for European and world development. Its concluding document raises us to a new level of understanding of the most complicated problems facing mankind.*

Judging from the editorial mail, the readers are interested in the problem of their foreign compatriots and its humanitarian-legal aspects. Today we publish a conversation between our correspondent and Aleksey Stanislavovich Yeliseyev.

[SOVETSKAYA ROSSIYA] Aleksey Stanislavovich, could you tell us about modern emigration?

[Yeliseyev] First of all I wish to note that instead of the word "emigrants" it would be more correct to use the term "foreign compatriots." In my view, this phrase reflects the essence of this phenomenon more completely.

Foreign compatriots is a complex and multifaceted phenomenon with its own history and dynamic of development. It generally includes both Soviet citizens who are permanently living abroad and have a Soviet passport and people who have moved away from the territory of the Soviet Union; these latter are actually emigrants in the generally accepted sense of the word. The overall number of foreign compatriots today is about 20 million. Of these, 7.5 million live in the United States, 3.5 million in Canada, and about a million have settled in remote Latin America—Ukrainians, Armenians, and Russians...

The first large flow of people out of the country was the so-called economic emigration when hundreds of thousands of representatives of the poorest segments of the population of tsarist Russia left the homeland in search of a better lot in life. The second mass wave came in the post-October period. At that time, along with the land owners, capitalists, and White Guard, many confused, simply deceived people left Russia, those who had not accepted the revolution.

The third group includes Soviet people who for various reasons were scattered all over the earth by the Great Patriotic War. And, finally, the modern postwar period when the motives for this step were the most diverse...

[SOVETSKAYA ROSSIYA] The Soviet Union became a participant in the Vienna Human Rights Convention. Documents signed by our country recognize a citizen's right to choose his place of residence. Do you think we have already proved in practice that Soviet citizens can exercise this right?

[Yeliseyev] I think so. I shall give these figures. In 1987 about 40,000 people left for permanent residence abroad, and before that—100,000. Specialists think that these figures will stabilize soon and amount to about 60,000-70,000 people a year. But here, of course, we are not speaking about any new wave of emigration. This is the usual normal process of humanization of human contacts taking place in the world, which ensues also from the Vienna agreements. Basically three large groups are formed. These are people leaving under the so-called Israeli visa and people of German and Armenian nationalities.

[SOVETSKAYA ROSSIYA] You said that the reasons for leaving the country to live abroad are the most diverse today. Can you be more specific?

[Yeliseyev] Speaking about motives for leaving, people are frequently guided by the quite natural desire to be reunited with their families who are living in the West.

Citizens who have married foreigners leave. And one must not forget about economic factors—certain people think that they will be better provided for materially if they are living abroad.

[SOVETSKAYA ROSSIYA] Some time ago it was forbidden to talk about the "emigrant" subject. Are all the articles that are now appearing on this subject simply the fashion or has there been a change in our country's policy concerning people with this difficult lot in life?

[Yeliseyev] Yes, if you wish, this is a change in policy. Up until recently the word "emigrant" had, I would say, a certain overtone of scorn and sometimes it was simply a word symbolizing traitor. Sometimes members of the emigration entered wholesale the ranks of anti-Soviets of various stripes, including the worst enemies of the homeland, without taking time to think about what they were doing. Thus they created in our social consciousness an incorrect sociopolitical atmosphere with respect to our foreign compatriots, including those who held to patriotic, generally humane positions and exhibited a great deal of interest in the fate of their homeland or the land of their ancestors. Of course, among the emigration there are anti-Soviet organizations and publications that conduct subversive activity against the Soviet Union and its social and governmental system.

Now Soviet organizations, and above all the Rodina Society, are prepared to work with everyone who actively works with us for the elimination of nuclear arms and the survival of mankind and for friendship and mutual understanding among nations, with everyone who, regardless of their reasons for leaving the country, are drawn to their homeland with their heart and soul. I fully agree with the words of USSR Minister of Foreign Affairs E.A. Shevardnadze, who said that one cannot turn a person away simply because at one time he left his native home. Life is more complicated than dogma, and such a step does not always indicate a lack of patriotic feelings.

[SOVETSKAYA ROSSIYA] How do you evaluate the results of the Vienna meeting with respect to the activity of the Rodina Society?

[Yeliseyev] It is difficult to overestimate the significance of the Vienna agreements. One of their basic postulates is the agreement regarding respect by states participating in the convention of all human rights and freedoms and contact among people.

With respect to our society's activity this means that the new approach to contacts and ties with foreign compatriots assumes primary importance. At the center of attention should be first of all protection of their rights and interests. As concerns Soviet citizens permanently living abroad, and there are about 200,000 of them, in the very near future we must do everything we can so that not in words but in deed they will become full-fledged citizens of the USSR with all the implications

that entails. We have already taken the first steps in this direction: This year many of them participated with other Soviet people in the elections of USSR people's deputies and the procedures for documenting their trips to the homeland were significantly simplified.

[SOVETSKAYA ROSSIYA] What concrete action could the Rodina Society take through the channels of public diplomacy for the purpose of further development of the Helsinki process and control over the realization of the Vienna agreements?

[Yeliseyev] There is a lot of work here. The Rodina Society should participate in the preparation of a number of legal acts which would regulate all aspects of the interrelations between the state and foreign compatriots and their relatives living in the USSR. In particular, it seems to me that the new law on residency should establish the legal guarantees that protect the citizenship of Soviet people and clearly set out the justifications and procedure for deprivation and restoration of Soviet citizenship, the USSR attitude toward the so-called dual citizenship, and other issues.

Or the question of the return to our country of people permanently living abroad. We cannot do without a reasonable legislative act here either. It is easy to say: Come back. In the majority of cases a person returns not alone but with a family, and all of them have to be provided with housing, work, medical aid. There are many problems having to do with customs rules and many other things.

Our Rodina Society will have to do a good deal of work to provide for a favorable sociopolitical climate during the period of preparing for and conducting the third meeting of the conference on the human dimension of the CSCE. Perhaps in the near future we shall begin work for conducting meetings in Moscow for foreign compatriots of Russian origin with the participation of eminent figures in culture, science, and business.

[SOVETSKAYA ROSSIYA] In general how do these compatriots feel about our country and the ideas of perestroika, glasnost, and democratization?

[Yeliseyev] One must keep in mind that the process through which foreign compatriots reinterpret their attitudes toward the USSR is complicated and sometimes contradictory. But the facts show that not only the patriotic ones but also those who are indifferent or even hostile to our country are showing a real interest in the processes taking place in the USSR.

There is no doubt that perestroika and the ideas of democratization and glasnost that are being realized in our country, the elimination of the "blank spots" in domestic history, the large-scale foreign political initiatives of the Soviet state, and the advancement of general

human values to the foreground are evoking immense interest abroad and undermining the negative stereotypes of thinking about the Soviet Union in many foreign compatriots.

[SOVETSKAYA ROSSIYA] All this is probably leading to a situation where the compatriots are very glad to visit the Soviet Union.

[Yeliseyev] You are right. We are receiving thousands of letters and we frequently meet our compatriots here in the Rodina Society or when we travel abroad. More and more frequently they are expressing a desire to visit the Soviet Union, to breathe the air of their homeland or the homeland of their forefathers, and to meet with friends and acquaintances. In order to contribute to this process more actively our foreign friends are suggesting creating in Moscow a kind of paternal home—a cultural center for foreign compatriots—in whose construction they are ready to render appreciable assistance. I think this is an interesting idea and we are now working seriously on it. Incidentally, we already have experience in creating these centers—in Poland and Bulgaria.

Recently the city executive committee and the public of the city of Rybinsk in Yaroslavl Oblast made a suggestion to create in this city, on the banks of the great Volga, a Russian cultural center called "Rybinsk townhouse" where foreign compatriots could rest and take interesting trips. I think that such centers would contribute to strengthening our ties.

[SOVETSKAYA ROSSIYA] That is interesting, but are there such centers in the countries where our compatriots live?

[Yeliseyev] Of course. For example, more than four decades ago "Arrow Park" appeared near New York; it is a unique kind of Slavic "island." Russians, Ukrainians, and Belorussians decided to establish their own cultural center on American land (a territory of about 200 hectares). It was to be not only a place for recreation but also a center where the progressive community could meet. Traditional holidays are celebrated here each year—Russian, Belorussian, and Ukrainian days; not only our compatriots but also representatives of the American community participate in these. Incidentally, delegations from the Rodina and Ukraina Societies, the Belorussian Radzima, and the most outstanding representatives of our culture participate in these holiday celebrations each year.

I wish to note that our foreign countrymen are contributing extensively to the return of our cultural treasures to our homeland. During the past 3 years alone with their mediation hundreds of treasures of domestic and world art have been returned to the Soviet Union. These include the work of Korovin, Serebryakova, Rafael, Rembrandt, Goya, Renois, Picasso, Rodin, Shagal, Benois...

[SOVETSKAYA ROSSIYA] Aleksey Stanislavovich, it is known that in many union republics there are societies and committees for working with compatriots.

[Yeliseyev] Indeed, practically all the union Soviet republics have created committees and societies for working with foreign compatriots. As for the RSFSR, there are branches of the Rodina Society in Dagestan, Kabardino-Balkaria, and Checheno-Ingushetia. At the present time there are many ingenious proposals from below concerning the creation in the RSFSR of a social

organization for ties with Russians who are permanently living abroad. There are more than 3 million of them. And in my opinion there is only one name for this organization: Rossiya...

[SOVETSKAYA ROSSIYA] Do you not think it would be expedient to organize in the USSR Supreme Soviet a special organ to deal with problems of foreign compatriots?

[Yeliseyev] There have already been many proposals to the USSR Supreme Soviet to create a special deputy group or commission which would handle these problems.

CEMA Economic Results for 1988
18250180 Moscow PRAVDA in Russian
19 Jun 89 Second Edition p 5

[Article by A. Borisov: "A Step Forward Has Been Taken"]

[Text] At the request of the readers, we are reporting on the results of the development of the national economies of states in the socialist alliance for 1988.

In the previous publication (PRAVDA, 12 June 1989) we told about the basic indicators achieved in 1988 by the CEMA states on the whole, as well as about the results achieved by Bulgaria, Hungary and Vietnam. But how did things go in the other states of the alliance? Here are certain data taken from the reports of the central press organs of the fraternal parties and published in the May issue of the journal EKONOMICHESKOYE SOTRUDNICHESTVO STRAN—CHLENOV CEV [Economic Collaboration of the CEMA Member States].

As in the past years of the five-year plan, the national economy of the GDR underwent dynamic development. The basis for this was the broad intensification of production. As compared with last year, the produced national income in 1988 increased by 3 percent, while the net production of industrial ministries increased by 7 percent. The growth of the national income was achieved entirely due to the increase in labor productivity.

It is noted that in such current fields as microelectronics for machine building, computer application, and intensive processing of raw materials, the German Democratic Republic is coming ever closer to the ever-increasing leading world level. It is believed here that the outstanding result of last year was the development of the first examples of 1 Mbit integrated circuits.

Last year turned out to be unfavorable for farm workers. Difficult weather conditions made it impossible to gather the projected harvest. As compared with the previous year, the crop yield of plant cultures (computed for grain) declined overall by 11 percent. The gross grain harvest comprised around 10 million tons, while that of sugar beets declined by 40 percent. The procurement of livestock for slaughter and dairy products remained at approximately the same level. The average yield of milk per cow for the first time was over 4,000 kilograms.

In one year, over 219,000 new and modernized apartments were placed into operation. The population acquired more long-term use items.

In Cuba the years of the current five-year plan are taking place under the slogan of correcting mistakes and overcoming negative tendencies. This process of rectification, which began after the critical analysis of the country's development at the 3rd Cuban Communist Party Congress in 1986, bears an integrated character. Our Cuban friends note that significant progress is already

being felt in the republic in formulating practical economic programs for labor organizations with the rational application of material, financial and human resources. Great attention is being given to instilling the revolutionary consciousness in the masses.

In 1988 the growth rate of the national income in Cuba was 2.3 percent greater than in the previous year. The development of industrial production took place in about the same way. In agriculture these rates comprised 3.7 percent, and in capital construction—6.1 percent.

People's Mongolia achieved new limits in social-economic development. Last year, the national income increased by 4.3 percent as compared with 1987, while the fixed production funds increased by 8.7 percent. On the whole, however, in the 3 years of the current five-year plan, the gross national product increased by 15.6 percent, and the national income by 14 percent. The increase is significant. Yet it is below plan expectations. There is an evident chronic backwardness of a number of sectors. There have been major omissions in the organization of capital construction and in the work of light industry. The development of the agrarian sector of the economy is of particular importance for Mongolia. There are around 970,000 people living in rural areas here—48 percent of the country's population. The Arats have worked rather well. The average annual production of agricultural produce in 1986-1988 increased by 15 percent as compared with the average annual volume in the preceding five-year plan. The task has been set—to increase the effectiveness of livestock raising and the quality of its production. For these purposes, leasing, economic agreements and other progressive forms opening the way for initiative and enterprise are becoming widespread.

Economic growth rates of the CEMA member states in 1988 (in comparable prices, 1988 in % of 1987)

	Produced national income	Industrial production	Agricultural production	Real per capita income
PRB	106.2	105.2	99.9	103.4
HPR	100.5	99.8	104.5	98.0
SRV	105.9	108.9	102.3	103.6
GDR	103	103.2	97	104
Republic of Cuba	102.3	102.4	103.7	...
MPR	104.3	104.7	103.6	101.8
PPR	104.5-105	105	100.5	103
SRR	103.2	103.6	102.9	103.3
USSR	104.4	103.9	100.7	103.5
CSSR	102.5	102.0	102.2	...

For the MPR, last year was noted by an expansion of construction for facilities of social and cultural application. There was an increase in the monetary income of

the population, and in the wage fund for workers and employees. Wages increased for individual categories of workers in public health, trade, and children's institutions.

Deep-seated economic reforms are being introduced in Poland. The year 1988 was characterized in the republic by relatively high rates of economic growth, and at the same time increased imbalance associated with high inflation. The produced national income increased by approximately 4.5-5 percent. We cannot overlook the fact that while the monetary income of the population increased by 83.1 percent during the year, the monetary expenditures increased by only 68.4 percent.

Despite individual cases of strikes, industry as a whole operated confidently. The plan for output of industrial production was surpassed by 1.7 percent. The greatest growth (over 10 percent) was achieved in the electrotechnical and electronics industry. At the same time, in the leading sector of the Polish economy—the mining industry—the extraction of rock coal declined.

After a number of good crop years, the weather did not favor agriculture. The gross harvest of grain and leguminous cultures comprised 25.1 million tons. The situation was somewhat better in livestock raising, as the production volume of this sector increased by 2.3 percent. There was a notable increase in the herd size of hogs. It exceeded 20 million head. For a country with a population of over 37 million that is not that much, but it is also not little.

The efforts of Rumanian workers were directed toward the intensive development and modernization of industry, agricultural production and other sectors of the economy. In the third year of the five-year plan there were 2,885 new and modernized types of machines, equipment, instruments and installations introduced into the national economy, as well as 683 types of materials and 446 types of consumer goods. The output of over 1,900 technologies, mechanized and automated systems was assimilated. Since the beginning of the five-year plan, the portion of renovation of production in the processing industry comprised 48.4 percent.

A number of measures were taken for strengthening the material-technical base of the farm. The areas of irrigated lands were expanded and other measures were implemented to increase the crop yield of the fields. Grain production reached 32.6 million tons. This is a high indicator—over 1,300 kilograms per capita of the population. An active balance was achieved in foreign trade. In convertible currency it comprised around \$4 billion, which made it possible to pay off a considerable part of the foreign debt. By the end of 1988 there was a 3.3 percent increase in the nominal wage, with retention of price stability.

The third year of the five-year plan in Czechoslovakia showed a stable tendency toward production growth. The increase in the country's economic potential continued. The plan tasks for production of basic types of industrial and agricultural products were fulfilled. The national income increased by 2 percent. Hundreds of new products were assimilated, and the manufacture of microelectronic integrating elements and digital computers increased by almost one-third.

The cooperative farm, as in previous years, continued to supply the country with food products without interruption. Generally, the program of the 17th Czechoslovak CP Congress is being fulfilled in the sphere of social policy. Personal consumption and the monetary income of the population have grown faster than envisioned in the plan.

At the same time, a number of negative phenomena may be seen in the CSSR economy. The quality and technical level of products is still slow in improving, and fixed production capital and reserves are still not being utilized in full measure. The plan for introduction of housing has not been fulfilled. Our Czechoslovak friends, persistently correcting the shortcomings and omissions, are striving to more rapidly introduce the achievements of scientific-technical progress and to achieve a decisive breakthrough in changing the economy over to the path of intensification. The continued intensification in their interaction with the fraternal countries of socialism facilitates this end.

Problems in Trading with CEMA Countries

18250185 Moscow IZVESTIYA in
Russian 28 Jun 89 Morning Edition p 5

[Interview with Prof V. Shastitko, deputy director of the Institute of the Economy of the World Socialist System, by S. Mushkaterov: "How to Encourage Mercury"]

[Text] *Traditionally we have become accustomed to thinking that if we have problems in trade with capitalist countries, economic relations with the CEMA countries will develop in an ascending line. But in reality things are not so rosy. The problems that exist in trade and economic relations between the USSR and the CEMA countries and how to resolve them were the subject of a discussion between an IZVESTIYA correspondent and the deputy director of the Institute of the Economy of the World Socialist System, Prof V. Shastitko.*

[Mushkaterov] How do you explain the fact that last year we had a deficit in our trade balance with the CEMA countries?

[Shastitko] Of course, there is a deficit but one should not dramatize the situation. According to statistics, last year our minus balance amounted to approximately 800 million rubles. This is not such a large amount with an overall trade turnover of 80 billion rubles...

[Mushkaterov] But for our CEMA partners who are experiencing financial difficulties it is an extremely significant sum. And, unfortunately, the volume of commodity turnover has begun to decline.

[Shastitko] Now that is worse, that is an alarming symptom. Soviet exports to the socialist countries have indeed decreased by a sum of approximately 1.6 billion rubles.

In order to explain this situation it is necessary to take a brief excursion into the history of the development of our economic relations with European socialist countries. After the beginning of the cold war at the end of the 1940's these states were cut off from the traditional markets for the sale and acquisition of raw material. And they sharply changed their foreign economic orientation in the direction of the USSR. And we, largely out of political considerations, have taken on the role of head "economic sponsor": We began to develop exports of all the elements they were short of for reproduction and provided for the sale of their products. These relations were reinforced with the formation of the CEMA. A relatively closed economic system developed. In trade we stopped participating in the exchange of freely convertible currency and changed over to ruble clearing, and in 1964 we changed over to the so-called transfer ruble. This system protected us from the influences of the world market. On the one hand, everything seemed to be all right: "They" had their crises and price fluctuations and we were developing stably. But a great danger lies hidden here. We remain on the sidelines of the economic processes that move modern progress. We have eliminated ourselves from the competition. The absence of it may seem to be an advantage, but it is not without reason that they say that when the cat is away the mice will play. And we all became too relaxed because of the lack of more stringent and demanding conditions for exchange. Not having our own adequate commodity-monetary relations (they are not developed here), in order to have some objective measurements we borrowed from the world market. And the transfer ruble actually became a distorted reflection of the dollar. We kept track of the dynamics of world prices and everything proceeded normally for the time being. In 1973 the energy crises erupted and added to it was the currency crisis. This led to an instability of prices and exchange rates—they began to "dance."

At first the prices of raw material and fuel increased sharply. It was then that the USSR received a significant additional income, including from trade with the CEMA countries. Our CEMA partners ended up in debt to us.

[Mushkaterov] But then the situation changed sharply. Prices of energy bearers plummeted...

[Shastitko] And taking into account the fact that more than 60 percent of Soviet exports to the CEMA countries are energy bearers and raw material, our country ended up in a difficult situation. World prices reached their

lowest level in 1986-1987, but since accounts between the USSR and the CEMA countries are kept in average world prices over 5 years, we have not fallen to this average. Herein lies one of the main reasons for the imbalance.

[Mushkaterov] And what is the situation now?

[Shastitko] Our CEMA partners are insisting that the USSR increase its exports and cover our indebtedness but we do not have enough export resources. And we were forced to reduce imports. In 1988 there was no longer a reduction of imports but the reduction that had already taken place was still being felt, which also reduces the overall volume of commodity turnover.

[Mushkaterov] But can the USSR not increase the deliveries of machines and equipment?

[Shastitko] Theoretically it can, but in practice this is not so simple. Soviet industry, which is primarily in processing, for many years was not oriented toward the foreign market. It was also poorly adapted to foreign economic activity in terms of its standards and, as it turns out, its technical level. Soviet machines and equipment comprise only about 15-16 percent in the trade with CEMA countries. We are exerting immense effort for the export of machines but nonetheless we have not yet been able to overcome the tendency toward reduction. We have found ourselves in a kind of a vicious circle; we are investing more and more money in raw material areas, in the extraction of hydrocarbon fuel (incidentally, this is producing practically no increase except for gas because the extraction of fuel with new investments only compensates for the closing down of old deposits) and capital investments in the machine building branches are not even worth talking about.

[Mushkaterov] But there must be some way out of this situation.

[Shastitko] There is no quick and easy way. The main thing will be how we are able to solve our internal problems, achieve a breakthrough in the development of scientific and technical progress, complete the restructuring of our national economy, and overcome the disease of the command style of management of economic life, including foreign economic ties.

Steps are being taken in this direction. Enterprises have been given the right to enter the foreign market and conduct joint business. In their activity lies a large reserve for expansion of exports but it is being realized slowly so far. Decades of autocracy have stifled the awareness of our businessmen.

Remnants of old approaches are still strong. "Direct ties? Joint enterprises?"—"It will be done!" And then begins the bureaucratic zeal, the administrative urge, behind which the economic interest of the enterprises is sometimes lost. And so it turns out that on paper the number

of direct ties, for example, runs into the hundreds but there are only a couple dozen that are really in effect. There are also other problems in addition to those of administration. Economic mechanisms differ greatly. In a number of countries enterprises do not have full economically accountable independence, they depend on funding, the fact that the currency is not convertible is an impediment, problems of price setting have not been solved, and there is pressure from the arbitrariness, say, of ministries desiring to get their hands on the currency revenues of their subordinates.

[Mushkaterov] You mentioned price problems. Now a great deal is being said about the fact that it would not be a bad idea within the framework of the CEMA to change over to trade at world prices for freely convertible currency. How realistic is this?

[Shastitko] Questions are being raised, negotiations are being conducted, and possibilities are being studied. Some Hungarian colleagues came to our institute, for example, to discuss this subject. Of course, a changeover to keeping accounts in convertible currency could be useful. It would improve economic relations and all of our defects would be revealed. In particular, since we are trading on the basis of bilateral clearing, there is mutual "amnesty" when it comes to clearing. The changeover to current world prices and accounts in dollars could change the situation: People will not buy bad products for hard currency and there will be greater demands for quality and technical level. This is a large plus. But very complicated problems will also arise. Trade with hard currency can and most likely will lead to further reduction of commodity turnover. And on the social plane can Hungary, for example, allow itself this? For some capacities will not be loaded and there will be unemployment. But there is also another problem. We are not changing over to a system of ties whose main subject is the enterprises. How will they behave with a changeover to new conditions for exchange? Having earned a certain amount of currency, will they want to purchase something in that same country? The more attractive market of the West is right there.

[Mushkaterov] Thus the question arises: How does one change over to the new system?

[Shastitko] I do not think it is possible to do it all at once; a transition period is needed. For a beginning we could use hard currency and current world prices in exchanging the goods that are in shortest supply. Incidentally, this practice already exists. Gradually, as the products become able to compete, this group can be expanded and ultimately extend to all commodity turnover. But there is also another way. Why must we necessarily be oriented to Western currencies? In the developed market economy to which we are objectively moving we already have a need for normal money. It is necessary to achieve convertibility of the ruble. Under these conditions the subjects of foreign ties themselves, guided by their own economically accountable interests,

must determine how to settle accounts and at which prices to trade. It is another matter when the state must regulate this process by the tax system, an active exchange rate and interest policy, customs tariffs, and other economic levers. But it is possible to realize this model only under the condition that the economic mechanism be reformed.

[Mushkaterov] Up to this point we have been speaking about relations between the Soviet Union and the European CEMA countries. But our trade relations with other CEMA partners are just as far from perfect. And a diametrically opposed situation is developing: Non-European CEMA countries owe us large sums...

[Shastitko] In terms of the level of their economic development Vietnam, Mongolia, and Cuba are far behind the European CEMA countries. And, of course, cooperation with these countries cannot be like it is with our European partners.

[Mushkaterov] Yet equalizing the levels of economic development is one of the fundamental principles of the CEMA.

[Shastitko] Correct. But in solving this problem, in my opinion, we became captivated by our own ideological cliches. A stereotype developed: The less developed countries had to take the path of classical industrialization, necessarily create heavy industry and a large working class, collectivize production and agriculture, and so forth. This stereotype was firmly ingrained in the countries that receive aid. There this is regarded as an axiom, regardless of whether or not the conditions are right for this path. Main reliance was placed on the construction of large facilities, frequently ones that are prestigious but do not produce significant economic results. And the social sphere was pushed into the background. Moreover, many of these facilities were constructed without taking into account their possible foreign economic orientation and therefore it is difficult to repay the credit that was granted for their construction.

[Mushkaterov] But what can be done? Are there any ideas about this?

[Shastitko] At the 44th CEMA session three programs were adopted for each of these countries which present the principles with the greatest economic expediency.

New difficulties are now arising in relations with these countries. Enterprises of the more developed countries, having become subjects of foreign ties, frequently refuse to deliver goods to the less developed CEMA countries because they cannot see their interest: The market of these countries is poor and it is difficult to realize the profit received from them. And nobody can give them orders now.

[Mushkaterov] How can this problem be solved?

[Shastitko] I have no prepared formulas. But, obviously, since we are speaking about aid, the state, in this case the Soviet Union, should create a special fund in order to subsidize the delivery of products to these countries. On the other hand, it is necessary to search for ways of more efficiently including them in socialist division of labor. There are already examples: We can name Mongolian minerals or Cuban citrus fruits.

[Mushkaterov] Speaking about credit for other states, we cannot bypass this question: More and more frequently voices are ringing out demanding that we reduce and revise our aid to other countries.

[Shastitko] Of course, the problem exists. But without going into details I should like to note the following. In my opinion, we have a distorted idea of our relations with the socialist countries: We think we are feeding them. This is by no means the case with respect to the countries of

Eastern Europe. Of course we send them petroleum and gas, but in exchange we receive motor vehicles, consumer goods, and food commodities. (Although there are undoubtedly reserves for increasing the effectiveness of the exchange). Nor can one forget that now the USSR is in debt to these countries. As for Vietnam, Cuba, and Mongolia, we must take into account that assistance to less developed countries is an all-human task and a most important global problem. Incidentally, the United Nations has adopted a recommendation for the developed countries to allot 0.7 percent of their gross national products for these purposes. The USSR has recognized this decision. Moreover, we should not overestimate the amounts of the funds we are allotting. They do not comprise such a large share of our gross product. We should be more worried about how much we lose within the country because of our mismanagement.

Aid to less developed fraternal countries can and should be used to our advantage if it is rendered more intelligently and rationally, counting on a subsequent return.

Proposed Solutions to Third World Debt Crisis Viewed

18070306 Moscow SOVETSKAYA ROSSIYA
in Russian 2 Jun 89 Second Edition p 3

[Article by M. Knyazkov: "The Smoldering Fuse: World Community Seeks Ways of Solving the Debt Problem"]

[Text] A rather notable event occurred at the 3rd Conference of the heads of state of the French-speaking countries which concluded recently in Dakar. A step was taken toward solving the problem of the foreign debt of developing countries. French President F. Mitterand announced that Paris is ready to annul the debts of 35 of the most backward African countries. This will cost the French treasury over 16 billion francs. The announced measure become effective as of 1 January, provided the French parliament ratifies the president's initiative.

By the end of last year, the foreign debt owed by the developing countries to the major financial institutions of the West reached \$1.3 trillion, which comprises about half of their total gross national product. Yet debts are repaid with interest, which adds up each year. As a result, for many countries there can be no question of repaying the principal. They do well to repay the interest! The countries of Latin America and the Caribbean basin alone, which owe the West a total of \$430 billion, paid out around \$150 billion in interest for the period from 1982 through 1987.

For states with an economy which has not yet grown strong, this is truly a huge sum. Regular payments of interest on debts "drag" behind them a rather long string of negative socio-economic consequences. Funds which the developing countries desperately need to finance their own development are sitting in the safes of leading American and West European banks. As a result, the rates of economic growth are reduced while, on the other hand, there is an increase in inflation and unemployment. This in turn is fraught with an increase in socio-political tensions.

A graphic example of this may be the unrest which flared in March of this year in Venezuela—a country whose foreign debt is still comparatively low by Latin American standards—\$33.9 billion. Striving to reduce it, the country's government transferred \$15.9 billion to its creditors in 1987-1989. The Venezuelan people were told to tighten their belts. A wage ceiling was imposed and prices were raised on gasoline and public transport. And here is the result—thousands of Venezuelans took to the streets. According to the Reuter Agency, at least 256 people died during the clashes.

The fuse of the debt "bomb" is smoldering in other countries as well. It is therefore no accident that the NEW YORK TIMES recently concluded that "specialists on questions of debt fear the spread of unrest to

other countries, since the increase in interest rates will necessitate the allocation of even more money for payment to foreign banks and government creditors".

Who will be next? Brazil with its debt of \$114.5 billion? Mexico, which owes \$105 billion? Or Argentina, with its almost \$59 billion debt? What will happen if the wave of socio-economic unrest, with all of its unpredictable consequences, washes over the entire Latin American continent, or, even worse, the entire developing world? After all, the economic collapse of the developing states will inevitably mean also a crash of the credit-finance system of the West, about whose consequences it is better not to speak.

Mitterand is not the first of the Western leaders to speak out recently with an initiative on the debt problem. Somewhat earlier the USA presented proposals in this regard, publicizing the so-called "Brady Plan". It got its name from U.S. Secretary of Finance Nicholas Brady, who spoke on 10 March at the annual conference of the Bretton-Wood Committee, a private organization which gives aid to international credit and finance institutions. He presented his proposals on how to solve the problem of foreign debt of the Latin American, Asian and African states, which has become extremely acute in recent years.

The U.S. Secretary of Finance proposes creating financial incentives for the creditor banks to write off part of the debts of the developing countries and to reduce the interest payments on them. According to his plan, the IMF and the World Bank would create special funds for financing debt repayments at interest rates lower than the current ones. This also does not exclude the possibility of giving the creditor banks payments which would be guaranteed by the IMF and the World Bank in return for their writing off part of the debt obligations of the debtor countries. In other words, the proposal calls for shifting the debt burden of the developing countries onto the major international finance organizations.

The "Brady Plan" was met with cautious optimism outside the USA. Venezuelan President Carlos A. Perez, for example, stressed the fact that, in his opinion, it will make it possible to achieve "a better understanding of the situation in which we find ourselves". Brazil's Minister of Finance Mailson Ferreira da Nobrega characterized the plan as a "positive step", although he added that the final evaluation of the proposed project depends on its details and on the methods used to implement it.

Such an approach is conditioned by the fact that—perhaps indirectly and with stipulations—the "Brady Plan" represents a step taken by the United States toward the long-time desires of the developing countries to write off their foreign debts and thereby to rid themselves of a terrible burden. Several years ago this idea was first proposed by Cuban leader Fidel Castro. At that time it was simply shrugged off in the USA. It was just another "communist trick", they said. Yet F. Castro's idea, despite all its seeming radicalism, in essence

represented the only real means of regulating the problem of debts which, as is already clear today, most of the developing countries will be unable to repay in the foreseeable future. Perhaps the emergence of the "Brady Plan" and Mitterand's initiative testify to the fact that both Washington and Paris have taken a more realistic view of this idea.

The current plan speaks also of a certain depoliticization of the former U.S. position, which previously tied the granting of new credits to the developing countries with their implementation of those economic reforms which Washington wanted. Such demands were contained in the infamous "Baker Plan", named after the former U.S. Secretary of Finance, who currently occupies the post of Secretary of State. This "change in emphasis" was noted with satisfaction, specifically, in the announcement by the Mexican government, which also noted that the new plan "gives priority to reducing the sum of debts and payments, and not to granting additional loans which would lead to increased debt, as was the case in the past".

At the same time, the new American strategy of counteracting the debt crisis is clearly marked by the desire to maximally soften the blow for the major Western banks, who in recent decades have been quite successful in "clipping coupons" off the huge debt of the developing countries.

The question of the feasibility of Brady's proposal has now arisen in all earnestness. The holdings of the International Monetary Fund, for example, are currently estimated at about \$120 billion. Specialists maintain that this is not enough even for current operations. At least 50 percent more is needed. How much in additional funds will be required to pay off even a part of the debt of the developing world, and, most importantly, where will this money come from? As yet there are no answers to these questions.

We will remember that, speaking at the UN in December of last year, M. S. Gorbachev specifically proposed "providing governmental support to the market mechanisms of regulating the debts of the 'third world', including the creation of a specialized international institution for buying up dollars at a discount". The strategy of solving the debt problem which has been developed in the USA and in France to a certain degree echoes also this initiative of the Soviet Union. Thus, the U.S. Secretary of Finance also proposes buying up debts at a discount. However, he speaks out in favor of using the already existing mechanisms of the IMF and the World Bank for this purpose. The latter points up the limitation of the American plan, since many socialist countries, which are also creditors of the developing countries, are not members of these organizations. However, the creation of a specialized institution would facilitate a global solution to the problem.

AZIYA I AFRIKA SEGODNYA NO 6, 1989:
Table of Contents, Summaries
18120104 Moscow AZIYA I AFRIKA SEGODNYA
in Russian No 6, Jun 89 pp 2-6

[Text]

Contents

Afghanistan Is Our Heartache	2
B. Nikolayev, APR: Internationalisation of Economic Life	6
O. Levin, West Sahara: Protracted Conflict	10
D. Zgersky, Shadow on the Map	14
The Reader Wants to Know	
V. Filippov, Armenian Community in Lebanon	17
N. Sergeyeva, How They Were Met in Israel	18
P. Damdinsuren, MPR: The Time of Choibalsan	22
Problems and Opinions	
Y. Alexandrov, Developing Countries: Industrialisation and Peasantry	24
Our Interviews	
Abd ar-Rauf Unaies, "This Is Our Own Republic"	28
Oliver Tambo, "Don't Lose Vigilance"	30
Countries, Peoples, The Time	
A. Yakovlev, Social Policy of the Arab Monarchies	31
Travel and Meetings	
L. Kuznetsov, Philippine Sketches	35
Y. Zinin, Algeria: On the Edge of the Desert	37
A Glance at Egypt—Picture Story	41
Culture, Literature, ART	
Peter Driscoll, The Wilbie Conspiracy (A Novel, Continued)	42
Events, Facts, Figures	46
Pages of History	
V. Vlasov, Bubbling-Well-Road, 80	50
Traditions and Mores	
V. Abayev, N. Bolkhosoyeva, Tibetan Medicine: Three Elements	54
Religions, Beliefs, Cults	
R. Rolland, The life of Ramakrishna (Continued)	57
Sports	
A. Dolin, Japan: New Future for Karate	61
A. Shishkina, A Dancing Brush	64

Afghanistan is Our Heartache—this is the title of the article opening the June issue of *Asia and Africa Today*. The title reveals the content of the talk in which two people participate: V. Touradjev, Deputy-Editor-in-Chief of the journal, and Y. Gankovsky, Doctor of History. Their lively and pointed exchange of opinions touched on the most acute spots of the problem, i.e., which were the motives that induced the Soviet Government to take such a step as the deployment of troops on the territory of a sovereign state; which was the mechanism or the super-responsible decision-making, and how did the latter affect both the Soviet and Afghan people? The desire of political experts to look from a new angle at the events of those years, to evaluate them objectively and truthfully comes across a solid obstacle such as lack of archive documents. As the interlocutors justly noted, it is impossible to give exhaustive answers to a number of questions because the needed documents and memoirs are unavailable. Time itself, however, will put the events in their right places. It will help public opinion to sort out the Afghan problem in order to avoid future mistakes.

The article by B. Nikolayev, *Internationalisation of Economic Life*, discusses the role of the Pacific Economic Cooperation Conference (PECC) played by it in the internationalisation of the economic life of the Pacific countries. The author gives a detailed analysis of the original structure of the organisation uniting scientists, representatives of business and government circles, of the history of its setting up which was not so simple (it took over two decades to do it). The main subject matter, however, is the analysis of relations between the USSR and the PECC. It had existed for several years before a Soviet observer appeared at a PECC session, though it was a fifth of this kind.

Top executives in the USSR had underrated the importance of expanding economic ties with the Pacific countries in the interests of the Soviet Far East, so they naturally underrated the role of the PECC, an organisation invigorating the business contacts in the Pacific Region. It was only in 1988, eight years after the creation of the PECC that the Soviet National Committee was established to coordinate cooperation with the PECC member-countries. This fact will require a cardinal reorientation of its economic ties on the part of the Soviet Far East. As a matter of comparison the author cites the example of China, suggestion that its experience be taken into account and used in Soviet practice. He also expounds his understanding of the strategy, charted by the Soviet leadership to convert the Soviet Far East into an area of a highly-intensive economy in the shortest possible time.

A local war, having neither a front-line nor a rear is being waged for many years, and not only on the battlefield, but in the diplomatic arena, too. Western Sahara, a former Spanish colony, divided into two occupation zones by Morocco and Mauritania, is the hotbed of the regional conflict. In answer to this state of affairs, the

POLISARIO front, having declared on February 27, 1976, the independent Sahara Arab Democratic Republic, has thus advocated independence and territorial integrity of the country. The article *Protracted Conflict* by O. Levin, describes the vicissitudes of the hard struggle for freedom the people of West Sahara are waging.

Kurdistan is another hotbed of tension on the Earth. The Kurds say that 22 million of their compatriots have been subjected to hardships, terror and repressions. Is the time not ripe for the world community in the person of the UN to interfere? The wrath and pain felt by the people of Kurdistan sound in this question, asked by a whole people deprived of a homeland by a historic absurdity. How do the Kurds live in Turkey, Iran and Iraq, how do their political parties and organisations work (most of them in the underground)? All these problems are considered, scrupulously enough, in the article by D. Zgersky, *Shadow on the Map*.

The June issue, which is traditionally dedicated to the Day of Protecting Children, carries an article by Journalist N. Sergeyeva, *How They Were Met in Israel*, dealing with the hijacking of the Soviet airliner with the children-hostages aboard. The material has a subtitle: *On-the-Spot Reportage*. A lively, interesting narration makes the reader a witness of the criminal situation and moreover of a constructive cooperation between the Soviet and Israeli special services, responsible for fighting terrorism.

Last December saw the Plenary Meeting of the Central Committee of the Mongolian People's Revolutionary Party. The documents of the Meeting state that many "white spots" have been left in the history of Mongolia, primarily concerning the years of mass repressions during the Choibalsan personality cult. This person wielded unlimited power under the cover of Stalin's personality cult. Ts. Damdinsuren, a well-known Mongolian publicist, shares his bitter impressions and reminiscences about the years he spent in various prisons. His story *The Time of Choibalsan* contains a lot of truthful observations conveyed in a fine, unobtrusive way which restore for the reader the 1930s, a time which was terrible for the generation living in it.

The Problems and Opinions column presents the essay by Y. Alexandrov, *Developing Countries: Industrialisation and the Peasantry*. What do the peasants in these countries await in the process of transition from a pre-industrial to an industrial civilisation? A correct answer to this question is a matter of the future for huge masses of people. That is why discussions flare up ever more often among the Sinologists, on many aspects of the theory of the formational development of society. Enlivened theoretical thought allows one to more deeply understand both the laws governing the social development and the problems which perestroika runs into in the Soviet Union. The essay is characterised by a depth and independence of analysis.

Two anti-monarchic revolutions took place in the Middle East in the 1950s and two of them—in the 1960s. In the later decades, however, the institution of monarchy preserved its positions in this region of the world. The article by A. Yakovlev, Social Policy of the Arab Monarchies throws light on the economic and political methods by which the monarchs have achieved this goal.

The June issue of the journal invites the reader to travel to the Philippines and Algeria. The journalists L. Kuznetsov and Y. Zinin tell us about these countries in an arresting manner, using kindly humour while describing the unusual world of reality and dreams, of joys and sadness, of old and new traditions which are every-day reality for the peoples of these countries.

To take into account the different tastes and interests of our readers is another good rule of our journal: we publish materials which are to the liking of various people. For those who love detective stories we continue The Wilbie Conspiracy by Peter Driscoll. One should say, the item by V. Vlasov, Bubbling-Well-Road, 80 can also be called a detective story. It tells us about a Soviet radio-station working in Shanghai during the Second World War.

From the first days of the war the British and American radio-stations and newspapers in Shanghai were presenting the events at the Soviet-German front in their own, biased manner as they got information from German telegraph agencies. The TASS information was completely ignored. Then the employees of the TASS's Shanghai section decided to establish a channel of their own. That was not so easy, as there were spies everywhere. The assistance came unexpectedly from a Chinese, the owner of a radio factory. The Voice of the Soviet Union Station was built with the money raised by the Russian emigres. There were also people among them who spoke European languages, so the broadcasting was done at a high level. Their faith in the victory of the Soviet people was their lives' goal at that time.

Other secrets—medical this time—are unveiled in the story by V. Abayev and N. Bolkhosoyeva, Tibetan Medicine: Three Elements.

The study of canonical texts of Tibetan medicine gives one a notion of theoretical principles which underlay both the diagnostic and curative methods. The teaching of the so-called three elements, or the three bases of the man's vital functions are central to the theory of Tibetan medicine. These elements are rloong (wind), ihris (bile) and badkan (mucus).

One of the main principles of Tibetan medicine is normalisation of functions of an organism as a single whole, rather than the cure of separate symptoms of a disease of separate parts of a body. That is why Tibetan medics use in their practice medicines prepared from various plants, of mineral and animal substances. The number of components in their preparations varies from 2 to 70-80.

The basic medicines prepared by Tibetan medics out of vegetation are powders, decoctions, pills, and curative oils. The doctors attach great importance to the time of taking medicine: it should be either before a meal, on an empty stomach, or vice versa. Tibetan medicines are made of diamonds, stones, earth, wood, they are strained from juices or decocted. The Biology Institute of the Siberian Section of the USSR Academy of Sciences is specialising in Tibetan medicine.

The Sports column features the story by A. Dolin, Japan: New Future of Karate.

The article describes one of karate's variants which emerged in the postwar years. The technique of syorinzi-kempo takes its origin in the fist-fighting practices in the Shaoling province of North China. All the manuals of which there are over 600, are divided into two groups: active (the yang principle) and passive (the ying principle). So Dosin, who for several years had been a Japanese resident in China, became the founder of the school.

The photographs and drawings make the materials of the issue more lively and interesting.

The article by G. Shishkina, A Dancing Brush, is dedicated to another kind of Oriental art.

Economist on Progress Toward Convertible Ruble
18250176 Moscow *EKONOMICHESKAYA GAZETA*
in Russian No 22, May 89 p 20

[Article by Professor Yu. Konstantinov, doctor of economic sciences: "Approaches to the Convertible Ruble"]

[Text] "As announced at the USSR Ministry of Finance, the first series of convertible rubles will be issued by 1 April of next year. The Soviet convertible ruble will be quoted at the level of any other foreign currency. For example, if we go into a food store or supermarket selling manufactured goods on New York's Broadway, we will be able to buy any kind of goods for rubles, without limitations".

After the publication of this "sensational announcement" at Minfin [Ministry of Finance] in VECHERNYAYA MOSKVA, other central departments began calling, including foreign ones, those who did not notice the date of publication—1 April.

All jokes aside, part of the population has gotten the impression, influenced partly by certain press publications, that the introduction of convertibility is a technical matter: The ruble could be made convertible even tomorrow, if only the "bureaucrats" do not get in the way. Yet what is the real state of affairs?

The task of a step-by-step transition to convertibility of the ruble, in my opinion, requires first of all the development of a conceptual view, an ideology of convertibility of socialist currency. We must, without a doubt, introduce convertibility of the ruble. Yet it should not be by the method of trial and error, not by making hasty decisions, but rather by relying on scientific principles and international experience.

Initial concepts

In international practice, convertibility is understood as the state-guaranteed possibility of exchanging a national currency for foreign currencies. Depending on the extent of this possibility, the currency may be either freely or partially convertible. Currency is freely convertible if the possibility of its exchange extends to all its holders (domestic and foreign), as well as to all currency operations—trade and non-trade, current and investment. However, this does not mean that currency is immediately capable of performing a fifth function of money—worldwide, i.e., to be used as a general international means of payment and purchase, and for accumulation of currency reserves in it by other countries. It is not simple convertible currencies which to one degree or another possess this capacity, but rather reserve currencies—monetary units of economically strong states with a strong finance potential and with a well developed banking system having branches throughout the world. As a rule, these [currencies] are freely convertible for any

commodities. At the present time there are many convertible currencies—over 60. Yet there are only a few reserve currencies: The U.S. dollar, the FRG mark, the British pound sterling, the Swiss franc, the Japanese yen, and a few others.

It is clear that at the initial stage, the purpose of convertibility of the ruble can be neither its transformation into a world currency on par with the U.S. dollar and especially in contraposition to it, nor the effort to gain the upper hand in the tough competitive struggle on the world market.

We also cannot hold the illusory belief that the convertible ruble will make it possible to simply conclude foreign economic deals in Soviet currency, which would be a guarantee against currency risks. International experience had shown that the economically sound countries with a strong and attractive currency (for example, the FRG and Japan; Great Britain and France) are forced to perform a considerable portion of their foreign accounting in foreign monetary units: This circumstance is determined by various reasons; and specifically the traditional tying of prices on certain goods and services to a certain currency, as well as the need for considering the interests of one's partner in concluding a deal.

The desire of the USSR to convert its ruble is caused primarily by the new political and economic thinking. The USSR favors "integrating itself" into the world economy, and, with the aid of foreign economic ties, really advancing scientific-technical progress, modernizing the entire technological structure of the industrial base, and thereby ensuring the necessary volume and quality of production.

Convertibility of the ruble is called upon to facilitate this in the fullest measure. Stemming from this is its specific goal: To strengthen the interaction of the Soviet economy with the national markets of the socialist countries and the world market, and on this basis to increase the effectiveness of application of currency reserves and the economic efficiency of the entire social production. The practical realization of this goal means that Soviet enterprises will have access to foreign currency, which will give them the chance to choose between buying goods within the country or abroad. Foreign companies will be given access to monetary funds in rubles, and thereby—the ability to use them for buying goods on our market.

Under conditions of socialism, there is no place for currency convertibility under the command-administrative system of strictly centralized management, where all the domestic and foreign ties of the immediate goods producers are regulated from above, and therefore their goods are in essence not sold but rather distributed by limits, funds, and lists. This basically explains the fruitless efforts of the CEMA states in the mid-70's to introduce their national currencies into accounting for mutual trade-economic turnover.

Currency convertibility as an objective need and recognized necessity under socialism arises only under economic methods of managing the national economy and its foreign economic ties, when the primary segment of the economy (the enterprise) functions in a regimen of self management, self-recovery, and self-financing, has direct access to the foreign market and, having a currency fund, participates in accounting.

Conditions of Convertibility

International experience convinces us that if currency is not gold, but rather credit-based, then in order for it to be really convertible under any socio-economic system, it must adhere to a number of mandatory conditions. Among these are: The ability of the government to continuously satisfy the demand of currency holders for goods and services in the necessary quantity and assortment, to constantly maintain the possibility of exchanging its currency for foreign currencies, and to ensure a real exchange rate of its own monetary unit. Only strong and competitive export will make it possible to uphold the exchange rate of the ruble abroad. And if we do not rely on this export, we may, we believe, cause even greater destabilization of our finances and allow the ruble to become the object of international speculation. Nevertheless, although they have an interest in the foreign market, Soviet production and foreign trade associations do not always fulfill their tasks on supplying domestic products for export in a timely manner. Thus, by the beginning of January 1989, the USSR Ministry of Foreign Economic Relations had contracts which provided for the export of various products in only 70 percent of the planned volume, including 65 percent for freely convertible currency. The figures for the ministries of the industrial complex were even lower—60 and 36 percent, respectively. These work failures create great tension in currency revenues, without which it would be impossible to exchange rubles for convertible currency if the convertibility of the Soviet monetary unit were to be introduced.

There is no serious improvement also in the country's sphere of finance and monetary circulation. The state's financial resources are growing slowly, the budget remains at a deficit, and the monetary drain continues. Overfilling monetary circulation with excess means of payment causes tension on the consumer market and the production means market, and also fuels the inflationary processes. All this cannot help but hinder the introduction of ruble convertibility. Today the immediate task consists of stopping in the next few years the deterioration of the financial position and monetary circulation in the country, curtailing the inflationary processes, and stabilizing the economic situation for the purpose of creating in the 13th Five-Year Plan a strong base for effective functioning of the economic management mechanism and formulation of the socialist market. Until such a base exists, the country's finance system will remain overloaded with money which is not backed by a

corresponding growth in production. Convertibility of the ruble, in our opinion, may increase inflation even more, making it, essentially, runaway.

International experience shows that we cannot ignore the above-mentioned conditions. For example, in 1947, under pressure from the USA and being economically unprepared for this step, England hastened to declare the convertibility of the pound sterling. As a result, its free exchange for other currencies lasted only 35 days, after which the government imposed strict currency limitations. It took years for the pound sterling to achieve the status of a convertible currency.

Since all the conditions for introducing the convertibility of the ruble cannot be created simultaneously, it is evidently important to proceed from a consideration of their hierarchy. With such an approach, we may begin to introduce convertibility of the ruble. However, this must be done gradually, in a limited manner, and experimentally—as the appropriate prerequisites emerge.

We believe it is very important to consider, specifically, the capacity of Soviet enterprises to compete on the world market, and to continuously and rapidly update products and production itself. Otherwise, [Soviet enterprises] will always be outstripped by their competitors, and it will be difficult to maintain even partial convertibility of the ruble to foreign currencies. Moreover, with a more complete form of convertibility we may encounter something akin to a "currency Chernobyl". After all, with weak exports due to the inability of Soviet products to compete, the government would be forced to spend its currency reserves in order to maintain convertibility of the ruble to capitalist currencies. Thus, these reserves may become rapidly depleted. The country's payment balance deficit and foreign debt will begin to grow at an uncontrolled rate. As a result, the exchange rate of the ruble will drop sharply in relation to Western currencies, import prices will rise, and along with them also domestic prices, and monetary circulation will be disrupted.

As it is, the USSR debt has already increased. According to the data of Western financial statistics, it has more than doubled in convertible currency during the years 1985-1988. The USSR's debts are also increasing to a number of the socialist countries—the HPR, GDR, CSSR, and the SFRY. Specifically, this is the result of a deterioration in the Soviet Union's trade balance. While in 1987 the balance of trade with the developed capitalist countries was positive, in 1988 it was negative and comprised \$2 billion.

Steps in a Practical Plane

Due to the varying socio-economic content of the structure of international economic relations and the existing currency-finance mechanism serving them, the problem of ruble convertibility must be solved in different ways: Within the framework of CEMA, where the Soviet

Union is an active participant in the international community of socialist states, and in the context of interaction with the world market. In the region of CEMA, in turn, the conditions of convertibility of the Soviet ruble, as well as the other national currencies, still cannot be the same for trade and non-trade transactions.

The immediate task is to introduce the national currencies of the CEMA states in the regimen of their convertibility into mutual trade-economic circulation. Such accounting could be viewed as a preliminary step toward convertibility of the Soviet ruble.

It is important, however, to provide for measures of economic and currency-finance influence by the state on the development of accounting in the national currencies of the CEMA countries. One of the measures undertaken in the near future could be the organization of currency auctions in the USSR for selling the national currencies of the CEMA states to Soviet enterprises for rubles. Here it would be expedient to coordinate the first currency auction with the staging of the next international wholesale trade fair on products of industrial-technical application to be held in our country.

Continuing the conversation begun in *EKONOMICHESKAYA GAZETA*, we would like to focus attention on the following moment. We believe that in the future we should allow enterprises and organizations from interested CEMA states to participate in USSR currency auctions. This would lead to the rise of bilateral currency markets of the interested CEMA states, which then could be gradually united.

However, the introduction of convertibility of the ruble to Western currencies requires not only those conditions which are necessary for its convertibility to the national currencies of the CEMA states, referring specifically to the transition to a planned-market mechanism. The ruble will also have to withstand competition from hard currencies, and consequently must itself be a strong currency. Otherwise, the convertible ruble will not be trusted and will become devalued. This may lead to "imported" inflation.

In order to avoid such negative consequences for the USSR economy, we believe it is inadvisable to force the introduction of the full form of convertibility of the ruble to Western currencies. Convertibility will become really possible after the completion of "capital repairs" on the Soviet economy and its revitalization along the directions of perestroika, when the entire economic system will be oriented toward the continuous and stable growth of labor productivity.

However, currency-finance prerequisites to convertibility can and must be created even now. We are speaking here of in time embarking upon the organization of a domestic market in convertible currencies, on

which Soviet enterprises and organizations would realize mutual operations on exchanging means of currency funds using a flexible contractual exchange rate.

Other steps are also possible. However, already now foreign legal personages have currency accounts in rubles at the USSR Foreign Economic Bank. These rubles were purchased in exchange for currency, and with the right of free convertibility. As yet they are intended for non-trade circulation and their sums are small. However, as we know, the USSR is beginning to develop a market in means of production. The foreign companies must find a place in this market. Then there will be accounts intended for trade dealings.

The prerequisites for this are gradually being created. Already next year about half of the USSR domestic economic turnover will represent not the state distribution of goods, but wholesale trade. This will help to strengthen commodity provision of the ruble in the wholesale segment of the economy, to expand our export capacities, and to better supply joint enterprises.

Tourist Complaints of Customs Charges

18250166 Moscow *ARGUMENTY I FAKTY* in Russian
No 20, 20-26 May 89 p 3

[Article by V. Yashchenkov: "An Expensive Trip"]

[Text] Contrary to the experience of your correspondents who had seen those customs regulations stuck up on a display at Sheremetyevo International Airport (*ARGUMENTY I FAKTY*, No 6), I was lucky. Before my trip to visit my mother and brother in Australia, not only did I read the regulations, but I even copied them down. They were in fact as explained in *ARGUMENTY I FAKTY* by N. Lyutov, assistant chief of the operations directorate of the Main Customs Administration under the USSR Council of Ministers. That is, one each of the named articles of radio and video equipment may be brought into the USSR without paying customs.

But in reality everything turned out to be different. Import duty was imposed on everything except one television set. Moreover the duty was based on prices in effect in our country. It turned out as a result that I paid \$299 in Australia and another 500 rubles in the USSR for a video recorder. And the total of my purchases for officially exchangeable currency cost me an additional 2,586 rubles in import duty.

Where was I to get such money for import duty in Moscow, when I live in Chelyabinsk? I left the freight in storage in search of a loan—almost all of the money I had saved earlier was spent on the trip: The fare was expensive, plus exchange, plus gifts for relatives. Some time passed while I gathered together the money and was able to pay the duty. Then I was charged another 729 rubles for storing the baggage. What was I to do? I paid it. As a

result I have a debt of 3,500 rubles. I will retire in 3 years. Will I manage to pay my creditors before my life comes to an end? You see, I receive 230-250 rubles pay a month.

I have not written anything about this to my relatives in Australia. I am embarrassed. They would say (and not without grounds) that our state takes advantage of us. Moreover, had this video recorder, the cassettes for it, the jacket, the t-shirts and the half-kilo of coffee been freely available in our stores at acceptable prices, would I have even made the effort to import them? And I never would have visited Australia, had it not been for the fact that after my father finished his work in China, he was arrested in 1945 when he returned home with me as the eldest, and had my mother and brother not been forced to move to Australia from China, where we, the children, were born.

Pros, Cons of Food Exports, Imports

18250183 Moscow SELSKAYA ZHIZN in Russian
17 Jun 89 p 5

[Article by Aleksandr Ivashchenko, candidate in economic sciences: "We and the World Market: An Agrarian Panorama"]

[Text] In recent times, many reasons have been named which have led to the difficult food situation in our country. Some authors believe that foreign trade has a negative impact—both export, which "reduces the resources on the domestic market", and import, which "reduces the interests in increasing our own production".

Having found myself recently in France—one of the world's largest food exporters, I decided to see how foreign trade affects the food supply there. Here is a specialty store selling cheeses on the Paris Rue d'Amsterdam. It sells almost 160 varieties of French cheeses, and here too are around 30 brands of imported cheeses (Swiss, Italian, English, Dutch, Belgian). At the markets there is a huge selection of vegetables and fruits, and not only those which are locally produced, but also from Africa, Latin America, Asia, the USA, and Holland. The selection includes bananas, citrus fruit, strawberries, kiwi, avocados, and early tomatoes—and all at rather low prices. In the "supermarkets" one can find food products from most countries of the world, including also the socialist countries.

After the picturesque abundance in the stores and markets, it is no less interesting to acquaint ourselves also with the dry, but rather expressive, data on France's foreign trade in food products, obtained from the Ministry of Agriculture. Since 1978 the country has never purchased more products than it has exported, and last year its export reached 163 billion francs, and exceeded imports by a record amount—41.6 billion. Processed goods accounted for over 61 percent of the export and 64 percent of the import, and the rest was comprised of raw goods. Grain, wines and alcoholic beverages, meat and

livestock, dairy products, butter, fruits and vegetables accounted primarily for the exported goods. Primary among the imported goods were meat and vegetables, fish, fodder, and dairy products. But here is the curious fact: As the figures show, France exports and imports food products of practically the same commodity groups. However, this is not an economic absurdity, but a means of rational participation in international division of labor and effective utilization of the produced resources for the purpose of saturating the domestic market with different varieties of goods.

A similar picture may be observed in all of the developed countries. Thus, the USA is the largest food supplier to the world market (\$32 billion in 1988), and at the same time also buys \$19 billion worth of food products. Even Japan, which is forced to buy more food than any other country in the world due to its extremely limited land area, exports over \$1 billion worth of food products. Many of the socialist countries of Europe and the PRC also actively use foreign trade for replenishing their food resources as well as for increasing export supplies.

Thus, in itself, a large food import or export, considering world experience, cannot be considered to be some kind of negative phenomenon. In evaluating foreign trade in food products, we must take a weighted approach, not to rush to extremities, to consider its structure, the coverage of import by export, and the economic effectiveness of the operations.

What is the situation in the Soviet Union in this regard?

The fluctuation of the country's foreign trade in food products is entirely determined by import, while export has been frozen at the level of the early 70's—around 1 billion rubles worth. Moreover, it consists to a significant degree of re-export—purchases made in one country for delivery to another. From the early 70's to the mid-80's, import has increased due to centralized state purchases to cover actual needs as well as to cover shortcomings in the amount and quality of goods produced by the departments responsible for product manufacture. The import of a number of important goods such as grain, sugar, and butter reached a very high percentage of the volume of state purchases, which reflect the supply situation more precisely than the production figures. As a result, even moderate fluctuations in purchases are immediately reflected on the store shelves. When import is reduced, there are interruptions in supply, and vice versa.

Thanks to the reduction of world prices on food products and the measures taken to reduce purchases abroad, food imports have declined from 15 billion rubles worth in the mid-80's to 9 billion in 1987. However, last year under the influence of strengthening market conditions and increased purchases of a number of goods, there was once again an increase in import and in the deficit.

A great imbalance in trade and a totally undeveloped export system is one of the primary problems not only of foreign trade, but also of the country's food provision as a whole. Due to the trade imbalance, it is difficult to expect an expansion of import of such products as coffee, citrus fruits, early fruits and vegetables, and many others into our country. The main reason for this state of affairs may be seen in that the immediate producer is not interested either in reducing import, or in developing export.

Yet already at the present time there are favorable possibilities in the USSR for specializing in the production of certain export goods. For example, sunflower seed oil is one of the most expensive on the world market. The Soviet Union could easily allocate rather notable amounts of this product for export purposes, and for the currency obtained it could buy cheaper types of oils which may be used for processed margarine and for other purposes, including non-food applications for which sunflower seed oil is currently expended.

To obtain currency, we may also utilize the seasonal character of operation of many of the food industry enterprises, loading them in the off season with imported raw materials for subsequent export. Thus, often refined sugar costs considerably more on the world market than raw sugar. Under these conditions, it is expedient to obtain above-plan raw sugar on the "free" market, and at the same time to sell refined sugar, specifying more remote delivery times. The raw sugar could then be brought into the country, refined, and the refined sugar then exported. The currency influx, according to computations, would not only cover all the ruble expenditures, but would also bring in a sizeable profit.

In regard to a number of goods produced in the country, but also imported, we could, as we have already proposed, buy above-plan foodstuffs as part of the import plan with partial currency mark-ups. This would ensure not only a reduction in the expenditures for import, but also a greater savings on transport expenditures. However, in a large number of cases, direct export is more economically expedient than import replacement.

The available reserve for developing assortment trade is practically not being utilized. This is primarily due to the lack of correspondence of the interests of the exporters-producers and the interests of the importer-departments, as well as lack of flexibility, interdepartmental dissocialization, and a narrow departmental approach. For example, many socialist countries, in order to replenish their meat resources, opt for the export of more expensive varieties of meat and the quality portions of carcasses and prime cuts, which are valued higher on the world market. Thus, hind quarters cost 2-3 times more than front quarters. Beef is almost twice as expensive as mutton and poultry, and 1.7 times more expensive than pork. Then they use the funds which have been obtained [from these sales] to buy cheaper varieties of meat and cuts. The tangible difference in prices allows them to

increase the supply of meat offered on the domestic market, as well as to replenish the budget. Evidently, for the USSR, under conditions of a meat shortage, such a practice might also be advisable.

We can give examples also for other types of goods such as vegetable oils, fodder grain, groats, and cocoa. However, for this it is necessary to increase the flexibility and economic interest of the direct consumers of these goods. Specifically, the relations of prices for different varieties of mutually interchangeable consumable vegetable oils under the influence of fluctuations in supply and demand on the world market are constantly changing. The difference sometimes reaches \$100 per ton or more. If the foreign trade organizations were tied down to a rigid plan, it would be possible, based on the conditions of the world market, to substitute, for example, soybean oil with coconut oil, palm oil or "kanola", with great savings of currency.

The world practice for times of import and export of goods also gives some interesting examples. China exports grain after the crop harvest, and imports it later, as it is needed. Because of a shortage of grain elevators and storage facilities, Argentina tries to export grain and oil-producing crops immediately after the harvesting and processing of the seeds. Such a practice is applicable for countries with a weakly developed storage and processing base. It is significantly more profitable than storing the crops under the open sky or in buildings which are not adapted for this purpose, which results in disruption of technologies, and consequently excessive losses. In fact, export in this case represents the sale of those products which would have been lost. In the USSR, until the program for building capacities for processing and storage is realized, the implementation of such export operations would be fully expedient. With a prudent organization of the matter and appropriate organization of transport, the export of such potential losses can already today in significant measure cover the expenditures for import of food products.

Considering the size of our country, it is probably more expedient to bring in food products to the Far East from abroad, and not to transport them across the entire country. The currency for these deliveries may be earned from the export of food products from the European part of the country.

In order to realize the export potential of the APK [agroindustrial complex] sphere and its harmonic inclusion into the international division of labor, appropriate levers are needed. They may include the level of currency deductions and various export privileges, as well as favorable conditions of cooperation of the APK enterprises with foreign companies in the sphere of investment cooperation, and special incentives for attracting Western managers, farmers, and high-class specialists to agriculture, processing and storage. It is also important that the immediate producer receive the direct effect from such currency stimulation. Unfortunately, prior to

April 1989, the main profits from the export of surplus [above-plan] food products often went to cooperatives and to various mediators, including all kinds of joint enterprises which themselves had not expended any effort for the production and processing of these products.

Yet it would also be unjustified to fall into the other extremity which has become apparent today—to introduce excessive limitations and various bureaucratic obstacles in the path of agrarian export. Such an approach may cut at the root the very possibility of such development. The optimal solution would be to simplify the export procedure realized through all-union foreign economic associations (VVO) such as "Eksporthleb", "Prodintorg", "Soyuzplodoimport", and to create on their basis trade houses which carry many kinds of goods and compete with each other. These would cooperate on a voluntary basis or within the framework of intersectorial associations, concerns, or other forms of associations with kolkhozes, sovkhazes, agrocombines, processing enterprises, grain elevators, and transport enterprises.

In China, which embarked upon the path of reform before many of the other socialist countries, the main portion of export and import of food products falls to the Chinese national company for export and import of grains, vegetable oils and foodstuffs. Aside from the main foreign trade companies, [this national company] includes 42 departments in the provinces and autonomous rayons which have purchasing centers, warehouses, refrigeration facilities, and transport. This company also has several departments and subsidiary companies abroad, as well as its own fleet and building capacities.

An important role in developing export belongs to the degree to which producers are informed about the world market conditions: The requirements for quality, future development of demand and prices, level of prices and methods of determining them, possible counteragents, trade-political conditions, and the search for the most profitable goods and operational variants for the future. This information is necessary not only for concluding certain specific deals, but also for developing a strategy for investing in various sectors of agriculture and in the processing capacities based on possible tendencies in development of the world market.

Of course, the proposed measures may be viewed only as a beginning. For the stable and significant increase in export, in addition to the rationalization of trade and the increased effectiveness of participation in international trade, it is necessary to have improved quality of products, increased portion of highly processed products, basic changes in packaging and labelling of goods, increased storage capacities, and improved transport. Yet it is also no less important to overcome that essentially anti-market, command-administrative psychology of self-isolation, the isolation of the peasant from the world market.

Foreign Participation in Agroindustrial Complex
18250168 Moscow *PRAVITELSTVENNYY VESTNIK*
in Russian No 8, Apr 89 (signed to press 13 Apr 89) p 3

[Article by Candidate of Economic Sciences V. Prosin: "Samara Co and Others"]

[Text] The "joint venture" concept is becoming increasingly more common in the country's agroindustrial complex. Our foreign partners are displaying a clear interest in setting up mutually advantageous contacts. In this case special attention is being devoted to priority directions such as improving the procedures for processing, packaging and storing agricultural products, and introducing bioengineering into selection, seed farming and breeding. Production of baby food and coffee, as well as tea and vegetable oil, is among the most important directions of joint activity.

Five international associations and 24 joint ventures were founded as of mid-March, including 3 with socialist countries and 21 with firms in capitalist countries. Over 40 more proposals of foreign firms are presently being finalized. The problems of organizing joint ventures in Hungary, India, China, Tanzania and Laos for cultivation and primary processing of tea and coffee and for processing of oil crops are also being studied.

Rather close, business-like contacts have now been established by the country's agroindustrial enterprises and organizations with firms in Italy, Sweden, Great Britain and the FRG. These are among our most active partners. In particular joint ventures have been created with the Swedish concern Tetra Pack for juice production and packing in Lipetsk and for manufacture of 25,000 tons of packaging materials annually in Kiev. The Kazakhitalkarakul joint venture, which will process 2 million karakul skins and 500,000 sheepskins per year to be made into coats, hats, jackets and karakul intermediate products, was created in Chimkent together with the Italian firms Dzhiza and Dzhi Bi [transliterations]. It is anticipated that product deliveries will begin as early as at the end of 1989.

The Samara Co joint venture for the production of pigskin and of finished articles out of it was created in Kuybyshev Oblast together with the firms Rest Ital, Italmakine Plants and Koncheriya Konti [transliterations]. Up to 500,000 pigskins will be processed annually here. From here the most lucrative goods will go into the Soviet market—footwear, jackets, purses and some other articles. Production will begin in 1990.

Joint ventures for the production and transplantation of embryos of agricultural animals were created in Estonia and in Lvov together with the English firm British Livestock.

The Zarya-Semena joint venture, created by the Zarya agricultural company well known in our country and by Austria's Pioneer, is initiating its activity in Rovno

Oblast. It will produce 10,000 tons of seeds of early hybrid corn annually, which will make it possible to extend this crop into regions that are not traditional corn-growers, and to improve the feed base of livestock raising.

The Soviet-Finnish joint venture EKE-Sadolin in Estonia, which produces an extremely valuable wood preservative—pinoteks—has attained its planned output. Two thousand tons of this product worth 5 million rubles have already been sent to the consumer.

The Soviet-Bulgarian associations Bolgarsovoovoshch and Sovbolgartsvet have begun operation. They supply tomatoes, cucumbers and sweet peppers, as well as flowers and strawberry seedlings. The Soviet-Bulgarian joint venture PPS-Agro will focus its activity on production of software-hardware systems for the needs of the agroindustrial complex, and beginning in 1991 the Zdorovy joint venture will supply up to 3,500 tons of canned meat for baby food to the USSR.

Role of Foreign Bank Credits Explained

Response to Readers' Questions

18250067 Moscow PRAVITELSTVENNYY VESTNIK
in Russian No 1, Jan 88 p 7

[USSR Chamber of Commerce and Industry Chairman V.L. Malkevich responds to reader questions: "Credits"]

[Text] As was already reported in the press, our country decided to accept new credits in 1988. In this regard, readers are asking: what prompted the Soviet side to this step? From whom and for what are we receiving credits? Chairman of the USSR Chamber of Commerce and Industry V.L. Malkevich responds to these and other questions.

Yes indeed, we have received credits and are receiving them. But this should not be viewed as some sort of extraordinary deal. In keeping with international practice, especially with regard to trade in machines and equipment, like other countries the Soviet Union traditionally uses foreign credits.

Specifically, last year agreements were reached with a number of western banks for the extension of credits worth roughly two billion rubles, mainly to modernize the light and food industries. Banks of the FRG and Italy, for example, are providing credits worth 3 billion West German marks and 0.7 billion dollars.

Naturally, many readers want to know if these credits are going only for the stated goals. There are guarantees in this regard. If there is an attempt to use the funds for other purposes our VNESHEKONOMBANK [Foreign Economic Bank] simply will not accept the account for payment. Equipment purchased on credit is 'tied' to

specific installations that are to be modernized. And the USSR Council of Ministers is strictly monitoring the goal-oriented use of these funds.

The letters ask many questions about the specific installations for whose development and restoration the credits are going. There are many such enterprises, and they are located throughout the territory of the Soviet Union. It may be more easily stated thus: enterprises that produce fabric for dresses, jackets, and furniture upholstery, capacities to manufacture panty hose, shoes, paints, and toothpaste are being refitted. Clothing and shoes for sports and leisure, artificial fur, spring-fall and winter coats, wool and silk blouses, fashionable men's and women's shoes, and elegant knitted wear are being produced on a new technical basis. And the modernization of the food industry will make it possible to organize the production of dry breakfasts cereals, quick-preparation pasta items, cheeses, and crackers. And most importantly, the production of a wide range of packaging materials.

Considering that these credits are directed toward social goals, the government has decided to cover their cost from state sources, which in my view imposes a dual responsibility on those upon whom the efficient use of these funds depends. You see, it is no secret: among the large-scale purchases in the past were many examples of inefficient 'accidental' import. Efficiency was also subverted by delayed installation of the facilities—the equipment became obsolete and the company guarantees expired.

Now, with the shift of all enterprises to the principles of complete cost accounting and self-financing, I am certain that the attitude of managers and labor collectives to purchases of the means of production will radically change. Radical economic reform will give us many new tasks as well, the employees of the USSR Chamber of Commerce and Industry. One of the main ones: the Chamber should become a true spokesman for the interests of associations, enterprises, and organizations in the sphere of foreign economic ties.

This we strive to do, utilizing various forms for establishing and securing mutually beneficial contacts between our enterprises and organizations and foreign partners. In particular, with funding from participants interested in sending their goods to the U.S. market, for the first time an exhibition of Soviet export wares was organized in New York. This commercial exhibition aroused great interest in business circles, demonstrating to American visitors the fully competitive products manufactured by our associations and cooperatives, as well as by joint enterprises. Contracts for a total sum of more than 200 million dollars were signed with American companies.

We are also establishing a partnership inconceivable without the broad use of credit, through business cooperative associations: uniting in them, our enterprises are

beginning to work with business circles of India, the FRG, Italy, Yugoslavia, countries of Latin America and the Asiatic Pacific region, and other countries. One such association is beginning to work for the integrated use of the resources of the Kolsk Peninsula. Its center is in Murmansk.

Numerous other forms are also being engendered. Thus the readers of PRAVITELSTVENNIYY VESTNIK will learn about still other contracts, including on a credit basis.

Use of FRG Credits

18250067 Moscow PRAVITELSTVENNIYY VESTNIK
in Russian No 1, Jan 89 p 7

[Unattributed article: "Where Will They Go"]

[Text] One hundred and thirty million rubles—this is the total credit from West German banks that is going to develop the USSR's shoe industry. Fifty million pairs of high-fashion women's and men's shoes will be produced annually by national enterprises as a result of the technical refitting performed with the credits received.

Specifically, for the Armenian MASIS association, and the LYUX factory, up-to-date imported equipment costing 6.4 million rubles will be provided, permitting an annual production of 2.5 million pairs of high-quality fashionable shoes.

The Moldavian scientific-production leather-shoe association will receive new equipment worth 2.4 million rubles. The annual production volume of high-fashion shoes will be 1.5 million pairs there, 300 thousand pairs more than presently.

Banks of the FRG and Italy are extending 256 million rubles in credit. With these funds we will purchase imported equipment for the technical refitting and reconstruction of branch enterprises. As a result the annual production of knitted wear will increase by 22.5 million units, that of panty hose by 200 million pairs.

Production of new and high-fashion types of panty hose, knitted outer wear made from lighter linen, highly elastic bathing suits, and clothing for leisure and sports will be established. Thirty-three stocking and sock factories, the Moscow knitted fabric association 'Red Dawn', the Kiev Knitted Fabric association imeni Rosa Luxemburg, and tens of other enterprises will undergo radical technical reconstruction.

Two hundred and twenty million rubles extended in credit by Italian and West German banks will be used for technical refitting and reconstruction of 49 enterprises of the sewing industry. The restored branch will annually produce additional sewed items with a retail value of 1 billion 883 million rubles.

Just the funds received in the FRG will allow us to increase our annual production of high-fashion coats and raincoats by 2.5 million units, jackets for leisure and sports by 15.5 million units.

In accordance with the key contracts with western firms, all the equipment for the shoe, knitted wear, and sewing industry will be provided in 1989.

In the assessment of leaders of the USSR MINLEG-PROM [Ministry for Light Industry], the new capacities are expected to be fully on line in 1.5 to 2 years.

Estonian Critique of Foreign Economic Ties

18250178 Tallinn SOVETSKAYA ESTONIYA
in Russian 17 May 89 p 2

[Report by R. Kaarepere, Estonian Telegraph Agency:
"In the Presidium of the ESSR Council of Ministers"]

[Text]

State of Foreign Economic Relations Unclear Up to Now

Foreign economic relations are one of the grimaces of perestroika. The world gladly welcomes the ideas of perestroika, but the quantity of our export does not grow from this. Sooner on the contrary. Why does that happen? There are several reasons. Undoubtedly, our weak ability to compete and, on the other hand, state monopolism, which for decades held sway in the foreign policy of the USSR, played their role in this.

But perestroika is being fitted to this sphere as well. In December, an extremely progressive decree on the decentralization of foreign economic relations was adopted at the all-union level. Rights were promised both to state and cooperative enterprises. And a great deal was promised. Perhaps even a little excessively. Hence the hurry with which they now try to return what they have let slip out of their hands. On 7 March, the USSR Council of Ministers adopted a decree on measures of state regulation of foreign economic activity. It was supposed to become the continuation of the December decree, which would determine precisely the procedure for the registration of the participants in foreign economic relations, the declaration of commodities in the customs-house, export and import, as well as measures for effective regulation of foreign economic relations.

Unfortunately, the new decree abolishes quite a lot of what was promised in December. Disappointment has already overcome many. At the same time, the system of state restrictions is inevitable even even in the conditions of small Estonia. But they must be reasonable. But where are the limits of reasonableness? The government of the republic will have to decide on the basis of the union decree of 7 March. What to add to the union decision, and what to repudiate? These questions were

discussed on a preliminary basis by specialists of the Administration of Affairs of the ESSR Council of Ministers and Gosplan, the Administration of the authorized Ministry of Foreign Economic Relations at the ESSR Council of Ministers, the Estimpeks [Estonian Import-Export], our customs service, the Industry and Trade Chamber, and the Bank for Foreign Economic Activity.

Now the draft decree has been discussed at a session of the presidium of the government. Both large and small questions have arisen. Beginning with the fundamental necessity of the establishment of a quota for export to such questions as whether it will be possible to export forest berries without restrictions. It proved impossible to find identical answers to all questions. A new order is absolutely necessary, but one which would be conducive to progress. Consequently, we will have to reflect further. And this is what was entered in the protocol.

Top Officials Are Being Renewed

The renewal of personnel is a natural companion of the present-day restructuring processes. At the session there was a serious discussion of the placement of personnel. Tiyt Yarve, the former deputy chairman of the Tallinn Gorispolkom will become the new business manager of the ESSR Council of Ministers. Giyt Vyakhi, who up to now headed the Valga Motor Depot, was proposed for the responsible post of chairman of the ESSR State Committee for Transportation. The final decision here will have to be taken by the ESSR Supreme Soviet. Elmar Matt was appointed as the permanent representative of the ESSR Council of Ministers in Moscow. The request for resignation of Boris Valdek, the deputy business manager of the ESSR Council of Ministers, was complied with.

The government expressed sincere appreciation to the present representative of the ESSR Council of Ministers in Moscow, Anatoliy Tregubov, the minister Garald Kruger, and also to Boris Valdek. Their contribution during many years was solid and worthy of respect.

U.S. Soybean Experts in USSR To Discuss Markets

18250151 Moscow SELSKAYA ZHIZN in Russian
19 Apr 89 p 3

[Article by S. Vovkodav, correspondent of the oblast newspaper ZORYA POLTAVSHCHINI, and B. Fesina, chairman of the Poltava "Nauka" Agricultural Cooperative: "Is It Necessary To Rediscover America?"]

[Text] How surprised was Alex Cherny, chief of the eastern office of the American Soybean Association (ASA), Martin Wood, consultant of this organization, and Caroline Shaw, manager of the firm Insta Pro, when at the Novosanzhary Mixed Feed Plant in Poltava Oblast they saw a technological soybean and corn processing line assembled by local efficiency experts.

"About 15 years ago our firm sold some 200 extruders for soybean processing to the Soviet Union," Mrs Shaw said. "Since that time orders have not been received. In time I read in one of the newspapers that you yourselves mastered such machines. However, an extruder, even a very good one, is insufficient. Technological lines, which our firm has been producing for 30 years, are needed. People will not believe me if I say that simple farmers made the first such line in the country. This would cause a sensation in our country. What would plants do then? Grow soybeans?..."

En route Alex Cherny described Mr Wood as one of the best experts in soybean processing and use in the West. The ASA concluded a 100-day contract for his stay in the USSR with him and was paying him for his job "according to a meter, as in a taxi."

"Mr Wood," we hurled our question at the restless consultant, "how do you evaluate the line?"

"Your people are truly fine fellows, but the line cannot give a great deal of good oil-seed meal. The metal in the extruders is not suitable for high pressure or temperature. So long as you have such metal, you are no competitors to us."

Then for the first time we regretted that V. M. Morozov, chief specialist at the Department for the Production and Processing of Livestock Products of the USSR Gosagroprom (now abolished—editor's note), who accompanied the ASA delegation, did not take with him a colleague, who was in charge of relations with agricultural machine building enterprises. It would be interesting to see how he would explain to American businessmen why our peasants made mechanisms, while plant workers raised hogs.

At the hog fattening complex of the Kolkhoz imeni Stepovyy in Novosanzharskiy Rayon an occasion arose to become convinced once again not only of the high professional abilities of Americans, but also of how both our nations yearned for simple human communication.

Kolkhoz specialists and livestock breeders understood perfectly well when Martin Wood drew in the air small houses for hoglings. In fact, they will be much more efficient and cheaper than the thermal field or powerful lamps. In only a few minutes livestock breeders and businessmen discussed the details of the future experiment. They would feed one-half of the hoglings kept in a shed divided in half according to the traditional technology and the rest, according to the American technology, true, provided that they would prepare the oil-seed meal for them on a foreign extruder.

Thus, Poltava businessmen faced a choice: Having bought this machine, to be the first in the country to begin a promising experiment at the base of a local farm and the Ukraina Kolkhoz in neighboring Mashevskiy Rayon, or to give up on this matter. After all, this had to be paid for with foreign currency.

"We have in mind hard currency, to which, unfortunately, your ruble does not apply," explained Caroline Shaw.

We do not know how high-ranking officials from Union ministries and departments took such statements, but simple kolkhoz members felt ill at ease. They continued the negotiations in the chairman's office.

And there the diminutive Caroline Shaw proved to be a great diplomat. In contrast to her partners, who mercilessly "told off" Agroprom telephones and argued until they became hoarse as to who should take an extruder on his balance sheet, she, without batting an eye, was making a decision—most probably, any of our businessmen would be fired from his job for this...

The handful of currency, which the oblagroprom had from the sale of pedigree horses and some scarce raw materials, could not even be mentioned (it was guarded, like the apple of one's eye, for a "black day"). The leasing of a machine again had to be paid for—even with Austrian schillings, so long as it was not with rubles...

A charming smile did not leave Mrs Shaw's face and only the tightly clenched fingers of her hands attested to how intensely her mind worked. Our oblast was the last one on the delegation's trip of many days throughout the country. However, not a single extruder was sold. What should be done? To return home with nothing? However, this did not enter the plans of Insta Pro.

"I think that as an experiment we can give you a machine for use free of charge until September (when the financial year ends in the United States)," Mrs Shaw defused the situation. "However, provided that you pay for transport services. If you like the extruder, you can keep it, transferring 43,000 dollars to us."

"But where is America and where, Sanzhary?" Poltava businessmen again began to vacillate.

"O.K., the firm will undertake part of the transport services. I think that to take the extruder from London will not constitute a special problem for you?" With a gesture Caroline invited her partners to the table.

Of course, Poltava businessmen would not object if the firm's associates brought the machine to Sanzhary itself, but, realizing that Mrs Shaw would not give in even one iota, reached for their fountain pens. It would have been a sin not to sign such an agreement.

"Mrs Shaw, under the conditions of the chronic currency shortage in our country, your firm will probably not find a sales market in the Union soon. Where is the way out?" we asked.

"I think that it should be sought in the establishment of joint enterprises. However, not a single Western businessman will go for this without first testing the products that they produce. Russian businessmen are inclined to negotiate on such plants, not imagining at all what products they will have. Our firm offers to show its machine in operation and to build enterprises later. I hope that Poltava businessmen, as you say, have a magic touch..."

"Not a single country has fed its people without broad international cooperation," Alex Cherny supports her. "I have in mind not only an exchange of technologies, but also of advanced experience in the organization of agricultural production."

"The first thing that you encounter on American land is a large number of color prospectuses," said M. V. Panasenko, chairman of the Mayak Kommunizma Kolkhoz in Novosanzharskiy Rayon, who arrived from the United States several months ago and was accompanying his recent acquaintances. "We opened one of them at random. Nortrop King, an elderly American farmer, urges: 'Become friendly with the ASA and I will give you a bag of soybeans as a gift.' Have you ever heard a kolkhoz member advertising the agroprom in this way? However, I was interested in the bundle of soybeans, which Mr King held. Therefore, during the first stop on a soybean plantation I decided to count the number of beans on one stem. You will not believe, but I counted 127 of them. Having noted my surprise, the owner explained that his ancestors had worked on this variety during the last century. Therefore, it yielded an average of 50 to 60 quintals of dry grain per hectare."

Of course, the Americans were interested in finding out how many soybean varieties were cultivated in our oblast. One had to see their surprise when they saw only a few bent fingers. And this in the Poltava area, where last year soybeans occupied 10,253 hectares, but 14,969 tons were gathered—more than in any other out of the 25 oblasts in the republic. In the State of Minnesota, where Mr Cherny lives, farmers grow more than 300 varieties. The area of their distribution is very narrow. Therefore, as a rule, the variety is named after the owner, who

breeds it. There are Evans, Chipov, and other varieties. In fact, in the United States every farmer is a breeder and he is very proud of this. In our country almost every farm has a breeder-agronomist, but somehow kolkhoz soybean varieties have not come along.

The ASA and its 11 foreign offices engage in the processing and application of soybeans and in a search for markets for the sale of this product and mechanisms for its processing. This is not an easy science and is only within the powers of professionals. Farmers transfer 14 cents per grown ton of soybeans for their maintenance.

"We have long been, as you say, on cost accounting," Mr Cherny smiled. "The more you hustle, the more you get. If you stop, you are replaced with another consultant. Our 'firm' is not commercial and operates on a voluntary basis."

Possibly, it would do no harm for our kolkhozes to have such an association, so that not the agroprom, but the peasants themselves, like American farmers, may order the music and at their discretion change the musicians, or even the entire orchestra.

The Americans were surprised at many things on Poltava land.

"If we look at the geographic map, our northernmost state is somewhere on the geographic latitude of Zaporozhye," Mr Cherny leafs through the atlas. "That is, you can grow soybeans only in the south of the Ukraine, in Stavropol and Krasnodar krais, and in Central Asia. However, precisely here you have the biggest areas sown with cereals. Is it really impossible to move them to northern regions? Especially as with respect to the content of protein and amino acids soybeans have no equal among fodder crops."

This is agitation so that we, in addition to grain, may also buy soybeans from capitalists, some readers will say. Although our oil is three times more expensive, it is sunflower oil. We have mixed feed for hogs. All sorts of things have been stuffed into it, so there is no room for soybeans...

Until recently workers at the Lipovets Interkolkhoz Enterprises for Pork and Mixed Feed Production, which is in Vinnitsa Oblast, also thought so. But then they conducted the experiment proposed by ASA specialists. One group of hogs was fed with mixed feed (which hardly happens in real life) and the second, with soybean and corn oil-seed meal. In 4 months daily gains in the live weight of every hog totaled 619 and 680 grams respectively. Soil-seed meal proved to be twice as cheap.

Similar results were obtained in Cherkassy Oblast, where oil-seed meal was made from soybeans and preserved corn grain.

Today the ASA, true, still unsuccessfully, tries to obtain permits for conducting such experiments at cattle fattening complexes, as well as at poultry factories, animal farms, and fish breeding enterprises.

"In the opinion of many Soviet scientists," V. M. Morozov said, "so long as we do not begin to grow 18 to

20 million tons of soybeans, we will not obtain sufficient livestock products, even if all orchards and forest strips are uprooted for an expansion of fodder crop areas..."

"Our association has business relations virtually with all big agricultural firms in the United States," Mr Cherny supports him. "We could involve their experts in the solution of problems of pest and disease control, pollination, and processing of grown products. In order to attain such results through your own efforts, you will need several decades. Is it necessary to rediscover America?"

**Gomel Toolbuilding Association Forms
Partnership with FRG**

*18230070 Minsk SOVETSKAYA BELORUSSIYA
in Russian 27 Jun 89 p 2*

[Unattributed article: "Address 'Schiestanko', Gomel"]

[Text] Two machining centers, manufactured by workers of the Gomel Toolbuilding Association imeni S.M. Kirov, will bear an unusual trademark. The enterprise has become one of the founders of the 'Schiestanko' shareholding association. The well-known German firm Schiess has also joined this association. A contract has been signed with it for the sale on the world market of Belorussian NC machine tools, the electronics for which will be provided by the partners from the FRG.

The possibility of developing independent commercial activity in the world market opened up the path of business cooperation for the Gomel people. But in order to talk on an equal basis with foreign partners, painstaking and reliable work on increasing the competitiveness of their products is required.

The Gomel toolmakers propose to use the foreign currency they earn to acquire the newest equipment and consumer goods for their workers.

**Swedish-Soviet Economic Cooperation Mutually
Advantageous**

*18250182 Moscow IZVESTIYA in Russian Jun 89
Morning Edition p 6*

[Dispatch by A. Sychev, IZVESTIYA's own correspondent in Stockholm: "What We Are Repudiating"]

[Text] It turns out, Soviet enterprises still recently were almost undivided monopolists in the Swedish market. They accounted for 80 percent of the sale of metal canisters for fuel. Today the Zettergen Company is at a loss: The Swedes have suddenly experienced an acute shortage. The firm had concluded two contracts with our enterprises in the Baltic for the delivery of 32,000 canisters in May of this year; however, it has not received them.

I agree that the cited example of our indisputable leadership in the Swedish market is not typical. Our enterprises have received access to the world market and are increasingly actively offering their products, but all the same up to now they have been unable to increase the weight of machines, equipment and services in export. As before, we are earning foreign exchange with our mineral wealth.

Nevertheless, it is strange that we are beginning to neglect the infrequent cases of strong positions in foreign markets by not maintaining the contract delivery terms. And this at a time when the small and medium firms of

Sweden show increased interest in cooperating with Soviet enterprises. They are ready to purchase, for example, various instruments and a great deal more.

There is also another possibility. It is opened up by the conversion of enterprises of the defense sector, which, possessing the most perfect technical base and skilled personnel, could substantially correct the situation with the commodity shortage in the country and generate good earnings in foreign markets.

With little unemployment, Sweden is experiencing an acute manpower shortage, which moreover is expensive here. This compels Swedish producers many supplementary products and finished units. The high scientific-technical potential of Soviet industry and the geographic closeness of our countries have for a long time attracted local companies. Many of them have come forward with proposals for cooperation—to extend technical assistance in the organization, our plants, of the output of the necessary products and to purchase them in acceptable quantities.

One of such initiators is the Electrolux Concern. This firm for a long time refused to participate in conferences and meetings on the problems of the development of collaboration and cooperation, which our foreign trade organizations so often like to hold. They got tired of the firm of associating with us, not perceiving concrete results. Electrolux also did not accept the invitation to come to Moscow in mid-June for the Days of Sweden. But at the same time, the company is ready to take up the realization of projects, where the wishes of the customers are researched and it is necessary simply to roll up one's sleeves and go to work.

Thus, Electrolux proposes to organize, in the USSR, the production of asynchronous motors, which are widely used in electrical products. We have already for a long time talked about the necessity of the output of such motors, but further, I think, the enterprises of the electrical industry did not move. From the cooperation with Electrolux, we will receive the entire planning and technical documentation, a developed model of the motor, equipment, and a guaranteed initial marketing channel in the world market. Besides electric motors, Electrolux would like to purchase from us bearings, aluminum castings, plastic materials, electric cable, and other supplementary products and materials.

Other firms are offering their assistance in the organization of the production of household freezers, washing machines and dishwashers, new models of seatbelts for cars, and other products which we need and which are in demand abroad. The Soviet trade representation in Sweden, so far as I know, has sent telegrams to all the ministries affected by the conversions, but so far it has not received a single answer.

Are we really not interested in cooperation, in additional foreign exchange, in goods?

FRG Economics Minister Interviewed

18250173 Moscow PRAVDA in Russian 27 May 89
Second Edition p 4

[Interview with Helmut Haussmann, FRG Minister for Economics, by Ye. Grigoryev, PRAVDA correspondent, during May in Bonn]

[Text] [Grigoryev] The Ministry for Economics is an entire city on (Villemomblersstrasse) in one of the outlying rayons of the West German capital. Here, the political, legislative and rather administrative regulation of the enormous West German "market" economy is controlled—and, at the same time—foreign economic ties also. It is this ministry that is responsible on Bonn's side for the economic, scientific and technical aspect of relations between our two states. Its head automatically occupies the position of co-chairman of the USSR-FRG Commission for Economic, Scientific and Technical Cooperation.

This is now Helmut Haussmann. He recently—only a few months ago—occupied the ministry office in which we are talking. However, he is no novice in economics and politics. By birth, he is from (Bad-Urakh) which is in the state of Baden-Wurttemberg; he is 45 years old and an economist by education.

H. Haussmann says:

[Haussmann] I think that the state of our economic relations with the USSR is good. Preliminary outlines for expanding cooperation have been determined. I suspect that it will be further expanded in the foreseeable future—the more so since its amount still does not correspond to the economic weight of our countries.

It seems to me that large projects had been too largely stressed in our economic relations until recently. Many discussions revolved around them, large firms participated in them, and everything occurred in accordance with state agencies. However, in my view, the future belongs to activity that is moderate in scale and involves more numerous participants in the cooperation—primarily, joint enterprises. We have recently reached an agreement on important intermediate steps. An agreement on protecting investments has been initialed. A document on training and retraining Soviet managers, engineers, technicians, and workers in the FRG has been prepared. An agreement exists to build a USSR House of Economics in the FRG and a FRG House of Economics in Moscow. Special groups have discussed the detailed designs for joint activity on the Kola Peninsula and in Western Siberia and cooperation in the area of motor vehicle construction and high technology.

I think that joint enterprises are the most intensive form of cooperation. At the present time, approximately 40 of these enterprises have been formed with the participation of FRG firms. Discussions concerning the establishment of another 60 are underway. Our country is ahead of others in this form of cooperation with the USSR.

[Grigoryev] Does it not seem to you that the West German side could be more enterprising in expanding mutually beneficial cooperation, especially its new forms?

[Haussmann] In my speeches at the Hannover industrial fair and somewhat earlier during a meeting of our commission in Bonn, I pointed out that although FRG industry is loaded with orders from abroad to a very high degree at the present time, this should not lead to it being completely oriented toward a comfortable market situation. Relations with the Soviet Union are opening up very large opportunities because it is necessary to think about long-term categories and to look toward the future during a time of very high loads on production. The leaders of our economy clearly recognize the importance and benefit of long-term economic cooperation with the USSR and they are receiving my support in this—in other words, support from the political side.

[Grigoryev] The expansion of cooperation can hardly be managed without difficulties. In your view, what are they?

[Haussmann] Yes, problems will arise, for example, from the fact that the Soviet Union is "tied" too strongly to deliveries of raw material and energy resources and sells too few industrial items in its economic exchange with the FRG. Or let us take the decentralization in the management of enterprises that you are carrying out within the framework of the economic reform. We, of course, welcome it. However, it still often turns out that Soviet enterprises do not know how to conduct affairs on their own with foreign firms. It is evident that the acquiring of the necessary experience is a matter of time. The main difficulty springs from the fact that, as I have already said, the amount of our business cooperation does not correspond to the true importance of our countries, their economies and their capabilities. You see, the Soviet Union has the largest economic potential within CEMA; and the FRG—within the European Community.

[Grigoryev] Last year, the volume of Soviet-West German trade grew somewhat, but it is still far from the record level of 1985. Will the growth trend become stronger?

[Haussmann] I think it will. The increasing use of credits intended for modernizing the Soviet light and food industry will especially contribute to its revival. However, it is not worthwhile to be excessively carried away by figures. Previously, only a few large projects stood

behind them; however, in the future, a multitude of medium-size enterprises will participate in the cooperation. This seems to me to be a more stable base for the exchange.

A visit by the federal chancellor to Moscow was arranged in October of last year. A visit by M. S. Gorbachev, general secretary of the CPSU Central Committee and chairman of the USSR Supreme Soviet, to the FRG will take place in June. The exchange of visits will contribute to intensifying our economic ties. The meetings at the highest level and the preparations for them are forcing us in the commission to solve several questions, which have been excessively dragged on, more rapidly. I would remind you that initiative was displayed on many practical cooperation matters during the federal chancellor's visit. Decisions on them should be prepared for signature during the Soviet visit at the highest level.

[Grigoryev] Many in Europe are now talking about a "common European home." What do you think: Does it need an economic foundation?

[Haussmann] In my view, the construction of a "common European home" has great significance for the future policy of peace and cooperation between our peoples. We have always emphasized that it is impossible to limit Europe to the size of the Western Economic Community. The establishment of official relations between CEMA and the EEC represented considerable progress. It is leading to the expansion of closer relations between the two European economic formations. To an increasing degree, the world is organizing into large economic continents—America, Asia, and Europe. That is why CEMA, EEC and even EFTA, which exists on our continent, should develop forms for closer cooperation.

Review of Bulgarian Electronics Exhibit
18250179 Moscow SOTSIALISTICHESKAYA
INDUSTRIYA in Russian 16 Jun 89 p 3

[Article by N. Palkina: "Electronic Phantasmagoria; A Report From the Exhibit 'Bulgaria Today and Tomorrow' Commemorating the 45th Anniversary of the Socialist Revolution"]

[Text] The exhibit amazes and even stuns you with its abundance of examples of computer, organizational and commutation technology. It is as if the visitor finds himself in an electronic city, surrounded by various computer complexes, large, small, and micro-computers with lighted display "windows", radiotechnical apparatus, communications technology, and household appliances.

The reality of all this electronic phantasmagoria becomes even more irrefutable when you learn that today Bulgaria is one of the world leaders in the per capita production of electronics. It is no accident that the electronic computer and organizational technology occupies an ever greater place in national export. In a year, Bulgaria exports these products valued at a sum exceeding 2.5 billion currency levs.

How much creative labor, talent and love have the people put into the development of their Homeland to change it from an agricultural country to a developed industrial-agrarian state. Today electronics, machine building and chemistry define the industrial face of the country. This is convincingly demonstrated also by the structure of the exhibit where such divisions as "Science", "Electronization", "Integrated mechanization and automation", "New materials and technological equipment", and "All for man" set the tone of the exposition.

The catalog of export products in Bulgarian machine building is ever expanding. There are new models of metal processing machine tools with digital programmed control, processing centers, technological moduli, industrial robots, and laser devices.

The products of the Soviet-Bulgarian joint productions "Ivanovo ZMM" (metal cutting machine plant, Sofia) and "Krasnyy proletariy"- "Beroye" (city of Stara Zagora) attract particular attention.

"In the export products list of our combine," says the chief specialist of the farming association "Integrated Automation of Technological Processes", Aleksandr Prodanski, "the USSR occupies a leading place. The company is interested in expanding export to your country on the basis of new technological resolutions of current high productivity machine tools".

"Visitors express a great interest in our part of the exposition," he emphasized. "It is only a shame that there are few specialists among them. For ourselves we explain this by the fact that the first 8 days of our work

coincided with the specialized international exhibit 'Metalloobrabotka' [Metal Processing]. But there is still time until June 20—the closing of the exhibit."

Many of the joint developments and systems developed in Bulgaria are widely used in our country. The "Ikar" microprocessor system exhibited in the pavilion is intended for controlling technological processes in the chemical, metallurgical, food and other sectors of industry. When I stopped to look at the display, a specialist told me, not without a certain pride, that "Ikar" is already being used in the city of Voskresensk near Moscow, and is currently being introduced at the cement plant in Krivoy Rog and at the phosphorus fertilizer combine in Samarkand.

However, in our delight at the innovations in electronic technology and machine building, we cannot forget that Bulgaria is a country of high quality food products, many of which have successfully secured themselves on the world market. The PRB is in second place in the export of food products. Bulgarian canned goods, wines, and cigarettes are known worldwide. They are delivered to 70 countries of the world. Every year, over 160 million liters of dessert wines are exported, as well as 170,000 tons of canned vegetables, over 75,000 tons of cigarettes, and around 80,000 tons of tobacco.

The bright, cheerful colors attract the visitors to the displays with their fashionable clothing, linens, footwear, and leather goods. Also displayed here is furniture, household electrical appliances, and glassware. Industrial consumer goods are also familiar to Soviet consumers as well as to consumers in other countries. The export of these goods reaches the sum of almost 1.5 million currency levs annually.

"Considering the new conditions of economic management and foreign economic relations which are being formed in our countries," said PRB Minister of Foreign Economic Relations Andrey Lukanov at the opening of the exhibit, "we would like to view this trade-industrial exhibit not only as a representative measure, but also as a forum for business contacts and negotiations with our Soviet partners".

The exhibition is being held at the VDNKh (Exhibit of USSR National Economic Achievements).

Hungarian Consul General in Kiev Interviewed
18110070 Kiev MOLOD UKRAYINY in Ukrainian
10 Feb 89 p 1

[Interview, published under the heading "Autograph for the Reader," with Andras Paldi, Consul General of the Hungarian People's Republic in Kiev, by Vitaliy Portnikov: "Common Roots"]

[text] The metamorphoses of economic development, the complex political processes, and bold experiments which are taking place in Hungary are also of interest to us today

because a neighboring socialist country has embarked upon the path of reforms, while our movement forward has been impeded by a shower of undeserved awards and unfulfilled promises. We discuss the present situation in Hungary, the parallels of perestroika in our two countries, and prospects of Soviet-Hungarian cooperation with Andras Paldi, Consul General of the Hungarian People's Republic in Kiev. Possessing a degree in economics, he has taught at the University of Budapest, has served on the administrative staff of the Hungarian Council of Ministers and National Planning Office, and prior to coming to Kiev he served as a member of the Hungarian delegation to CEMA, served at the Hungarian Embassy in Moscow, and served as a main administration chief in Hungary's Ministry of Foreign Affairs.

[Portnikov] Comrade Paldi, regarding the work of the Hungarian diplomatic mission in the Ukraine, what is not to your liking at the present time?

[Paldi] As you know, the traditional job of a consulate is the receiving of citizens of one's country who are living or traveling abroad. There are many Hungarians in Kiev, and they have their problems. And we deal with this task. But I feel that greater attention should be devoted to political, economic, and cultural relations with the Ukraine. Sometimes we simply become accustomed to the current situation and are in no hurry to take steps to change it. Here is an example. Cultural protocols between Hungary and the Soviet Union are signed on a regular basis. But the Ukraine is absent in these. Why is this? Perhaps one should consider the possibility of signing a separate protocol of this nature between the Hungarian People's Republic and the UkSSR. In short, we are not yet utilizing the possibilities of political, economic, and cultural cooperation between Hungary and the Ukraine, and this bothers me.

[Portnikov] Does the Consul General take an interest in Soviet Hungarians, the majority of whom reside in the Ukraine?

[Paldi] Of course. We cannot help but be concerned, and for this reason I very frequently visit Transcarpathia, meet with oblast officials, visit kolkhozes and factories, and find out how people are living. And I can state that I am pleased with what I see. Over the course of recent years one can already feel the positive results of the renewal of CPSU and Soviet Government policy. Of course there are aspects which require changes and improvement. But I would imagine that this is merely a matter of time.

[Portnikov] In your view do our newspapers report about Hungary to a sufficient extent?

[Paldi] No. Of course you can find more in the national papers, but you won't find anything about Hungary in the republic press. On several occasions I have invited

journalists to the Consulate General. Many questions would be asked, but only a few lines would appear in the papers. In order to correct the situation somewhat, I would like to arrange for a trip to Hungary for a group of Ukrainian journalists, so that they can see everything for themselves.

[Portnikov] I would probably agree with you about the inadequate coverage of Hungary in the republic press. But at the same time I would ask whether the Hungarian reader knows about what is going on in the Ukraine?

[Paldi] He probably is better informed than the Ukrainian reader is about things in Hungary. We have 15 journalists assigned to Moscow. They write a great deal about the Soviet Union. But some of the specifics about the Ukraine are possibly omitted.

[Portnikov] Whenever Soviet economic reforms are discussed, the Hungarian experience is inevitably mentioned. Do you believe that such comparisons are appropriate?

[Paldi] I would say that leading Soviet economists consider Hungary to be a "laboratory" for development of a modern economic mechanism. And I agree with them. Hungary is a small country. Many conflicts and contradictions have come to light in Hungary earlier than in other socialist countries. The reforms began 20 years ago. It was already being stated at that time that an economy cannot grow and develop by central directive.... It seems to me that L. Abalkin, A. Aganbegyan, M. Shmelev and others are well aware of what is happening in our country and are scrutinizing both achievements and failures. And they are trying to adapt to Soviet conditions certain successful elements in our practical experience. But the most important thing here is that any country that wants to get rid of the Stalin model of economic management and is seeking to create a new mechanism that actively utilizes market-economy elements essentially encounters the same problems in the economy and ideology.

[Portnikov] The economy of both our countries is not in the greatest shape. But not long ago a Soviet-Hungarian joint-venture enterprise was formed in Kiev. Is this an effective way to go? Does this not call to mind the old joke to the effect that he who does not know how to swim can hardly help another to swim across the river?

[Paldi] Unfortunately there is a complicated situation in the economy of the entire socialist community. Many people state that it is necessary to change and to renovate methods. But until economic reforms in the CEMA member countries become reality, this is impossible. It is ridiculous that today they are all interested in selling less and buying more! For this reason their enterprises are forced to establish normal contacts with capitalist states.

Until perestroyka is incorporated in the socialist countries, the means of coordination of economic mechanisms with the requirements of the world economy will not be found in CEMA.

[Portnikov] But what about joint ventures?

[Paldi] At the present time this is not a way to solve our problems. Joint enterprises endeavor to utilize capabilities within the framework of the presently-existing economic system of the countries involved and economic cooperation between them. But this framework is too narrow.

[Portnikov] There is frequent mention in the Soviet press about differences in standard of living between top officials and the average citizen. Are such contradictions also observed in Hungary?

[Paldi] This difference is also probably evident in Hungary. We do not have any special stores, but everybody knows what kind of salary our ministers receive. Everybody knows that the salary of many factory managers, kolkhoz chairmen, and the earnings of members of cooperatives and self-employed individuals may be greater but the point in question is the increase in difference in living standards of people who do not hold any position whatsoever. And this stratification is greater than in the Soviet Union. But egalitarianistic leveling of wages is not socialism. And we, in developing our economy, consciously seek to increase differentiation. There is no need to worry about somebody getting several thousand forints more. It is a different matter altogether that a socialist state should help people who find themselves in financial need. But one should differentiate earnings from social assistance.

[Portnikov] And what is your salary, Comrade Consul General?

[Paldi] It is the same as that of a minister, because I work abroad (a minister's salary, as reported by the Hungarian press, is 65,000 forints, 30,000 after taxes. The average wage in Hungary is 7,000 forints—V. P.).

[Portnikov] It is currently being reported that a multiparty system may be restored in Hungary*....

***The interview with A. Paldi took place prior to the Hungarian Socialist Workers' Party Central Committee Plenum (10-11 February), at which it was stated that political pluralism in Hungary could be achieved within the framework of a multiparty system.**

[Paldi] Over these two decades of economic reforms we have seen that reforms alone do not help but must be accompanied by political changes. Several democratic groups and associations have been formed in our society, which are learning to take part in resolving important issues and to help find a way out of our difficult situation. Pluralism has gained considerable ground in

Hungarian society. Such a course of events will likely lead to a multiparty system, although the question of precisely when depends on a great many factors.

[Portnikov] Back in the 1930's many Hungarian Communists were the victims of Stalinist repression. Is the expose of Stalinism in the Soviet press being given press coverage in Hungary?

[Paldi] Yes, you can read about this in our newspapers. Of course the same thing happened in our country during the time of M. Rakosi. I might recall, for example, the Laszlo Rajka "case." And the very facts of history convince one of the need to democratize society: this will help prevent such things from happening in the future.

[Portnikov] Is there also observed a pluralism of views in regard to assessment of the events of 1956?

[Paldi] Yes, there is a great deal of discussion of these events. Officially the view is that the events of 1956 were an act of counterrevolution. But nowadays there is being a great deal written to the effect that it was a genuine anti-Stalinist rebellion. The fact is that the M. Rakosi regime had little in common with socialism, and in 1956 people were fighting for genuine socialism—"with a human countenance."

[Portnikov] Janos Kadar was very popular in our country during his tenure as General Secretary of the MSzMP [Hungarian Socialist Workers' Party]. Is he taking part today in political affairs?

[Paldi] As chairman of the MSzMP he took part in MSzMP Central Committee plenums. He has missed only the two most recent ones, due to illness.

[Portnikov] How do people feel today about Janos Kadar?

[Paldi] People have a deferential attitude toward him, although they certainly understand that what has happened in our country was not independent of him. A great deal was accomplished in the 1960's and 1970's under his guidance, although serious mistakes were made in recent years. Last year he himself spoke about his responsibility at a session of the National Assembly.

[Portnikov] Let us return to your work in Kiev. Could you describe the Consul General's work day?

[Paldi] I read a great deal: I receive 15 Soviet and 10 Hungarian newspapers and magazines. This is essential, but it takes up from 5 to 6 hours, and I continue at home. Meetings with experts, receptions at the UkSSR Ministry of Foreign Affairs, and consultations with colleagues here, at the trade mission.... If I get a little free time I go with friends to the swimming pool, play tennis, and frequently go to Kiev's theaters. And whenever there is an opportunity, we go to Transcarpathia or to various cities elsewhere in the Ukraine. Since our consular district also includes the Moldavian SSR, I must pay visits to that republic as well.

[Portnikov] You probably also get together with Hungarian students studying in Kiev. Do you and Hungarian young people see events in the same light?

[Paldi] Naturally there are differences: young people are impatient and impetuous. But that is understandable, and in general I am pleased with them, for their instructors say good things about them: they study hard and present no discipline problems.

* * *

I thanked the Consul General for the interview. As I was leaving the Consulate I noticed on the visitor's table the latest issue of VENGERSKIYE NOVOSTI. I had not read this newspaper for several years and was surprised at how much it had changed. But is it so surprising? There are common roots—socialist—in our glasnost and perestroyka.

**Selected Articles from LATINSKAYA AMERIKA
No 3, March 1989**

Table of Contents

18070178 Moscow LATINSKAYA AMERIKA in Russian
No 3, Mar 89, pp 1-2

[Text] International Economic Security—Behest of the
Times Selso Furtado (Brazil): The Global Approach to
the Problem 3

N. G. Zaytsev: The MEB [Global Economic Security]
and Latin America 11

V. P. Totskiy: Why Dictatorships Are Disappearing . 21

Theories and Concepts of Social Development Yu. N.
Korolev: On the Threshold of a Regulated Society.
Innovations in Social Experimentation 32

Discussions, Assessments What is Being Corrected in
Cuba and How 41

"The Reagan Doctrine" and the Peace Process in Cen-
tral America (Conclusion) 56

USSR - Peru: On the Anniversary of Establishing Dip-
lomatic Relations 20 Years on the Background of Cen-
turies. Discussion between R. Loaysy Saavedra, Amba-
sador Extraordinary and Plenipotentiary of the Republic
of Peru to the USSR, Kh. Belevan, Peruvian Deputy
Minister of Foreign Affairs, Yu. V. Lebedev, first Soviet
ambassador to Peru, and S. A. Mikoyan, editor-in-chief
of the journal 70

G. G. Yershova: Reflection of the Shining Sun 76
Art and Literature The Luminous Poetry of Cesar
Valekho 80

Meetings, Interviews A. A. Sukhostat: Juan Bosh Reads
"Perestroika" . 88 Teotonio dos Santos: What Will We
Be Like at the Start of the Third Century? 92

Pages of History A. I. Stroganov: Social-Political
Thought in Argentina (19th to early 20th centuries) . 98

USSR - Latin America M. M. Gurvits: Goods From the
Shores of the Parana in Moscow. 109

Belles Lettres Fernando Morais: Olga. Translated by A.
Bogdanovskiy (continuation) 114

Scientific Life A. I. Sizonenko: Two Forums 131

A. S. Bondar: Prospects for Socio-Economic Develop-
ment of the Countries of Latin America and Contempo-
rary Global Problems 134

Commentary B. F. Martynov, S. V. Tagor: A Change in
Tactics or a New Strategy? .. 138 To the Readers .. 144

COPYRIGHT: Izdatelstvo "Nauka", "Latinskaya
Amerika", 1988

**Global Economic Security for Developing
Countries**

18070178 Moscow LATINSKAYA AMERIKA
in Russian No 3, Mar 89 pp 11-20

[Article by N. G. Zaytsev: "The MEB and Latin America"]

[Text] The approach of socialist countries to the problem
of MEB is based on a recognition of the considerably
increased economic interdependence of countries as well
as of the interrelationship of different economic and
social problems within the spheres of trade, currency and
finance, the foreign debt, the activities of the TNK
[transnational corporation], the development of science
and technology, the protection of the environment and
so forth. It is apparent that the new level of interrela-
tions, while objectively laying the foundation for
receiving additional advantages from international eco-
nomic cooperation, at the same time also results in
greater constraints upon national economies, and first
and foremost in the developing world. The concept of
MEB is oriented toward the development of extensive
international cooperation on the basis of greater sta-
bility, reliability, trust and a constructive international
dialogue.

In our opinion, the following important features of this
concept deserve special attention. First, this includes its
complex nature, the tendency to normalize interrelated
problems in different spheres of international economic
relations, and the consideration of the interests of all
groups of countries; after all, the essence of the concept is
the creation of equal economic security for all countries.
Second, the continuity of the positions of socialist diplo-
macy on questions of restructuring international eco-
nomic relations, reaching back with its roots to Great
October, is evident.¹ Third, the concept of MEB is a
logical continuation (and at the same time a qualitative
step forward) in the approach of socialist countries to the
questions of restructuring international economic rela-
tions and of establishing the NMEP [New International
Economic Order]. At the same time "it will not replace
the basic decisions and documents that have already
been passed by the U.N. General Assembly...It is called
upon to provide the impulse for the search for common
elements in various approaches to solving world eco-
nomic problems, to strengthen trust in international
economic relations."²

Of course the proposed concept has not yet been final-
ized—some of its elements need to be made more precise
and thorough. This can be effectively facilitated by a
discussion of the given problematics within the frame-
work of the U.N. on the basis of the corresponding
resolution by the General Assembly as well as on the
level of non-government experts. A certain contribution
is being made by the U.N. Secretariat, which prepared an
interesting and to a large extent innovative report, "The

Concept of Global Economic Security," for the 42nd Session of the U.N. General Assembly, as well as by the Secretariat of UNCTAD [United Nations Conference of Trade and Development].³ In the elaboration of MEB questions an important role was played by a conference held in 1988, at the instigation of the Soviet Committee on Solidarity with the Peoples of the Countries of Asia and Africa and the magazine SAUT, for prominent political and social leaders, scientists of many countries as well as directors from some international organizations who were especially devoted to discussing different aspects of the concept.⁴ The elaborations on this question in a number of research centers are also interesting.⁵

It should be said that the discussion of the MEB concept is not going completely smoothly in the U.N. There is opposition by Western countries which are not interested in changes in the system of international economic relations advantageous to themselves and which therefore do not desire to discuss the question of the MEB under the pretext that it is propagandist in nature. There is also a certain lack of understanding in individual developing countries, which see in this concept a type of "call" for or "alternative" to the NMEP program.

Based on this, the given article would like to examine three principle questions using the experience of the most developed part of the "third world"—Latin America. To what degree are the conditions for the economic development of the region's countries secure? What is being done by them to strengthen their positions in terms of the foreign sector? To what degree is cooperation possible between socialist and Latin American countries in the matter of achieving international economic security?

As concerns Latin America, the current decade is characterized by a deep economic and social crisis, progressive lags of the Latin American "peripheries" from the "centers" of world capitalism on a background of the introduction of the achievements of the NTR [Scientific technical revolution] and the restructuring of production structures. In the opinion of some specialists, a type of "marginalization" is taking place in the position of the region within international economic relations.⁶

To what degree are the crisis and "marginalization" being brought about by outside circumstances? In other words, are these countries secure? Do they need more dependable and predictable outside surroundings? In answering the first question, let us note that it is essential to examine the internal and external factors of the crisis in their dialectic unity,⁷ especially since under the conditions of a growing dependence of Latin American economies on the foreign sector (according to the line of trade, the movement of capital, the provision of goods and services) there occurs a kind of "interiorization" of the outside growth factors, which have become such vitally essential components in the region's economic development.

At the same time let us not forget that Latin Americans themselves relate the crisis fairly definitely primarily to factors of a foreign order. Thus, the Mexican Declaration, which was passed after the extraordinary conference of EKLAK [U.N. Economic Commission on Latin America] (January 1987), states: "The development (of the crisis—N. Z.) was the result chiefly of foreign factors, which created the basis for complex problems in the area of payment balances as a result of high nominal and real percentage rates, and also of the fact that for the first time in our entire history we became pure exporters of financial resources, as well as as a result of the continuing...deterioration in trade conditions resulting primarily from the falling prices for exported raw materials and an increase in the protectionist barriers of industrially-developed (capitalist—N.Z.) countries."⁸

In our opinion a minimum of three groups of external factors should be delineated. The first includes objective factors related to differences in the levels of economic development between developed capitalist and Latin American countries, in the specialization that has developed structurally and in special features, scale and degree of participation in utilizing the achievements of the NTR. The second group includes factors based on the calamities in capitalist production and exchange, strengthened not only on a national but also on an international level as a result of the purposeful weakening of government influence on the economy. Among such factors (which incidentally are fairly closely related to the factors in the first group) we have the lack of stability of prices in international commodity markets, the lack of stability in percentage rates and currency exchange rates, and the extensive degree of market speculation which directly or indirectly affects the condition of the economies of Latin American countries and so on.

Finally, the third group includes factors that are based on the purposeful acts of developed capitalist countries or international organizations that bring losses to the trade and economic interests of Latin American countries. These types of acts include various types of trade blockades, embargoes that are also used for political purposes, protectionist and other limiting measures in foreign economic policy and so on. This group also justifiably includes the policy of the MVF [International Monetary Fund], which imposes ineffective recipes for "economic improvement" on the region's countries.

The varying nature of transmission of the "negative impulse" from outside into the Latin American periphery requires a corresponding consideration with the goal of eliminating or decreasing the negative effect of the aforementioned factors on the national economy. At the same time, and here we approach an answer to the second question—the degree of control by Latin American countries or their participation in making decisions on the cardinal problems of world economic development, according to our assessment, is even lower than

their "marginal" participation in world economic relations. The countries of the region, like, incidentally, the developing countries of Asia and Africa, cannot provide favorable external conditions for development, as a result of which as they become more and more deeply entangled in the international capitalist division of labor their economic dependence increases in the face of instability and the unpredictability of economic surroundings. As noted in the proposals of the Group of 77 to UNCTAD, "the general economic environment, based on the policies of industrially developed (capitalistic—N. Z.) countries, represent a hindrance on the path of development of developing countries."⁹

How is the absence or inadequacy of the degree of economic security for Latin America concretely manifested? In order to answer this question more fully it would be expedient to examine individual components of this region's foreign economic ties.

Currency-Financial Relations. The foreign debt continues to be the biggest threat to the economic interests of Latin American countries. The necessity of honoring the debt in conjunction with a sharp curtailment in the influx of foreign financial resources into the region has resulted in the fact that Latin American countries have become pure exporters of capital. Thus, in 1980-1985 they paid 206.4 billion dollars in interest alone—55 percent of the total debt (as of 1985 status), or 25 percent of export receipts. The clear transfer of resources beyond the region comprised 179 billion dollars in 1982-1988, or 4 percent of the total VVP [Gross domestic product]. It is a sad paradox that for these and other reasons the transfer of resources represents a clear deduction from the savings fund, which decreases the investment base considerably. Thus, in 1986 the volume of transferred resources reached 7 percent of the VVP with a savings norm of 23 percent, which is based on the unprecedented decrease in the level of investments of up to 16-18 percent. This is considerably lower than the corresponding index for the second half of the 1970's (25-26 percent). This level of capital investments limits the possibilities for development, thereby moving further back the prospects for eliminating the economic and social consequences of the crisis.

Settling the debt problem is proceeding painfully for Latin American countries. The mechanisms that have developed in recent years with regard to relations between creditors and debtors ("limited," agreements with MVF, agreements on the reorganization of the debt, the functioning of the "secondary market" of credit, including with the goal of subsequent capitalization of long-term debts, the repayment of debts via deliveries of goods) in our opinion still does not open up dependable prospects for solutions. At the same time some of these mechanisms, and first and foremost capitalization, can have a very unfavorable consequence. The achieved level of this kind of transaction (about 2.5 billion dollars annually) and the more and more extensive distribution of such transactions in the region's countries gives rise to

the concern that in the future the scale of denationalization of the economy may increase considerably. It appears that even the governments of a number of debtor nations which have introduced certain limitations on operations to transform a part of the debt into joint-stock capital are beginning to realize this.

For the countries of Latin America serious problems resulted from the growth in percentage rates, which has affected the level of the servicing of the debt. After some decrease in the "prime rate" and LIBOR [Further expansion unknown] in 1986 both of these rates have been increasing again for the last few months. In general the sharp fluctuation in the exchange rate also has a negative effect on the status of the currency-financial sphere (although this is not uniformly of the same significance for all countries).

Foreign trade and trade of services. The situation existing in the basic raw-materials markets still remains extremely unfavorable for the countries of the region which are large exporters of raw materials (up to 75 percent of the total cost of exports). In 1980-1985 as a whole prices for exported raw materials (with the exclusion of petroleum) decreased by 32 percent.¹⁰ The fall in prices for petroleum in 1986 greatly exacerbated the situation of countries exporting petroleum. Even with a consideration of some increase in 1987-1988 of prices for mineral and agricultural raw materials short-term predictions for the development of the export sector still do not look very promising—for most types of raw materials under the best circumstances we can expect only some degree of price stabilization. During the 1980's the important index of trade conditions for Latin American countries deteriorated considerably.

In contrast to the preceding two decades, which were characterized by geographical diversification of goods flow (primarily by means of expansion of trade with Japan, the strengthening of inter-regional trade ties with the "third world" and the decrease in commodity exchange of the share belonging to the U.S. and Western Europe), in the last few years there has been a sharp increase in the proportion of the U.S. in Latin American imports and exports, whereas the proportion of Latin American imports to the U.S. decreased from 15 to 13 percent.¹² Such a high concentration of export-import operations in one market is fraught with dangerous consequences. The fact is that in recent years the United States has been applying limitation measures against Latin American more and more frequently.

Hindrances (not only in the U.S. market) are increasing, and first and foremost on the path of industrial export goods. Although the volume of shipments from a number of countries, and first and foremost Brazil and Mexico, have increased considerably in the last few years, local ready-made products and semi-finished products are meeting with growing protectionist limitations of both a tariff and non-tariff nature. A new network of conflicts is being created in the area of the service trade.¹³

The passage by the United States in 1988 of the new trade law, which plans additional sanctions against countries with a large positive trade balance with the U.S. and limits the introduction into this country of sugar, petroleum, steel and other goods, as expected, can create new problems with regard to Latin America and its northern neighbor.

Discriminatory principles and measures. Among the discriminatory principles in trade policy used by the West we can single out things such as "gradation," "dependence" when providing concessions, "selectivity," and "providing market access." These principles were reflected in the results of numerous multilateral trade discussions (MTP), Tokyo Rounds. We can add to these various discriminatory principles in U. S. trade law.

The most provocative is the use of subversive economic measures in a non-economic way. The complete trade and economic embargo against Cuba by the U. S. since the early 1960's has brought losses to this country valued at many billions of dollars. In the second half of the 1970's the U. S. used various sanctions against Venezuela and Ecuador as OPEC members. In 1982-1983 the EEC [European Economic Community] and U.S. used sanctions against Argentina during the Malvinas crisis. In May 1985 the U. S. administration introduced a full embargo against trade with Nicaragua while at the same time forbidding Nicaraguan civil aviation to fly to the United States, or seagoing vessels to dock at American ports. The aggression inspired by the U.S. against Nicaragua has brought this country losses valued at 3 billion dollars.¹⁴

Under conditions of mutual dependence in international trade, in the movement of capital, and in the delivery of technology and exchange of services a negative effect in one direction of foreign relations frequently is manifested in other areas as well. Thus, the necessity to service the foreign debt narrows the import possibilities of the region's countries and results in the destruction of business activities, which in turn results in the decreased interest of foreign investors to make capital investments. Falling prices for exported raw materials and the protectionism of developed Western countries bring with them weighty currency losses, create difficulties in regulating payment balances and give rise to additional demand for foreign financing, and so forth.

Finally, we cannot forget that the prospects for economic growth in developed countries with a market economy are assessed rather pessimistically from the point of view of the interests of Latin America. According to the assessment of the U.N. Secretariat, growth in the VVP in these countries is expected to be on the level of about 1.8 percent in 1989.¹⁵ The process of structural economic transformation will continue and will be the basis for a curtailment in demand for imported raw materials, a strengthening of protectionist tendencies with regard to the import of industrial goods, including from Latin

American countries. At present there is no reason to expect any changes in the policies of creditor nations or of the MVF with regard to normalizing the foreign debt of Latin American countries.

Taken all together, outside factors will evidently continue to be a hindrance on the economic development of the region's countries in the near future. As a result, as expected, a growth in the VVP in the next 2 years will decrease by an average of up to 1.5 percent.¹⁶

The growing dependence of the Latin American economy in the face of an unfavorable evolution of the foreign sector poses a difficult problem for the region's countries regarding finding an alternative and ways to achieve foreign economic security. These problems can be dealt with both on the basis of certain economic measures as well as with the aid of various negotiation mechanisms of a bilateral, regional and universal nature. According to the opinion of many Latin American specialists, the excessive thrust at external growth factors was largely the basis for the extent and the depth of the crisis. As the well-known Chilean economist G. Martner supposes, "we can pessimistically expect that the foreign sector will be able to provide the dynamics for further Latin American development...Instead of assisting in the international inclusion (of Latin America in the world economy—N.Z.) that is contradictory to the interests of Latin America it is essential to supplement development with an emphasis on internal factors having a new socio-cultural content corresponding to the national interests of countries" (Latin American—N.Z.).¹⁷ Consequently, the topic under discussion should be the elaboration of models of development based to a larger degree on internal demand of a non-elite nature, the stimulation of national production in such a direction and in such a way as to, while utilizing the advantages of participating in the international division of labor, reduce losses to a minimum and to put the interests of the majority of the population first.

The question of the selection of a development model under conditions of an unfavorable environment is one that is central for Latin America. The prevailing line is still the orientation toward an even more active use of foreign ties and market mechanisms. Any course to break such ties is of course unpromising, but achieving security from the point of view of national interests must be made a priority for the foreign economic policies of the region's countries.

On the national level a great deal can be done in the area of purposeful stimulation of the development of promising branches of the economy. In this regard the example of Brazil is characteristic; it has taken measures to develop the national industry of information and to protect the internal market from foreign competition. A country's attempt to independently develop this branch resulted in fierce opposition by the U.S. administration, which saw in this not only the loss of a promising market

(annual losses to American companies are valued at 105 million dollars) but also a violation of the principles of "the right to found" and "national regimen" secured in the trade laws of the U.S.

The implementation of an effective national policy for solving the debt crisis is an important task for achieving economic security. A limitation on the level of servicing the debt by a certain percent of the VVP or exports, making payments in accordance with price levels for the most important export goods, the introduction of a moratorium on the payment of interest and a course toward a political solution to the problem have recently become important elements in the economic policies of many Latin American countries.

However, in this direction too their interests are not protected the way they should be although the largest American commercial banks have implemented a number of measures to decrease the burden of "dubious" debts.¹⁸

Considerable reserves in the matter of achieving greater economic security are hidden, in our opinion, in diversification of foreign trade relations in a regional direction as well as along the line of cooperation with African, Asian and socialist countries. Although in each of these directions serious problems have arisen under crisis conditions, the expansion of relations would open up an additional possibility for stabilizing the situation in the foreign sector and in the economy as a whole. A hopeful area, in particular, is the strengthening of the regional accent; serving as examples are the large-scale agreements signed in 1986 between Argentina and Brazil, which Uruguay agreed to later, and the participation of the region's countries in "South-South" cooperation.

In connection with this the increased attention of Latin American countries to coordinating foreign economic policy and to joint speeches on individual aspects of participation in international economic relations is indicative. The central link in the mechanism of joint speeches is the Latin American Economic System (LAES) [SELA], which in the year of its existence has made great strides toward the goal of assisting in strengthening the region's position in international economic matters and in the development of regional cooperation.

The special features of participation by Latin American and socialist countries in the international division of labor and their being subject to various types of discriminatory measures, including those that are politically motivated, on the part of Western countries and groupings create an objective foundation for closer interaction between Latin American and socialist countries in developing direct economic ties and in activating joint speeches directed at strengthening MEB. In this regard it is appropriate to remember that one Latin American country, Brazil, presented the concept of collective economic security as long ago as 1953 at the Eighth Session

of the U.N. General Assembly. This concept was actively assessed within the framework of EKOSOS [U.N. Economic and Social Council] during the 1960's and 1970's in connection with the analysis of the course for implementing the International Strategy of Development. Many of the concepts discussed later became part of the NMEP program.¹⁹

In response to the introduction by a large group of Western developed countries of economic sanctions against Argentina the Latin American countries passed an important document, "Basic Strategy for Economic Security and Independence of Latin America," at the 8th Session of the Latin American LAES Council (August 1982). At the council session it was emphasized that the achievement of economic security is an extremely important, undelayable task of historical significance. The corresponding strategy is oriented primarily toward decreasing the dependence of the region's countries in the face of foreign factors by means of the overall development of cooperation in all areas of economic life.

The politically very important summary document of the conference of presidents of eight Latin American countries (Acapulco, November 1987) also focuses the necessary attention on questions of strengthening economic security and sovereignty. "We are taking upon ourselves the obligations," emphasizes the document, "of jointly counteracting the unilateral decisions based on internal laws or the politics of coercion, and of struggling for the observance, within the framework of a strengthened international trade system, of its norms and principles as an essential condition for economic security and the sovereignty of our countries."²⁰

In this way, many elements of the position of the region's countries on MEB questions coincide with the approach of socialist countries. In our opinion this creates the foundation for a constructive interaction between the two groups of countries within the framework of the U.N. The implementation of proposals to create the MEB system could become an important step towards real restructuring of international economic relations on the basis of democracy and justice.

Footnotes

1. The MEB concept is largely similar to the program of Soviet diplomacy at the Genoa Conference and world economic conferences of the 1920's and 1930's (recognition of various systems of property ownership, proposals about canceling debts, rejection of discrimination, relationship between economic problems and the struggle to strengthen peace and so forth). For more details see: "The USSR and International Economic Relations," Moscow, 1985.

2. PRAVDA, 10 Jun 87.

3. See correspondingly: U.N. Doc. AE/1987/77, 4 Jun 87; UNCTAD, Doc. TD/328/REV. 1, 13 Apr 87, pp 15-17.

4. See: Press Release at the conclusion of the International Meeting on Global Economic Security, Moscow, 22-26 August 1988. Articles by S. Furtado and N. G. Zaytsev were prepared for the aforementioned meeting (Editor's note).

5. See in part: Global Economic Security (Joint Soviet-English Study), Moscow - London, 1988.

6. For more detail see: N. G. Zaytsev, "On the Path Toward 'Stable Development' (On the 40th Anniversary of the Creation of EKLAK)," *LATINSKAYA AMERIKA*, 1988, No 11, pp 59-69.

7. For more detail see: N. G. Zaytsev, *Latin America in the Struggle For the Restructuring of Economic Relations*, Moscow, 1987, pp 14-33.

8. Quoted according to: *COMERCIO EXTERIOR*, Mexico, 1987, No 2, p 83.

9. See: UNCTAD, Doc. TD/330. Proposals of the Group of 77 Relating to UNCTAD VII, 7 May 1987, p 6.

10. See: Doc. LC/G. 1407. *Desarrollo economico: una evaluacion y proyecciones 1985-1995*, 6 de marzo de 1986, p 100.

11. For more detail see: *LATINSKAYA AMERIKA*, 1989, No 2, pp 6-16.

12. See: *LATINSKAYA AMERIKA*, 1989, No 2, p 7; *REALIDAD ECONOMICA*, Buenos Aires, 1987, No 77, pp 72-73.

13. For more detail see: *LATINSKAYA AMERIKA*, 1987, No 6, pp 18-30.

14. *PRAVDA*, 4 Nov 87.

15. See: UN. Doc. E/1988/50. *World Economic Survey*, 1988, p 5, 24.

16. *Ibid.*, p 26.

17. Quoted according to: G. Martner, *Opciones del desarrollo y la integracion de America Latina*, UNITAR, Santiago de Chile, septiembre de 1987, pp 8, 10.

18. The relationship between credit volume of Latin American countries to their own capital in the nine largest U.S. banks decreased from 197 percent in 1982 to 121 percent in late 1986. See: S. Bitar, op. cit., p 17.

For example, in May 1987 Citicorp increased by 3 billion dollars the size of its reserves earmarked to cover possible losses due to a non-fulfillment of obligations to

lenders, and first and foremost from the Latin American countries. Other large commercial U.S. banks followed Citicorp's example. See: *FINANCIAL TIMES*, London, 4 Jun 87.

19. For more detail see: A. Ya. Nekrasov, *Developing Countries in the U.N. Economic Program*, Moscow, 1975, p 83.

20. See: *Compromiso de Acapulco para la Paz, el Desarrollo y la Democracia*. Acapulco, 1987, p 451. COPYRIGHT: Izdatelstvo "Nauka", "Latinskaya America", 1989

Decrease in Latin American Dictatorships

18070178 Moscow *LATINSKAYA AMERIKA* in Russian No 3, Mar 89 pp 21-31

[Article by V. P. Totskiy: "Why Dictatorships Are Disappearing"]

[Text] The collapse of dictatorships in the Southern Cone countries and the subsequent total avalanche of large-scale, dynamic changes was unexpected for many. After all, the position of military-dictatorship regimes looked sound and stable from the outside. But neither brutal and systematic persecution directed against leftist and democratic forces, nor the long-term ideological cultivation of the population having the goal of convincing it of the "delights" and the preference of authoritarianism, nor the multilateral-plan support of internal and outside groups related to the development of transnational capitalism, was effective. The system of political power fostered by the counterrevolution fell. In places where this has not yet happened (in Chile, for example) the dictatorship is in a situation which by all convention is similar to that which Amando de Miguel characterized in the following way with regard to Franco's Spain: "...the regime that initially fed fantastic and Utopian schemes of the totalitarian type, at the end of its existence sank to a level on which it began to try to occupy even the poorest place in the ranks of the democracies."¹

At the same time I feel it would be a simplification to reduce the deep economic, social and political processes in the Southern Cone countries to an alternation between authoritarian and democratic tendencies or to lock the analysis in some kind of "vicious circle of peripheral policies." At the given level progressive forces must avoid errors in determining the nature of the changes that have taken place. We know how much the communist, revolutionary-liberation movement lost during the preceding decade only because "new phenomena were not assessed in a timely manner and there were cases of lags in the theoretical interpretation of their tasks."²

In connection with this in Marxist Latin America, including on the pages of the journal *LATINSKAYA AMERIKA*, a discussion has begun and needs to be

continued, one that recognizes no monopolies and stereotypes and one that assumes a clash of the most varied points of view, concerning the traces and lessons of the recent past and the nature and prospects for what is happening now, also including significant changes of recent years in the Southern Cone countries.

Counterrevolutionary "Peace"

As we know, two basic points of view, concepts, exist that determine the essence of the long-term military governments of Argentina, Brazil, Uruguay and Chile. The first establish it as a "long night of authoritarianism," as the period or cycle of military-authoritarian or rightist-authoritarian government, related first and foremost to the restructuring of the government and to the process of "modernization."³ The "backbone" of the second is the idea about the "fascistization" of the countries of Latin America. There are many varied "combination" theories and characterizations which reflect both concepts to a greater or lesser degree. Such theories often arise from a desire to trace the evolution of the military-dictatorship regime and to single out its stages of development. Thus some who examined the aforementioned regimes in general characterized them as weapons of North American imperialism sanctioning "fascism, which bashful scholars immoderately christened 'rightist authoritarianism' and other unclever terms even though this actually was fascism, the most ordinary and deep Latin American fascism."⁴ S. Malina, leader of the Brazilian communists, singling out 1964-1985 in the history of his country as a period of military dictatorship which was at the service of large capital and of the latifundista, leaning on the not unknown doctrine of "national security," emphasizes that it was only on the eve of the 1960's-1970's that this "dictatorship acquired the features of a military-fascist regime."⁵ In a number of similar theories and in Soviet Latin American studies we find the "fascist variant" of the rightist authoritarian model of forced capitalist modernization, the "rightist authoritarian variant of the transition to GMP [State monopolistic capitalism]" and so forth.⁶

Meanwhile, there was a direct relationship in Southern Cone countries between an understanding of the nature of military dictatorships and the specific practical activities and tactics of political struggle of progressive, democratic forces. The theory of "fascistization" of Latin America has played a large role in the mobilization first and foremost of the entire international public against the repressive policies of dictatorial regimes and in support of the struggle of progressive democratic forces in the region. At the same time, while sometimes not desiring this itself, the theory facilitated the vitality of obsolete ideas, stereotypes, dogma and other similar hindrances on the path toward a creative and genuine scientific conceptualization of reality.

Matters have progressed to incidents that are not always unambiguous. As we know, some of our foreign scholars have begun to prove the presence of fascism in Latin

America on the basis of correlating specific features and characteristics of military regimes with that "mandatory selection" of "the fascist" that was characteristic of Nazi Germany and "others like it."

The behavior of Pinochet in this situation is significant. As the Chilean press writes, the head of the bloody regime did not want to create a political party that represented his interests not only because of a lack of desire to share even a small amount of power with civil politicians and because of a disdainful attitude toward them but also because he began to associate the right of society to consider his regime fascist or not fascist with the presence or absence in it of the most important characteristics and attributes of "classic fascism," including a party of the fascist persuasion.⁷

But that is not the main thing. Whereas discussions about "rightist authoritarianism," which actually made a second priority of or totally ignored the social essence and genuine deep significance of both the establishment of given regimes as well as of their policies while focusing attention almost exclusively on political features, traits, and the organization of regimes, and which objectively transformed the struggle against them into primarily a purely political platitude by using only the existing political instrument, the theory of "fascistization" rejected this kind of possibility completely. Leftist forces, having accepted the thesis of the development of fascism in Latin America during the 1960's-1970's, turned out to be in a position of having voluntarily limited themselves in the selection of tactical means; moreover, their self-limitation was fairly serious. The historic odiousness of fascism, superimposed on feelings that arose out of repression entailed the complete unacceptance by these leftist forces of everything that was related to "fascist" regimes in their country, including any form of political dialogue and joint political struggle along the entire spectrum of forms with forces acting within the framework of the regime's political system; a voluntary self-imposed "taboo" was in effect against any type of official political action within the framework of the existing system and so on. In the final analysis the theory of "fascistization" of Latin America gave rise to a deviation from the Leninist tactics of struggle under conditions of temporary defeats and to the withdrawal of revolutionary forces, and facilitated the appearance of recidivists of the disease of "neo-otzovism" [otzovism was a movement among some Bolsheviks following the 1905 revolution that supported isolating the party from the masses] in some detachments of the communist and revolutionary-liberation movements in the region, which not only had a considerable effect on the revolutionary and counterrevolutionary struggle in the 1960's - 1970's, but also exists today and can be overcome with great difficulty.

However, is there an alternative to the concepts of "fascistization" and "rightist authoritarianism"? I think there is. A correct understanding of that which the peoples of Argentina, Brazil and Uruguay experienced

and that Chile is experiencing must be based first and foremost on establishing a social essence of the phenomenon. From this point of view the duration of a military dictatorship in power in Southern Cone countries during the 1960's-1980's is a period in which development was determined not only and not so much by political reaction and repression as by a deep and all-encompassing social counterrevolution in which reaction and repression were only a part, together with "constructive" and "creative" efforts within the framework of an entire current of measures of the so-called "alternative" or counterrevolution with the capability objectively embedded within it (and this is its characteristic feature) of a "departure" sooner or later to one of the varieties of bourgeois democracy. After all, the founders of Marxism-Leninism, in examining the course of history first and foremost as an alternation of revolutionary, counterrevolutionary and peaceful "intervals," "phases," periods or epochs, understood and always taught the understanding of the counterrevolution primarily as a complex, in its own way independent, social process having as its goal not only the immediate deflection of a threat on the part of the revolution but also, as a rule, this kind of sometimes extremely radical and thorough transformation of the reigning system, to secure long-term stability and security and a kind of immunity with regard to this threat, removing it for a long time if not forever.

This kind of process as a whole, from beginning to end and within the entire complex of its components, was viewed by the founders of Marxism-Leninism, and first and foremost by V. I. Lenin, as a counterrevolutionary epoch. History has many examples of such epochs. Let us recall in greater detail the counterrevolutionary epoch analyzed by V. I. Lenin after the defeat of the 1905-1907 revolution in Russia. Lenin's analysis revealed not only the special features of a counterrevolution of the Bonapartist type at the beginning of the development of capitalism into its highest stage, but also the main laws of imperialistic counterrevolutions in general. As a result the counterrevolutionary epochs in many European countries was tied to fascism—one of the historical forms of counterrevolution. Other forms and characteristics of the contemporary form of counterrevolution, developing under conditions of development and expansion of transnational capitalism and the dynamic internationalization of world economic ties on the one hand and new turns in the revolution on the other, with the broadest spectrum of forms of struggle by the peoples for national and social progress. It is precisely this that is characteristic of the counterrevolutionary epoch that the countries of the Southern hemisphere have experienced in recent decades. These counterrevolutionary epochs have been of especially long duration in Brazil and Chile.

In connection with this we must draw certain historic parallels. During the period of Russian counterrevolution at the beginning of the century even the fairly sagacious leader Petr Stolypin dreamed, as noted by V. I. Lenin, about 20 years of "peace," in order to fully

implement the project of the counterrevolutionary restructuring of Russia. Stolypin and his successors were not given that much time by history, or more precisely, by the Russian proletariat and workers. But in Brazil the counterrevolutionary forces have managed to hold power for more than 20 years. In Chile Pinochet, aspiring to become the "Latin American Franco," intended to achieve even more although the 1.5 decades of his rule is not a short period of time. In connection with this was he successful in implementing his project and to what degree? What in general has counterrevolution brought and left behind in the Southern Cone countries?

Like all counterrevolutions of our time, counterrevolution in the Southern Cone countries established two interrelated goals for itself—if not to destroy then at least to weaken as much as possible and to undermine revolutionary, progressive forces and possibilities, utilizing for this the enriched and modernized arsenal of repression from all historic forms of counterrevolution, and at the same time to restructure and modernize basic structures and relations in society in order to achieve the stable interaction, within the region's countries, of contemporary structures with "centers" of imperialism closely related to transnational capital and modernized "peripheral" societies which have acquired the capability of generating means and methods, and the instruments for preserving, strengthening and defending their positions on their own and through an integral unity with international imperialistic protective efforts.

In striving to simplify the implementation of their plans, counterrevolutionaries in Southern Cone countries have widely used an almost "revolutionary" phraseology, have demagogically promised to eliminate the general lags and chronic economic and currency-financial problems and difficulties, including eliminating or at least restraining inflation, and to achieve rapid economic progress, prosperity and the solution on this basis of an entire series of social problems. The practical implementation of counterrevolutionary "projects" for Southern Cone countries reflected, first and foremost, a pro-imperialistic, anti-national, anti-people essence of counterrevolutionary regimens and their policies.

Counterrevolution implemented a radical restructuring of the economy in the spirit of recommendations by "monetarists," and "anti-etatists," and "tied them" with new and firmer knots to the centers of transnational capitalism, and forced the development of specific sub-imperialistic structures,—"models" of "dependent" GMK [State monopolistic capitalism]. The changes that unavoidably took place in connection with this and "modernization" in the production sphere, supplemented by policies of total socio-economic and political terror with regard to workers, by means of whom development was actually financed, effected a number of significant economic achievements. For example, for a relatively long time Brazil was characterized by a very rapid pace of economic growth and achieved the position

of the "eighth economy" in the world with a fairly developed and diversified production sphere capable of successfully competing with leading countries in the most modern branches. However, even Brazil was not able to develop, let alone stabilize, the economy as necessary. In general the difficult crises and recessions, the dependence on world competition, trade and economic policies of imperialistic countries, logically predetermined by the very nature of counterrevolution, resulted in very uneven progress in the Southern Cone countries. This was manifested with special clarity during the first half of the 1980's, and first and foremost during the crisis years of 1982-1983.

In Argentina, where the tendency toward economic bankruptcy by the counterrevolution so common to Southern Cone countries was somewhat removed in connection with the start in April 1982 of the Falklands (Malvinas) crisis, the primary decrease in the VVP occurred in 1981-1982 when the general fall exceeded 11 percent, including a 4.6 percent fall in 1982. In Brazil in 1982 growth in the VVP was fixed at 0.9 percent but in 1983 the VVP level fell by 2.5 percent. In Chile in 1982 alone the VVP decreased by 14.1 percent and in 1983—by another 0.7 percent. In Uruguay in 1982 the VVP fell by 9.5 percent and in 1983—by another 5.9 percent; moreover, whereas in the other countries of the subregion after 1982-1983 some degree of revitalization began, in Uruguay the crisis remained serious until the complete change of power into the hands of a civil administration.¹⁰

The most important economic "achievement" of the counterrevolution was the unprecedented financial and debt kabala. In the Southern Cone countries by the end of the counterrevolutionary regimes in Argentina, Brazil and Uruguay the foreign debt comprised over 40, over 100 and over 5 billion dollars respectively.¹¹ Here the escalation of the foreign debt reached such a level that it became impossible not only to repay the debt but even to stabilize it.

Counterrevolution, despite all its promises, was not able to deal with the inflation spiral which it unraveled to such an extent in its last years of power that during their first years in power the civil governments that came to replace the military regimes had to experience the special onslaught of inflation leaps. In Argentina the rate of inflation of 164.8 and 343.8 percent in 1982 and 1983 (i.e. during the last years of the dictatorship) resulted in the fact that in 1984 inflation equaled 626.7 percent. In Brazil in 1982 inflation equaled 98 percent, in 1983—142 percent and in 1985—196.7 percent. As a result, also in 1985, the first year of the rule of the civil government, inflation equaled 227 percent. In Uruguay inflation was more moderate but it also grew unceasingly during the last years of the dictatorial regime. In 1982 it equaled 19 percent, in 1983—already 49.2 percent and in 1984—55.3 percent. As a result, in 1985, when the civil government came to power, inflation was 72.2 percent. Even in Chile, where social-economic terror against workers did not

"allow" the regime to "give the green light" to inflation because this would have meant simple death by starvation for workers, indices for price increases and the cost of living have fluctuated between 20-30 percent during all recent years.¹²

The robbing of the workers of Southern Cone countries by the international bourgeoisie with the aid of the mechanism of the foreign debt, and of local governing classes via the mechanism of increased prices is being supplemented by other means and methods of social-economic terror. As a result the standard of living of the masses of the people and the situation within the sphere of social problems create a truly depressing impression. Suffice it to say that the minimum wage in Argentina and Uruguay even with the coming to power of civil governments has remained on the level of 70-75 dollars per month, and in Brazil and Chile during these same years—on the level of 50-60 dollars, and often, especially in Chile, it dropped even lower than this level.¹³ The unemployment level is high, especially in Chile, where according to some data during the crisis years of 1982-1983 up to one-third of the self-employed population was without a job. Many agricultural workers find themselves in a very difficult situation, especially in Brazil, where radical agricultural reform is needed because about 10 million families in agricultural areas are in need of land.¹⁴ What can we say then about the absence of the necessary work conditions, medical aid, difficulties obtaining an education, homeless children, the large amount of crime, including among children and teenagers, prostitution, drug addiction and so forth?

The unprecedented social problems and the poverty that is especially evident on a background of enormous social disproportions could not but give rise to protest. For a long time counterrevolutionary terror did not permit this protest to develop and express itself in the necessary way. But in the final analysis the broadest layers of the population and opposition political forces in Argentina, Brazil and Uruguay were able to render a serious blow and a decisive political defeat to counterrevolution.

Why Have Counterrevolutionary Dictatorships Collapsed or Why Are They Collapsing?

As regards the collapse of the counterrevolutionary military-dictatorial regimes in Argentina, Brazil and Uruguay and the final doom of Pinochetism in Chile, progressive forces, and first and foremost the communists of Latin America, note the prominent significance of democratic resistance by the broadest strata of the population, the appearance of the people's movement with the working class at its head, the general maturity and strength of revolutionary processes as the result of the effect of changes related to Cuban revolution and so forth.¹⁵

Undoubtedly the struggle of democratic, revolutionary forces in the Southern Cone countries was accelerated considerably by the confirmation of civil governments

there. At the same time we should keep in mind that the international bourgeoisie long ago understood that "the normal capitalist society cannot develop successfully without a secure representative structure or certain political rights for the population, which cannot but differ by the relatively high level of demandingness in the 'cultural' sense."¹⁶ One of the most important features of contemporary counterrevolutionary processes existing in Southern Cone countries was their early conscious "programming" toward the final "result" of democratic civil government.

It is true that counterrevolutionary projects, as a process of transition from dictatorship to democracy as well as the future democracy itself usually included attempts at very radical revision of historically-developed structures, principles and institutions in the system of bourgeois democracy primarily for the goal of setting up within the framework of this system a "fourth basic power" in addition to the traditional three (legislative, executive and judicial) in one form or another (most often by means of constitutional securement of special full-power organs such as the National Security Council, the High Command and so forth). In Chile such attempts are being persistently continued today as well. However, practical experience has shown that such plans have been a complete fiasco. I feel that the downfall of the political "plans" of the counterrevolution in general was expressed most fully in this.

There are many reasons for this downfall. Among them is the fact that during the dictatorship years those in power underestimated or ignored the democratic potential itself in their countries and exhibited a certain lack of understanding of the need for a long and careful preparation of a new generation of political activists as well as for the organization of future democratic systems, and of course misunderstood the powerful and varied democratic opposition to counterrevolutionary "projects." No matter how hard the propaganda apparatus of the counterrevolution tried, it turned out to be practically impossible to mask the genuine essence and prescriptions of any form and institutions of the "fourth power." Proof of this was the various manifestations of both a political and extensive social, sharply negative, reaction to attempts to pass this evident ersatz off as democracy.

In the final analysis the predominant portion even of those who made up the social support of the counterrevolution became convinced of the need to practically negate the historically-developed system of bourgeois democracy. Still, this system, despite all of its "shortcomings" and vulnerability, turned out to be most effective from the point of view of counterrevolutionary forces in the area of achieving security and of driving out capitalism. As a result, even the most extreme counterrevolutionary forces in the political sphere were forced to come to terms with the fact that the desired ideal of political organization would have to be abandoned and a system of "traditional" bourgeois democracy would have to be returned to. In this a definite role was played

by the fact that thorough economic restructuring during the dictatorial regime with the goal of confirming the priorities of large private enterprises, tying them to the center, to the laws of development of transnational capitalism and to the guarantees given by civil governments regarding inviolability in relations not only of counterrevolutionary forces but also in some of their deeds, which were prepared ahead of time for cases in which there might be a retrenchment of positions, gave counterrevolution the necessary assurance regarding the future fate of its most important "victories."

"Democratic Transition" or "Peaceful Revolution"?

In a situation of political change in Southern Cone countries related to the fall of counterrevolutionary dictatorships and to the coming to power of civil governments, the very fact of these changes was seen in both bourgeois and Marxist literature as the beginning of democratic development, democratization, "democratic transition" and so forth. In considering the general nature of the changes that have occurred within the political superstructure in the aforementioned theories there is an absence of a clear determination of the social essence, the social sense, of the process of political change. Especially incomprehensible is the absence of such a determination in the assessment by the proponents of the theory of "fascistization" of Latin America. It would seem that if fascism suffered defeat and fell then there should be a corresponding assessment of this fact, including among the supporters of the theory of "fascistization" in the course of discussions on the collapse of dictatorships and the beginning of democratization.

But if there is any doubt about the adequacy of the terms "democratization" and "democratic transition" for determining the essence and content of political changes in Southern Cone countries, what must we add to them? It appears that we would be completely justified in referring to the processes occurring recently in the Southern Cone countries as a "peaceful democratic revolution."

In reality it is only now that we are beginning to realize (in our own experience as well) that it is not only changes related to armed appearances with the goal of confirming democracy (as happened in Portugal, let us say) can be considered democratic revolutions. We must dialectically interpret both the possibilities themselves as well as the precedents that already exist, the manifestations, the "peaceful" variants, i.e. those that were implemented peacefully and the great democratic revolutions in capitalistic countries as well. The electoral successes of anti-dictatorial, democratic forces in Southern Cone countries became precisely such revolutions. These changes meant more than a simple change in government. They marked the break, the collapse, of the most important aspects of "democratic plans" of counterrevolution; they led to enormous positive democratic changes, and first and foremost and especially within the political sphere. They created certain and sufficiently

serious opportunities for their continuation, development, securement and expansion, including within other spheres as well, including the social. Already this alone provides the basis for examining the changes as one of the contemporary varieties of the democratic revolution.

At the same time the plan of the governing elite is being implemented constantly, persistently and in a "parallel" manner. This elite is striving to squeeze the wave of world revolution into the traditional framework of "democratization" without touching on the social structure of society. The struggle between two tendencies is in progress.

What provides the approach to the political changes in Southern Cone countries from the point of view of social significance for the world democratic revolution? Wouldn't it be simpler and more convenient to adhere to a terminology that has become habit?

It seems to us that a precise determination of the essence of political changes enables us first and foremost to avoid those errors and miscalculations which for so long interfered with the revolutionary-liberation and democratic forces of the continent, which as a result until the end retained an unclear understanding of the processes of counterrevolution either as a manifestation of "rightist authoritarianism" or as "fascist" recidivism. The recognition of the current changes as one of the variations of the democratic revolution immediately arms progressive forces with an understanding, precisely worked out by Marxism-Leninism, of the various socio-political forces under the conditions of the democratic revolution and of the logic of their development; it cautions against exaggerations of various types (vanguardism and so on) and precisely differentiates goals and the sequence for achieving them. It enables us not only to work purposefully in the area of mobilizing the masses for increased socio-political activeness but also to create a socio-political atmosphere in the country that will sharply increase the opportunities of progressive forces. Moreover, already today a great deal is becoming clear of that which was clearly manifested in other contemporary democratic revolutions, including the Portuguese, but which is as of yet still unclear or an anomaly in the light of the obsolete approaches to events in Southern Cone countries as a manifestation just of democratization and a "democratic transition." In the final analysis, the need for an adequate and timely analysis of events and processes in Southern Cone countries today and the determination of their real prospects poses more urgently than ever before the question of a departure from stagnant, traditional and essentially dogmatic approaches to that which has occurred.

Limits and Possibilities

Argentina, Brazil and Uruguay, which in 1983-1985 made the transition to a civil government, are today, as it is accepted, at different stages, steps of "democratic development," "democratic transition," "democratic consolidation," i.e. of development or evolution in the process

of peaceful democratic revolution. A sharp political battle is in progress not only between the supporters and opponents of democracy but also among the various socio-political groupings belonging to the democratic camp because each one defends its own "democratic plan" or ideal. Contemporary civil governments act to a significant degree like transitional governments, and the problems that are dealt with by them and that are at the focus of the political struggle are like problems in the transitional period from dictatorship to democracy, like problems from the period of the developing democratic revolution. Which of these problems are most urgent? How are they dealt with? Among the problems and difficulties that are of most concern we must mention the constant threat of economic recession or crisis, the danger of which is especially great in the light of the extreme urgency of unsolved social problems, the enormous foreign debt, high inflation ready to turn into galloping inflation, difficulties with investments and so on. Integration into the system of transnational capitalism has strengthened economic dependability and the dictates of foreign capital, especially in new forms, and has multiplied and complicated clashes with "transnationals" on the soil of competition.

Within the social sphere the problem of raising the extremely low standard of living of the predominant majority of the population is of first priority; this is based on truly thieving policies with regard to wages as well as a high level of unemployment and partial employment. Occupying a position of little importance are the problems of mass social calamities and ulcers, including the poverty and starvation of millions, a high death rate and low level of education of the population, crime, drugs, homelessness and so on.

Within the sphere of socio-political relations the most important tasks include the eradication of that political-institutional and legal legacy that was left by the dictatorships, the confirmation without any limitations of all the foundations for all basic democratic rights and freedoms, including the rights of workers and their organizations to freely protect their legal interests and so on. In connection with this it is not enough to simply repeal the more odious legal documents from the dictatorship period. Thorough reforms of all basic laws are needed, including constitutions reform.

What have the civil governments of Southern Cone countries been able to do or what are they doing to solve these problems? What problems and difficulties have arisen in the process of dealing with the tasks before them and how have they eliminated them?

A considerable effort was made to solve economic problems. Unfortunately, it has not yet yielded positive palpable results. Only in Uruguay was there a certain success. The country's VVP increased by 6.3 percent in 1986 and by 5.5 percent in 1987. In 1988 it was to increase by at least another 4 percent. Incidentally, the given

amount of growth will only mean reaching the VVP levels for the early 1980's since the decrease in production was so great during the last years of the dictatorship's rule.¹⁷

The evident economic revitalization in Uruguay under the rule of J. M. Sanguinetti is attested to by other things. With a positive trade balance in 1987 there was noticeable growth in exports. Investments increased by 30 percent as compared to 1986; in 1988 their increase should comprise another 10-15 percent. Finally, inflation has begun to decrease. Whereas in 1986 it still equaled 76.4 percent and in 1987—59.9, in 1988 it is planned to decrease it to a level of 45 percent.¹⁸

Things are much more serious in Argentina and Brazil despite the attempts made in these countries for extensive economic reform related first and foremost to the extensive support of the Austral and Cruzado plans. Initially there was a positive result in Argentina and Brazil. However, the positive effect of the Austral and Cruzado plans turned out to be of short duration. Already in 1987 Argentina's VVP increased by only 1.4 percent, and Brazil's—by 2.8 percent. Problems arose with foreign trade turnover. In 1987 in Argentina the positive trade balance comprised only about 1 billion dollars (in 1985—4.5 billion) because while imports increased by 1.2 billion dollars exports decreased by 2.4 million. As a consequence currency reserves decreased. According to unofficial data currency reserves in Argentina's Central Bank did not exceed 500 million dollars in 1987. This kind of situation posed a great threat in the light of the enormous foreign debt, which long ago exceeded 40 billion dollars and has continued to grow. The budget deficit was also high—on a level of 8 percent of the VVP.¹⁹

Brazil suffered similar problems. In addition to everything else, the discriminatory measures of the U.S. in regard to Brazilian exports resulted in the fact that in early 1987 currency reserves in the country reached a record low—about 3.4 billion dollars. In February 1987 Brazil's government was forced to declare a moratorium on interest payments on its colossal foreign debt, which today already equals about 123 billion dollars. Brazil's budget deficit is on the level of Argentina's and even for 1988 is planned to be over 6 percent of the VVP.²⁰

What are the reasons for the problems in the Austral and Cruzado plans and for the continuing economic difficulties in Argentina and Brazil? Many Latin American economists, including some EKLAK directors, related them to the bad luck and one-sidedness of the corresponding programs, to their concentration, for example, primarily on the struggle with inflation and so forth.²¹ It appears that this is a somewhat simplistic and purely utilitarian approach dictated by economic determinism. The main thing that doomed to failure Brazil's and Argentina's economic programs that had promised so much was the essence of the approaches themselves by these governments to the problem of transforming their

countries. their attitude toward strengthening the process of a peaceful democratic revolution and toward participation in all of this by broad masses of people. When for the success of the Austral and Cruzado plans it became necessary to lean firmly on the masses and to strengthen the process of transformation first and foremost in their interest, the bourgeois governments of Argentina and Brazil not only fearfully stepped away from their initial plans but also began to rapidly move to the right, thereby accelerating not only the collapse of developed economic programs but also the evolution according to the "Portuguese model" of peaceful democratic revolution in their countries, which as revolutions were expressed significantly more weakly than in that same Portugal.

The bourgeois nature of democratic governments in Southern Cone countries affected the condition of social problems and approaches to solutions. Despite the declarations that promised so much of, for example, Brazilian president J. Sarney, as well as of other government leaders in the Southern Cone countries in which civil governments are in power, which do not want to repay the foreign debt at the cost of hunger and poverty among the masses and of an economic recession, in the final analysis debts are paid and the masses live under difficult circumstances because the government and businessmen place the entire economic misfortune on their shoulders and on their account. The situation is somewhat better in Uruguay. As reported by President J. M. Sanguinetti, during the last 3 years real income began to grow for the first time, increasing by about 30 percent during this period.²² Despite difficulties, the five-year plan for building 65,000 housing units for workers, planned when Uruguay's civil government came to power, is being fulfilled, even if partially.²³

Much greater progress has been achieved in solving political problems. Already today we can speak of the actual confirmation of the sum total of basic bourgeois-democratic rights and freedoms, democratic principles and orders that create the possibility for the most active and extensive activity toward protecting the interests of the masses of workers. Under such circumstances progressive forces are trying to consolidate the revolutionary-democratic movement, to eliminate the disconnectedness of leftist forces and to create the conditions for further development and for strengthening the democratic process with the goal of confirming in their countries the regimes of progressive democracy.

What is hindering the radicalization of the change process? Of course there is a process of resistance by forces that are related to the previous regimes, conservative circles, "transnationals" and their allies to progressive transformations, especially those related to any encroachment on the existing economic system with expansion of possibilities and rights of workers, trade unions and leftist parties and organizations in their struggle for their goals and interests. In Brazil, for example, the most furious opposition was the result of

attempts to implement a genuine radical agricultural reform, to develop and legally secure special mechanisms that would guarantee stability in wages and employment as well as of the attempt by democratic forces to create guarantees of non-interference by military forces in politics and in governing the country and of attempts to punish those who were directly responsible for repression in the time of the dictatorships. Many of the problems that have exacerbated the social and political opposition in Brazil gave rise to the same kind of response in other Southern Cone countries. In the developing struggle the advance of conservative forces is leaning more and more on the support of the government. This is being felt especially clearly in Argentina and Brazil.

The circles that are tied to "transnational", foreign capital are very actively working not only to maintain the positions they have already won but also on new possibilities for expansion, especially in the more contemporary branches that are related to the latest technology; they demand the revoking of any protective measures with regard to the national sector. The governing classes of Southern Cone countries on the whole strive to interfere with noticeable social change, with this kind of strengthening of the positions and opportunities for workers, including in the area of utilizing democratic rights and freedoms, which can result in the radicalization of democratic processes via the channel of demands and goals of leftist organizations.

With the goal of putting pressure on civil governments and democratic forces rightist, conservative circles turn to the most varied forms of political and military blackmail as well as to inspiring and stimulating "a permanent" threat of a putsch.

There has been a noticeable increase in the number of truly rightist, conservative leaders within civil cabinets. Today the economic administrations of Argentina and Brazil, for example, include people who are not trusted by the population and who are known for views that link them to those who managed the economy during the dictatorship. As a result the measures and "reforms" that they propose are directed at looking for compromises that are acceptable to foreign capital when dealing with all of the most important questions, including the problems of the foreign debt, the operations and status of "transnationals" in the countries where they are and so forth, and at opening up the economy in the spirit of recommendations by "neoliberals," decreasing the role of government in the economy and so on.

I feel that the measures taken by the ruling elite against the attempt by leftist forces to strengthen democratic processes have achieved their goal to a large extent. These processes as a peaceful democratic revolution began to slow down, peter out and get lost. This requires from revolutionary-democratic forces a special activeness and creative approach toward the analysis of the situation and also especially toward practical action.

A dramatic situation has developed in Chile. The dictatorship has fully realized its counterrevolutionary potential. The regime is objectively ready for a transition such as has occurred in other Southern Cone countries. The results of the plebiscite speak of the reality (until recently often underestimated, it is true) of peaceful forms of democratic renewal. However, the presence within the system of a "strong personality," of a person with charismatic leanings, hinders the objective course of things, which in turn can result in consequences that are difficult to predict, and in the radicalization of positions of opposing parties on the eve of the general elections planned for the end of the year.

The peoples of Southern Cone countries are going through a difficult period. There has been a noticeable activation of progressive forces; in a number of countries positive change has been in the direction of democratic revitalization and the solution of the most urgent problems facing them. However, actual success on this path is possible only if leftist democratic forces completely mobilize all opportunities and if they recognize themselves as a moving force for a peaceful democratic revolution.

Footnotes

1. A. de Migel, *Forty Million Spaniards Forty Years Later*, Moscow, 1985, p 243.
2. *PROBLEMY MIRA I SOTSIALIZMA*, 1987, No 5, p 32.
3. See: *SENHOR*, Sao Paulo, 1985, No 215, pp 6-9; *CRITERIO*, Buenos Aires, 1987, No 1995, p 555; *HOY*, Santiago de Chile, 1988, No 552, p 11; No 554, p 5, etc.
4. *PROBLEMY MIRA I SOTSIALIZMA*, 1988, No 1, p 14.
5. *Ibid.*, p 24.
6. See: *LATINSKAYA AMERIKA*, 1985, No 1, pp 33, 34, 44.
7. *HOY*, 1987, No 535, p 10.
8. See: V. I. Lenin, *Complete Works*, Vol 16, p 157; Vol 17, pp 3, 271; Vol 19, pp 75, 77; Vol 27, p 57; Vol 31, p 132.
9. V. I. Lenin, *Complete Works*, Vol 20, p 77.
10. *ISTO E*, Sao Paulo, 1988, No 594, p 57.
11. *PRISMA LATINOAMERICANO*, La Habana, 1985, No 9, p 41; No 10, p 43; 1987, No 11, p 14; *GRANMA. RESUMEN SEMANAL*, La Habana, 29 Mar 1987.
12. *ISTO E*, 1988, No 594, p 57.
13. *ISTO E*, 1987 No 526, p 18; *HOY*, 1988, No 559, pp 22, 24; No 564, p 28; No 584, p 29.

14. LA PRENSA, Buenos Aires, 16 Feb 1988; HOY, 1988, No 554, pp 19-21; No 565, pp 21, 24; No 567, pp 49, 53; No 584, p 29; VEJA, Sao Paulo, 1986, 4 Jun, No 926, p 45.
15. See: PROBLEMY MIRA I SOTSIALIZMA, 1988, No 1, pp 14, 21.
16. V. I. Lenin, Complete Works, Vol 20, p 68.
17. JAQUE, Montevideo, 1988, No 215, p 3; No 232, p 2; No 251, p 2; ISTO E, 1988, No 594, p 57.
18. JAQUE, 1988, No 215, p 3; No 251, p 2.
19. LA PRENSA, 2 Nov 88; CRITERIO, 1987, No 1994, p 510; ISTO E, 1988, No 594, p 57.
20. GRANMA. RESUMEN SEMANAL, 1, 2, 19 Mar 1987; 5 Jun 87; LA PRENSA, 3 Nov 88; VEJA, 1988, No 15, p 18.
21. ERCILLA, Santiago de Chile, 1988, No 2744, p 17.
22. JAQUE, 1988, No 210, p 2; No 215, p 22.
23. Ibid., p 2. COPYRIGHT: Izdatelstvo "Nauka", "Latinskaya Amerika", 1989

Social Transformations in Latin America, (Part II, Conclusion)

18070178 Moscow LATINSKAYA AMERIKA in Russian No 3, Mar 1989, pp 32-40

[Article by Yu. N. Korolev: "On the Threshold of a Regulated Society. Innovations in Social Experimentation," Conclusion. For the beginning see: LATINSKAYA AMERIKA, 1989, No 2]

Modernization and the Government

[Text] We have reached the point at which we can draw some preliminary conclusions about the results of Latin American development during the period of modernization. It should be said that not all of the countries in the region participated in it to the same degree. The more energetic economies were mobilized; there was a sharp concentration of industry in a few, actually four, countries (Argentina, Brazil, Mexico and Venezuela). The gap between industry and agriculture has increased, and in addition an almost equally significant gap has developed within agricultural production itself, where some of the businessmen made the transition to agro-industrial forms, and others have lagged in development, not only in relative but also in absolute terms.

In this way, on a macroeconomic level we can speak about the fact that the formation of contemporary leading sectors of the economy was accompanied not only by a delay in development but also by regression in other economic sectors. This is an age-old problem for Latin America, one that determined the basic features of

the structural crisis earlier. However, the fact is that in the course of modernization the problem acquired even sharper and more contrasting forms in a number of countries (on a background of a common market in the development of production forces) and was supplemented by the development in the agricultural sector of high-tech production that gave rise to yet another group of conflicts.

However, this is also not all. A new complex of problems has also developed in industry. Here also there has arisen a high-tech production on the basis of TNK affiliates which developed on a background (and by means of) local industry; the latter, like agriculture in a more general plan, experienced not only a delay in growth pace but also the consequences of absolute regression of these subdivisions of industry, their partial curtailment and reorganization for other purposes that are directly related to transnationalization.

General growth indicators provide an average picture that consists of data reflecting a truly high pace of development of economic transnationalization and stagnation and recession in national industry.

Thus, 169 transnational corporations operating in Brazil provided about 15 percent of the production of the 500 largest companies in the country. Their capital investments (total) in 1984 equaled 25 billion dollars. But this is only a part of the picture. One hundred eighty five mixed companies operate in Brazilian industry; of these in 117 firms over 95 percent of the capital belonged to U. S. businessmen. In 1980 the TNK controlled 24 percent of the country's exports and 30 percent of its imports.

Approximately the same situation exists in Chile, Mexico, Peru, Colombia, Argentina and Costa Rica. In 1979 the TNK controlled 52.4 percent of exports of industrial goods from Brazil. In Argentina the TNK produced about 30 percent of the country's industrial products; within the sphere of production of the means of production the share of participation increased to 65 percent (in 1981). By the late 1970's-early 1980's about 10 percent of the most well-trained cadres in the country (1.1 million of 15 million workers in Brazil, i.e. somewhat less than 7-8 percent) worked in TNK's. TNK operations were concentrated on the most important and dynamic branches of the economy of every country, and here they often had complete monopolies.

This kind of situation developed in machine building and automobile construction in Brazil, Mexico and Argentina, in petroleum chemistry in Ecuador and so on. A characteristic situation developed within the economy, which had a great effect on policies. In all of the countries of Latin America, "two" economies developed, two socio-economic structures, with fewer than 10 percent of the self-employed population working in one and the other 90 percent vegetating in the other. What approximately is the relationship between the incomes of

these two societies, two worlds? We do not have precise data. But indirect indicators exist that enable us to recreate an approximate picture.

We know that the TNK pays its personnel more than local businesses and government firms. Thus, General Motors pays a semi-skilled worker (crane machinist) in the following manner: in Colombia—\$1.10 per hour, in Mexico—\$1.80 and in Venezuela—\$2.96 per hour. Simple calculations show (this is data on the minimum wage) that the annual wage for workers in this category (\$2,300.00 in Colombia, \$3,744.00 in Mexico and \$6,157.00 in Venezuela) is coordinated with the level of labor productivity in every country but does not follow it precisely. If we consider that 30 percent of the product produced was assimilated by the worker, the annual wage of the average "Colombian" is \$2,860.00. In this way the crane machinist at the General Motors plant earns three times the average wage in Colombia, in Mexico—double, and in Venezuela—2.1 times the average wage.

But here we are speaking about the minimum wage for a TNK worker and about the "average" wage calculated with the "participation" of the wages of TNK personnel. In actual fact, according to some data, the difference is even greater—1:5 and even 1:7. On the social plane this means that as a result of modernization in the region's countries a fairly substantial strata has developed in society (8-10 percent), representing by its income a new elite both in the working class as well as amidst hired middle strata; moreover, these are the most highly educated and trained groups of the economically-active population. At the same time during the years of modernization in the region's countries an army of permanently and temporarily unemployed developed. Whereas the number of the former was established in the early 1980's to be on the level of 10-12 percent, the number of those with temporary jobs or with part-time work comprises 30 to 50 percent. In extensively utilizing subcontractors, the TNK cultivated temporary and part-time work, which was advantageous to it economically because it dictated conditions, and socially because it undermined the position of trade unions.

In Latin America modernization resulted in the development of an economic structure that forestalled by far the basic national level of technology, with the national economy simply being unable "to catch up with" these leading branches because it did not receive the necessary subsidies and incentives. In order to achieve a thrust forward and to develop a modernized economic sector, all of the national economy was picked at and emasculated in all of its aspects: raw materials, the machine fleet and mechanisms, and trained labor (and clearly, financing). As a result, in general the national economy did not remain in place or move forward slightly, it was actually pushed back. Moreover, labor relations, ties and their style were also pushed back. There was a partial return to family labor, to small goods production, a movement of manpower from the city to the village, and so forth.

Relations between the two economies became tense and characterized first and foremost by increased conflict. The military-police regimes went up against a blank wall—they themselves could not find a solution to the "non-permanent" situation, and the opposition specialists (after the crisis this even included technocrats) did not want anything to do with them.

A difficult transitional period began, which developed differently in every country. But the crux of the matter was this—to transfer power to a democratic government.

In 7 years (1980-1987) authoritarian regimes fell in 10 countries, including five dictatorships in the last 2 years. On the scale of democratization this explosion was probably unprecedented in the history of Latin America. Perhaps the most similar thing took place at the end of World War II prior to Churchill's Fulton speech. Only two dictatorships, in Chile and Paraguay, preserve their "unstable balance." The authoritarian powers in these countries walked the entire "procession" to modernization. In Paraguay modernization proceeded in an agro-industrial direction and the economy in general achieved indicators close to the Latin American average (VVP per capita—\$1,300.00 in 1980 prices, which is higher than indices for Colombia, Peru and another dozen countries in the region; labor productivity in agriculture—about \$1,700.00, which is higher than average indicators for Latin America—\$1,417.00 in 1980 prices). Nevertheless, politically the Paraguayan tyranny is a smoldering bonfire akin to that of Duvalier's—the solution to the problem was unavoidable in principle but its time frame and nature were difficult to foresee until recently.

The situation is entirely different in Chile. Despite the closed nature of society, the basic forces here have been totally mobilized, are in excellent combat form and political readiness; the basic directions of the struggle have been clearly determined. The dictatorship and opposition are capturing (trying to capture) the initiative—the only authoritarian leader, Pinochet, decided on the audacious step of establishing controls over private banks in 1983, a measure that was not supported by a single democratic government except Mexico and with which we cannot really compare the nationalization of the petroleum industry in Venezuela. In essence, Pinochet did not simply make a program demand for power after the economic crisis of 1981-1983 but was also able to "secure" his desire with adequate action in the situation, a course that is not typical for dictators. In that same series of paradoxes are "democratic" actions such as the plebiscite in October of last year. But Chile's problem is that as soon as a dictatorship falls there develops an opposition between the reform and revolutionary camps, which are practically equal in strength and influence. The rebirth of a revolutionary-democratic alternative in Chile is completely realistic. This frightens transnationals and is the basis of their support for Pinochet. The MVE, that sensitive financial organ of the

world economy, continues as before to consider the country an adequately dependable partner. In 1985-1988 the country's economy began to gradually increase turnover.

But let us return to those countries which were successful in stepping onto the path of democratic initiatives and quests. Peoples with very different levels of social, economic and political development, with very different experiences, have been caught up by the fresh and strong wind of democracy.

Bourgeois governments which came to power as a result of general elections were faced with the most complex economic and socio-political tasks. The first group consisted of creating a mechanism for regulating the transnational and national sectors. The country's national electorate demanded the rebirth of democratic institutions, social programs and economic development. The question of questions is finances. Reform governments turned out to be in the grip of debt and with no financial prospects at all. Their experts did not recommend "touching" the modernized sector of the TNK. New loans are being used to repay debts; the national economy has been rendered lifeless. No matter how you twist it, the only source of financing is the search for new policies with regard to TNK relations. It should be said that the large profits that the TNK has generated during recent decades and the political experience that it has accumulated has made it, in the mid-1980's, more flexible in discussions and compromise.

Today the TNK feels more self-assured—it is in the vanguard of developing a world capitalist system and can allow itself a more flexible approach. Moreover, the sphere of its operations has grown to such a degree that the apparatus for regulating and managing it has become very complicated and precise, and this in itself implies a tendency toward seeking compromise. When Brazil's president, Jose Sarney, announced in 1986-1987 that there would be a decrease in the total sum of payments on the foreign debt because the country cannot continue payments in the previous amounts without harming vital interests, all interested parties silently "swallowed" the information. Among them there is no one who wants to appear to reject profits that bring activity to Brazil; moreover, Brazil is a great country and this must be reckoned with.

Other governments are seeking their own paths. An example of this is the Peruvian government headed by Social Democrat Alan Garcia, which nationalized the banks in 1987 and made debt payments dependent upon receipts from exports. But the Brazilian government has not stopped looking for compromises—it is still testing how far it can go in pressuring the TNK and TNB [Further expansion unknown]. Proof of this is the decision made by President Sarney in February 1987 regarding curtailing foreign debt payments temporarily.

Experience attests to the fact that here there exists an entire field of maneuvers and the new governments of Latin America are attentively looking at the actions of those who take them first.

The search by Latin American governments with regard to regulating transnational and national economies and all of socio-economic and political life is of great interest in this connection for the future of the entire world economic structure which will come after the completion of the current modernization cycle. Actually, sooner or later, all countries come up against the tasks of regulating relations within the framework of "dualized" national economies and between these national complexes and the world economy.

Latin America is first in moving along an unbeaten path, serving as a testing ground, a laboratory of world experience. At the present time the gap between the national and transnationalized economies gives rise to great economic difficulties and strengthens conflict between Latin American governments and world centers, and first and foremost the U. S., where all of these innovations are looked upon with suspicion and mistrust. Actually in recent years the U.S. has never had and does not have a clear and balanced policy plan for cases of national orientation in a particular country of the region. Past experience speaks only about the fact that the U.S. reaction in such cases was always stormy and inappropriate. We just have to remember the Dominican Republic in 1965, the government of Velasco Alvarado in Peru in the early 1970's or the attitude toward Omar Torrijos in Panama, to Salvador Allende in Chile, to Michael Manly of Jamaica, to Maurice Bishop of Grenada, to the governments of Guyana, Surinam and Bolivia, to the activities of Juan Domingo Peron in Argentina, Joao Goulart in Brazil, let alone Cuba and the Sandinistas in Nicaragua. Today there is no reason to think that the United States will react differently to the development of a radical patriotic regime in any part of Latin America.

But I would not like to leave the impression that the policies of the U.S. and those of the TNK are one and the same. The TNK participates actively in the exploitation of Latin America. And the problems related to this are not simple. On the one hand TNK's bring with them a production organization which according to existing criteria is the most effective (and the most progressive within the framework of capitalism). On the other, they rob the region's people; the riches they accumulate go primarily to the centers of the world capitalist system, exacerbating the problems and difficulties of the periphery.

At the same time there is a diffusion of the center itself, its geographic spread, as a result of which not only the U.S., Western Europe and Japan but even the small countries of the Caribbean basin and the Pacific Ocean become "the center." The transnational sectors in the economies of Latin American countries have become a

part of the center, or at least have come close to it. In other words the center of the contemporary world economy itself has developed a tendency toward transnationalization of its own structure. Transnationalization, in contrast to traditional forms of economic integration, built on a foundation of unifying national markets as nuclei of the developing international (regional) economy, is the integration of only the more developed and technological branches of production; i.e. it is the "carrying out" of the center beyond the national political boundaries and the development of new boundaries—within a framework bound first and foremost by economic (structural production) characteristics and interests.

On this basis a new political superstructure arises; but while traditionally strong national governments are operating, the new economic center cannot but be subordinate politically to the previous national centers (the U.S. in some cases, the U.S. plus Western Europe in others, and finally, the U.S. plus Western Europe plus Japan in the third). But this does not mean that the powerful and self-sufficient interests of "transnational centers" will not have their own influence on the political decisions of national governments and their blocks. In essence military ties should not be characteristic of this center; this center is also not interested in armed conflict. But at the same time it is seeking an effective, military-political force capable of protecting it from nationalistic pressure. And here a proposal appeared—different military-political apparatuses and military-industrial complexes (national governments of capitalist countries) compete in providing services. From this stem the aggressive impulses of the U. S. in regional conflicts, its interest in fanning and supporting them. Here are the sources for new doctrines, such as "low intensity conflicts."

It is understandable that relations between transnational structures and GMK of powerful countries, and first and foremost the U.S., cannot be either the relations of good partners or those of the strong and the weak, being determined a priori, so to speak. These are relations of struggle and elucidation of the power of every structure at the given stage. The TNK formations, their victory in the course of alternative searches for solutions to the crisis of the mid-1970's, do not result in the absolute substitution of the former production organizations by new organizations in all spheres. This cannot happen, first, because there are no countries in which the economy is wholly prepared for transnationalization; second, because the GMK system in some cases remains more acceptable from the socio-political point of view; third, because the countries of world power, and first of all the U.S., England, the FRG and France, actively support monopolies that are oriented primarily toward national goals; this is important to them from the point of view of supporting world positions and the support of powers; finally, fourthly, because the search process has begun (actually it had never stopped) for regulating social-production ties between a modernized economy

and the national economy, in the course of which the mechanism of normal (without catastrophic socio-economic and political shocks) reproduction of social relations is created. Powerful national economic complexes like the U.S. naturally are capable of imposing their own primarily national and nationalistic stereotypes on new structures to a much larger degree than all other countries. In connection with this, the national-central oriented beginnings in the policies of this country are stronger, which is based on objective reasons and namely on the fact that it is realistically capable of forcing the acceptance of these beginnings in part or fully. It is clear that the U.S. in its line of modernization hardly follows its basic principles of the model of a free market economy because it believes in its materially-based claim to "wind" the entire world reform economy around the American economy as center.

New Conflicts and New Movements

That which can be seen by the naked eye in the U.S. example also holds true for other capitalist countries, but is manifested in a more concealed manner depending on their national-industrial strength. This is true for the capitalistic countries of Latin America as well, and first and foremost for those which are economically strongest, such as Brazil, Mexico and Argentina. Nevertheless the main source of centrist tendencies in the economies of most countries in the region is not the government-economic power and the attempt to crush the TNK by the government, but nationalism as a manifestation of the striving to move away from a subordinate, oppressed, second-class and peripheral status. Remaining strong within this tendency is the general democratic content directed against oppression, which meets with a completely legal and well-founded sympathy in world public opinion.

The structures that have been created as a result of transnationalization demonstrate their vitality and capability of normal reproduction. At the same time they come across national economic structures, the nationalistic interests of the ruling class, the bourgeoisie as a whole and the nation as a whole. Conflicts develop between the TNK and national governments of industrial countries and between each other. All of this entire complicated complex of conflicts is subject to regulation (insofar as we are speaking about capitalist relations). Society never throws off its historical experience, and reorganized political forces have once again proposed their programs. Today they continue to be written into certain—basic—variants of socio-economic and political reproduction of social relations.

One of these is directed first and foremost at improving (if necessary, at transforming) economic structures and does not focus a large amount of attention on social programs. In the pre-transnational society (GMK) in Latin America the bearers of purely economic solutions entered the political sphere as conservatives, moderate reformers and even reactionaries. However, it is clear

that precisely increased attention to economic questions stimulates them to prefer the transnational project to the national; technocratic models are not supported by the masses, and their supporters have a tendency toward authoritative methods.

After the modernization of the economy in Latin America little place was left for the representatives of this direction in bourgeois thought and practice; modernization was basically directed at fulfilling technocratic, purely economic tasks. The period immediately after the crisis of 1981-1983 required first and foremost the development of a *modus vivendi*, a method of coexistence for the transnational and national sectors of the economy. Here a purely economic approach was not enough, a consideration of a broad spectrum of social problems was essential.

Such questions were dealt with very successfully by Latin American Social Democrats. Their increased interest in the social and socio-political questions of social life predetermine an introverted and consequently national approach to the problem—even today social questions are still not solved in the transnational sphere; here only a national-government approach is possible. Although TNK's are already solving social questions, and sometimes more successfully than national governments, these decisions have to do only with their personnel and do not do away with the national knot of problems (i.e. conflicts between transnational and national structures).

Social Democrats are capable of mobilizing not only purely economic but also the social reserves of society to reestablish the national economy, to provide the impulse for its normal functioning, to create the conditions for a higher and higher level of preparation of production forces and so forth. In this sense Social Democrats are not only called upon but also condemned to lead the national economy from the depression in which it found itself after transnationalization and simultaneously to regulate relations between the TNK and the national society. At the same time within the Social Democratic organization a deep trench of divisions is being created having to do with the question of relations with the TNK.

Actually, the TNK has proposed a more progressive method of production organization within the framework of capitalism; Social Democrats cannot but see this. Working in the TNK's are the masses of the more trained hired workers who were always the social support of Social Democrats. The TNK's acquire a legal status. They become institutionalized because one cannot seriously consider that "the behavior code" for the TNK developed by the U.N. is only a "conditional code"; actually, and this is most important, a legalization of the TNK occurs, a legitimization of its position in the world society. At the same time attempts, albeit weak ones, are being made to create transnational trade unions and it would be naive to think that they are being created for a struggle against the TNK. Naturally, the main task of

such trade unions will be the regulation of labor-capital relations in the new market that has developed during the last decade. This regulation is needed not only by workers but also by the TNK's, especially in the future.

All of the aforementioned provides an understanding of some kind of social basis for the development of a new, transnational, tendency within Social Democracy, elements the germ of which are already being seen in Western Europe, especially in France and England and in Latin American countries such as Venezuela, Costa Rica and Mexico.

Within the framework of the basic—etat—tendency in Social Democracy another tendency developed—associative, or neo-democratic. Impulse was given to this by the new economic situation, in which the marginalized national economy is not capable of financing large social programs of social rebirth and an adequately rapid bringing up of new echelons of the national economy for the routine circuit of international integration (transnationalization). Social Democratic etatism under these conditions can encompass only a portion of social relations; in the opposite case there would have been an additional discrediting of the government sector, which under the circumstances that developed would have stimulated the social tension that society is trying to avoid because even without this it is burdened by unsolved conflicts.

In connection with this, the temptation arises to place on the most relatively marginalized, discriminated against, and reduced layers (petty bourgeoisie, artistic intelligentsia, some of the hired workers, those deprived of a job, peasants) the task of developing production-consumer (middleman and other) associations (cooperatives) which, not utilizing the material help of the government (or receiving a minimum amount), might survive and in some cases become equal to contemporary enterprises. In other words, we are speaking about self-financing, about the method of family production, about a voluntary increase in the exploitation of private labor. But at the same time a question is being asked about self-government, a sharp growth in economic and social tasks, sharp politization of significant social circles and the growth of their social consciousness. Actually a question is being asked about new forms of democratic participation, i.e. once again, as has happened numerous times in the history of bourgeois society, a question is being raised about democracy as a vital requirement for development. COPYRIGHT: Izdatelstvo "Nauka", "Latinskaya Amerika", 1988

Roundtable on Cuban Reform

18070178 Moscow LATINSKAYA AMERIKA
in Russian No 3, Mar 89 pp 41-55

[Roundtable discussion: "What is Being Corrected in Cuba and How"]

[Text] In organizing a "roundtable" in the building complex of the journal LATINSKAYA AMERIKA in Havana, we set ourselves the goal, with the help of

Cuban scholars, to answer the question, "What is being corrected in Cuba and how?" in other words to become more closely acquainted with yet another experimental approach to solving the problem of revitalizing socialism.

Participating in the exchange of opinion published in abbreviated form, were Luis Suarez Salazar, Director of the Center for American Studies (SYeA), Fernando Martinez Eredia, Director of the SYeA Department of Regional Problems, Aroldo Dilya Alfonso, scientific worker of this center, Osvaldo Martinez, director of the Center for the Study of the World Economy (SIYeM), Jose Luis Rodriguez Garcia, SIYeM Deputy Director, and Elena Dias, director of a research group on developmental problems at Havana University.

The participants in the discussion, which took place on the threshold of a famous date—the 30th anniversary of the revolution—were presented with theses that dealt with common problems relating to the socio-economic and political development of Cuba.

A significant portion of the problems raised at the "roundtable" are fairly complex and specific. Participants in the discussion see their solutions in the actualization of the ideological legacy of Che. At the same time some Cuban scholars adhere to the point of view that it is the state banking system developed by Che Guevara that precipitated the mistakes made in Cuba in 1966-1970.

[L. Suarez] Because I am speaking first I see my task as that of making some preliminary remarks and of more precisely defining the direction of the discussion.

It is essential to note immediately that from the beginning the Cuban revolution was characterized by criticism and self-criticism. In Cuba there were no long-term historical periods, and I emphasize historical, when the errors that were made could threaten our social future. Our leaders, and first and foremost Commandant Fidel Castro, had an excellent ability for self-criticism that enabled them to properly assess that which was done or not done, for ridding themselves with revolutionary decisiveness of various types of inclinations and negative tendencies on the complicated and contradictory path of building socialism. We all know the importance Che Guevara placed on criticism and self-criticism, which is an effective instrument for constantly improving the individual as well as society as a whole.

This concept reverberated with all its force in F. Castro's speech at the 3rd party congress: "Let us place for ourselves the goal of doubling our efforts and let us pledge to ourselves that if at some point our work seems good to us, we have to struggle to make it even better. And when it becomes better we will struggle to make it

reach perfection because we know that the communist does not stop at what he has achieved and that for him not a single human concern will be adequately perfected."

I derive my second thesis from this. The 30 years since the Cuban revolution have passed in constant struggle with errors and negative tendencies. In the course of three decades at least three rectifying processes came to life if we do not count that the greatest of these was the revolution itself, which with one blow finished a 60-year period of the pseudo-republic and of dependence on the United States.

I would attribute the beginning of the rectification process to 1962, when there was a repulsion of sectarianism, which had struck at the activities of the United Revolutionary Organizations to make its tie with the masses more difficult. The sectarian tendency, which had been tolerated by a group of previous members of the People's Socialist Party headed by one of its leaders, A. Eskalante, threatened achieved revolutionary unity. Political and ideological work was bureaucratized. The command form was rewarded in the relations of political and state organizations. The process that developed during the struggle against this tendency resulted in the formation of the Cuban Communist Party—the highest manifestation of the unity of all revolutionaries who saw their goal as the building of socialism and communism. That response to sectarianism was a test of humanism. As a result a law arose that has been strictly adhered to during all these years—the revolution cannot be a satyr eating its children.

The beginning of the second rectification process began in 1970—this was criticism of the mistakes which the first party congress qualified as ideological and which occurred during the second half of the 1960's. We know that some scholars try to relate these mistakes to the system of state budget financing developed by Che. There is nothing more absurd and divergent from historical truth! In most cases they were explained by the profanation of his ideas.

We also cannot forget that with Che we achieved a whole series of successes both in the socio-economic as well as in the political-ideological spheres. The most important of them was the securing of a socialist and communist consciousness in the masses, and the international sentiments of which our society is now proud, which to a large extent were the result of Che's example.

The 1960's was a genuinely heroic and constructive decade for Cuba. This is why Fidel was 100 percent correct in calling those mistakes tactical, not damaging the development of the consciousness of the people or the building of socialism. To a considerable degree they were related to the fact that at the center of the tasks existing then was not economic development but the very existence of the revolution itself.

One of the results of this period was the institutionalization of revolutionary power—the creation of a judicial, political and administrative system. Ties between the party and the people grew stronger.

Among the many concerns one was especially important—the development of an economic mechanism adequate for our conditions. Preference was given to a system for managing the economy based on cost accounting methods. It is surprising but a fact that already then Fidel foresaw the great danger inherent in their thoughtless use, and problems did arise later. He spoke about the fact that we could not abandon centralized planning, blindly believing in the possibilities of an automatic solution to all of our problems, and he emphasized the necessity of strict production controls. He warned that the new system would not yield results without adequate political and ideological work by the party, without secure ties with the masses and without a conscious consideration of the special features of building socialism in our country.

Unfortunately, beginning in 1978, this system, together with other factors, gave rise to an entire "bouquet" of negative tendencies both within the economy and in society as a whole. We are trying to eliminate these negative tendencies during the current rectification process, which we cannot assume to yet be complete. This is a process, and not a campaign, a long process that allows us to pick the fruits as they mature.

The errors that were tolerated during the first half of the 1980's brought others with them related to the human factor. They can be understood as political or subjective. However, the system of economic management that was in effect continued to give rise to basic negative tendencies. The priority that was placed on the market mechanism and the requirement to weaken excessive centralization of the economy resulted in a pernicious dispersal of decision-making. In the development of a plan and in the search for a genuine dialectic for unity between the central organs and enterprises, democratic centralism was replaced by bureaucratism. Planning was deprived of its democratic beginning and was implemented without the necessary assessment in labor collectives.

Of course the problem was not limited to the economy. Negative tendencies spread to all spheres of society and to political and ideological work. Some of these were the result of the economic management system whereas others operated relatively autonomously.

However, the main reason for the current rectification process was the dangerous ideological tendencies that began to appear within society. Voluntary labor was abandoned, an inordinate significance was given to material incentives and to various kinds of rewards that had nothing to do with the real labor contribution. Phenomena which were moving beyond the control of

the party and government organs were gaining force, including among the working class, peasants, intellectual workers, cultural activists and leaders.

This is why I feel that the assessment by Fidel of the errors that were tolerated during the 1960's and 1980's was very exact—in the first case, tactical, and in the second, strategic. Socialism cannot allow itself the luxury, when it is located 90 miles from the main imperialist power, of corrupting the consciousness of our people and firstly of the proletariat, clouding its patriotic and internationalist sentiments and corrupting management cadres.

In Cuban society the conditions do exist, albeit not ideal, for solving all the problems that characterize this phase of socialism. Now it is important for it to consider that often in critical situations there is a sharp transition from one pole to another, from one extreme to another. The most complicated thing is to achieve a synthesis in implementing the party line.

I feel that our society and party are at one of the most important stages of their development, one that is dealing with the development of a material-technical base and with securing a socialist and communist world view among the people.

[F. Martinez Eredia] Continuing from what was said by L. Suarez I would emphasize that we are discussing a poorly-developed country of the "third world," a small Latin American country where in numbered miles from a threatening neighbor a national liberation and simultaneously a socialist revolution took place. It occurred at a time when capitalism was gaining ascendancy in its technological and military development, remaining strong and ideological. Nevertheless, world socialism was able to throw down a challenge to it first and foremost in the military and ideological spheres. However, on the economic plane world socialism continues to be somewhat weaker than capitalism.

I think that in our country we were able to achieve enormous successes with one fell swoop. This is why I think that it is incorrect to say that first there was a democratic, agricultural, anti-imperialistic stage followed by a socialistic stage.

The revolution was one and continuous in its goals of national liberation and in its social nature.

We do not need elementary theoretical truths but breakthroughs in them. Every revolution not only continues the work of its predecessors but also creates and indicates new paths and formulas. Our experience confirms precisely this. In Cuba political power was won, a people's army was created, all of the people were armed, and the property of the local and American bourgeoisie was nationalized. The United States lost its dominion over our country.

This was a power that encompassed all aspects of life, acquired under the difficult conditions of confrontation with the imperialist U.S. During the first 12 years of the proletarian dictatorship there was a colossal redistribution of social riches and the people gained access to making decisions, to the process of democratization of the country.

At one wonderful point the time came when, speaking in military language, it was necessary to "develop the advantage," to restructure the economy and government institutions. However, we tarried, were not able to maintain the pace that we took during the first stage.

If we are logical we cannot but come to one fundamental conclusion, that the socialist stage is a process of constant and abrupt changes and it is not confined to a formula—the development of production forces determines the level of production and all other relations. I think that with time this process, changing in form and content, will remain as before in terms of character. Similar changes will either follow each other quickly or will become slower and rarer, separated from each other by time, which may result in the cessation of socialist building or even in a backwards movement.

I think that the time when the laws of social development were considered almost magical, unavoidably leading to progress, has passed. It has become clear that nothing develops of itself. Cuba has also confirmed this conclusion. We had a high pace of development—an important role in this area was played by external factors, which every revolution is forced to deal with. We developed excellent relations with the Soviet Union and several other socialist countries. From the very beginning the USSR has given us all-encompassing political and military aid and has assisted us in organizing our foreign policy ties, which changed radically after the break with our traditional trading partners. Genuinely just relations were established which, in order to remain such, must be unequal in the commercial area. However, despite the advantages we received we did not cease depending on the capitalist world, ties with which, despite being insignificant quantitatively, are very considerable in some spheres.

I would especially like to emphasize not so much the commercial aspect as to reveal the essence of internationalism in relations between Cuba and the Soviet Union and other countries which are fighting for a better future. We have achieved certain results in this area. Proof of this is more than eloquent—the path which we have followed from an internationalistic partisan detachment in Bolivia to an internationalist army in Angola, which has fought successfully for the last 13 years. I will note the fact that the population of our country understands and supports mutual understanding first and foremost with struggling peoples and not with the United States, that it is concerned more about the spread of the revolution than about its own material difficulties. Three

hundred thousand Cubans have perished in the international fire of Africa, and thousands of others of our compatriots are rendering technical and economic aid (usually without the stipulation of repayment) to other countries of the world—this is the great ideological success of the revolution.

"However, this factor cannot be permanent..."

"We can argue about this. I think that it has to be permanent."

"By what means? How?"

"Yes, evidently. I have already said that change on the socialist level can take various forms and differ in content. However, its nature must prevail over everything that is capable of developing only production forces. If our educational system were on the level of this development it would be much more modest than now. It could not be free, accessible to all who wish to attend, to have at its disposal an entire system of "schools in the field," which spend more than the planner-technocrat would permit. Of course I do not negate the necessity of economic successes, which also must be constant. And undoubtedly they do exist although it is not for me to say—I am not an economist. However, there is a ceiling for such success based on the effect of capitalist competition and the inadequate integration of the national economy resulting on the one hand from investment hunger and on the other from the impossibility of assimilating investments, the shortage of production capacities and trained manpower and commercially suitable consumer markets. All of this characterizes our economy as poorly developed, as before.

No one intends to disregard the economy. Juxtaposing it to consciousness would be a serious mistake. As for the subjective factor, I am trying to understand Fidel's thought concerning awareness as a factor which allows people to see their duty better and to overcome individualism based on the bourgeois principle of "you for me—I for you." In my opinion this kind of principle can have the most detrimental effect on the socialist economy.

An awareness of one's own duty must prevail with regard to incentives and consumption—this awareness must also prevail in the approach to the economy. It is this kind and not a technocratic approach that must be made the priority in developing socio-economic development plans, while delineating the variants of possible consequences and problems (of course not as pedantically as supposed yesterday). It is not awareness that must be under the thumb of the economy but the reverse.

I know in myself that a person is capable of giving much more than can be expected of him at first glance; this capacity in time will become a powerful factor in the economy and in life in general. Naturally, this ability

must be rewarded after finding the corresponding organizational forms. First of all it is essential to significantly increase the party's role—this has been tried and forged in the work of the detachment. Some time ago it was more concerned with the education of each of its members than with the activities of lower and higher-standing organizations related to the increasing democracy and to implementing the management of society by the working class. And what is the strengthening of the role of the party if not the development of the subjective factor. After all it is the product not of production forces but of political struggle.

[J. L. Rodriguez Garcia] Recently not only in Cuba but in other socialist countries as well there has been a reassessment of methods and forms for building socialism. As L. Suarez noted, today this is manifest here in the process of correcting mistakes. But not everything that happened in our country received adequate interpretation, especially abroad and first and foremost in the bourgeois world. This is why it is essential to return to some events and phenomena relative to the recent past.

When people point to an entire string of errors in the economy tolerated in the late 1960's, usually these errors are referred to as idealistic. I would qualify them as errors related to attempts to run forward in the building of socialism, in other words, related to the gap between individual elements within the system and more precisely between moral and material factors. This was explained by the degree of development of consciousness, which at that time evidently was not very high. In other words, the goal did not find a real support in society. Nevertheless bringing it forward was still logical for that period, and the running forward itself, the striving to achieve more than the circumstances allowed was natural for revolutionary leadership.

That which occurred later, in the early 1980's, was also based on a gap but already in the reverse—the idea arose that the economic mechanisms that had been introduced could in and of themselves decide not only production but also all the remaining problems of society. To a certain degree ideological work to mobilize the masses was neglected. It was already said that the party had focused more attention on the internal affairs of its life whereas the character of the mechanisms being used did not correspond to the general line of development of socialism in Cuba. Many components were borrowed from the capitalist system, where they had proven their effectiveness, forcing workers to work intensively and stimulating individuality. In our country they practically contradicted socialist aspirations.

It can be said that whereas the mistakes of the 1960's were related to rushing forward, the errors of the early 1980's had to do with "rushing" back—they could have brought about serious complications in society, for they compromised socialism strategically and moved against the idea of simultaneous creation of a material-technical

base and the formation of a new consciousness, of the creation of an attitude toward production and society that was different from the one that existed during capitalism.

I should speak especially about the reasons for the mistakes in the first as well as in the second case, considering that they have not yet found their incisive scholar. During the 1960's, and more precisely in 1962-1965, we had more opportunity to be involved in an analysis or search for our own paths of building socialism. After all we started practically at zero, accepting the discussions of the time without any sort of preconceptions. The personal participation of Che Guevara played a large role. I think that one of the most important services of Che from the point of view of economic theory was the return of wholeness to socialism—a close tie between economic factors which have an important and in the final analysis a decisive significance, and the socio-political, which at certain moments can have a large significance in society. Marxist classicists posed this problem.

It was essential to see in the economic mechanisms something opposing us, that which we had to struggle against, and not to accept unreservedly as natural the component of socialist relations in production, i.e. to understand that the use of these mechanisms is limited, and to work accordingly. This was the reason for Che's concern regarding the cost law and for his attempt to reduce its role to a minimum in society. The correctness of this approach was proven by the system of state budget financing, which functioned effectively. Unfortunately, together with this search the bureaucratic administrative apparatus gathered force and had a negative effect on all aspects of public life.

In 1965-1966 a new process began. Nevertheless, it was not completed due to a lack of experience, poor preparation and, why not say it openly, due to the absence of Che, who had distanced himself from daily administrative practice in order to prepare for his international mission. As a result, economic indicators began to deteriorate and negative tendencies began to surface. Those links of the state apparatus which at first glance were associated with the hypertrophied growth of bureaucracy began to be eliminated, but in reality these were integral parts of the system Che had developed.

The improper understanding of money-market relations resulted in the revocation of the state budget. In this way, the struggle against bureaucratism turned into a partial dismantling of the system of state budget financing, which demonstrated greater effectiveness than the cost accounting system that existed simultaneously. In the final analysis, as noted at the first party congress, a hybrid developed which, not being either one or the other system, vulgarized that which had been achieved previously. I fully support the opinion that this kind of result did not have anything in common with Che's economic ideas.

In the early 1970's we began to interpret the mistakes that had been tolerated. Unfortunately, the new rectification process was not accompanied by an adequate theoretical search for our own paths, as had occurred in 1963-1965 with Che's participation.

The reforms that began taking place in other socialist countries had a great influence on Cuba, which to a significant degree predetermined our attitude to the model that was introduced. However, we approached this experience mechanically, blindly copying that which was still in the experimental stages and which was suitable for other specific conditions. All of these factors laid the foundation, it seems to me, for the new system of economic management that developed in 1975. Many of the dangers of which L. Suarez spoke developed then but they were not given any attention.

Now let us speak about the economic indicators of the period 1981-1985, when the total national product increased by 7.3 percent and labor productivity increased by 5.2 percent. In my opinion, these figures are extremely theoretical and do not reflect the qualitative changes in the economy. In other words, growth was not necessarily associated with development, especially in the same proportions. The existing system for managing the economy provided incentives for fulfilling cost plans; it was not "concerned" about solving the urgent problems or about satisfying the everyday needs of the population. A more than evident example is building. Everything possible was done to assimilate as many resources as possible. No one was concerned about the building of the structure itself. In 1976-1984 about 28 percent of structures were considered "incomplete." Enormous resources were expended which did not take the form of the finished product. This is how a high growth pace was achieved with a low level of social return.

The same can be said about labor productivity. On the average for the last five-year plan norms were fulfilled by 117 percent, which speaks only of their approximateness and of great potential reserves. Efficiency experts limited themselves to measuring the time that a worker expended on a certain operation. Intensification of labor remained low while wages increased. This explains the difference in the income and expenditures by the population, which in 1975-1985 reached 1 billion pesos and attested to the absence of balance between production and consumption.

It is important to keep in mind that the system for managing the economy and economic policy, although close at first glance, are different things in the final analysis. The mistakes we made were bound by economic policy because suddenly we imagined that we could solve problems that should not even exist under socialism using the economic path.

We should also not forget that cost accounting, besides various forms of limitations based on the specific characteristics of the country, were introduced in deformed form, with weakened control and accounting and financial discipline. We could not and cannot allow ourselves, as is done in some other socialist countries, to decentralize the economy. If we cannot freely distribute resources, which either do not exist or which exist in small quantities, what is the sense of such decentralization? But I think that even with limitations during the consideration of specific conditions cost accounting is capable of providing positive results. The main thing is to avoid the mercantilization of human relations, the juxtaposition of individual and collective interests with social interests. After all it is clear that the cost law, if it is given freedom, will result in a sharp differentiation of producers, which sometimes is assessed as positive in some fraternal countries. But we do not consider this process "pure," because the negative consequences of it are too great, as for example unemployment.

It is not by hearsay that we know about the problems that have arisen in those socialist countries in which restraints began to be removed from market mechanisms. Should we close our eyes to the already existing negative experience? It unequivocally shows that cost accounting not only did not solve many problems, but it also created new ones. All of this is being taken into account by us in developing our model. Naturally, we want it to be effective, but not to the detriment of public interests, so that within its framework incentives are given for a spirit of solidarity and internationalism; we want effectiveness to be achieved basically not on the path of competition and material stimulation but by means of political factors which, although they are more complicated to effect, are more effective, as Che Guevara emphasized. Thus we seek out the more difficult path that can lead to noticeable results not in the near but in the more distant future without sacrificing a single one of our basic principles.

[O. Martinez] Under current conditions economists should not limit themselves to an analysis of economic indicators, labor productivity, investments and so forth. Che can serve as a model; in addition to being an excellent economist he considered himself to be first and foremost a politician and revolutionary. I would like to emphasize that economic problems should not be viewed only within the framework of production relations just as "rectification" should not be reduced to the economy. This is a process that is normal for the Cuban revolution, a search, as F. Castro has said on numerous occasions, for our own solutions to the problems that arise.

What is characteristic of it today? The first thing that becomes evident is a type of "return" of Che. He is ceasing to be an object of formal worship and is becoming an effective aspect of our life, a conductor of transformation. This is occurring under conditions of

more mature attitudes toward his ideas and activities. Over 20 years have passed, not without leaving a legacy for both the leadership and for society as a whole.

Another feature of the current "rectification" is the struggle with the mercantilization of production relations and corruption that debunks the idea that economic methods can be used to achieve everything. Not the last sign of the times is the movement for economic effectiveness, which must be achieved, but not at any price but only together with an increase in consciousness.

Today the relationship "economic effectiveness—consciousness" is accepted mechanically. Ideological work and propaganda appear to some scholars to be some kind of antidote to the objective action of commodity-monetary relations. I do not feel that the problem can be solved in this manner.

While recognizing the need for the struggle for economic effectiveness, the latter should not be confused with consumerism. Naturally, we agree that we need steadfast growth in the standard of living and a constant satisfaction of material needs. After all we cannot consider as socialist a society of ragamuffins and poor. But it does not befit us to expend our energy on the quest for the consumer delusions of the West, and in addition to all else, we must keep in mind our realistic possibilities. To achieve an organic tie between the struggle for effectiveness in the economy and the struggle to increase the level of social consciousness—this is one of the springboards for our approach to the building of a new society.

It is important to realize, and Che warned about this, that direct material stimulation and cost accounting can provide more rapid results. We should keep this in mind and not despair while traversing a path that is perhaps longer but at the same time much more dependable, without deceiving ourselves with the rapid pace of economic growth of the period 1975-1985.

We must set more modest, but realistic, goals. We must constantly think about how, while "returning" Che, to avoid mechanical copying of his ideas, which were presented about 25 years ago, and how to put them into service today. It would be absurd to take these ideas without any adaptation. It would be no less absurd to await the coming of the 21st century, when in the opinion of some researchers, the time of Che will come. This will throw us back to a stage we have already passed.

We often become prisoners of the terminology we make up, throwing out terms right and left, such as "limited" or "reduced" cost accounting, with a greater or lesser degree of centralization. This occurs because our thought constantly wanders around certain models that have already been tested in socialist countries. The process that is developing in Cuba now is being directed at a search for new principles in economic management. It would be pedantic to try to determine the type of system

that is being developed here now—whether it is "limited" cost accounting or something else. The most important thing is that difficult, sometimes contradictory, searches are in progress and all have as much right to exist as similar processes in other socialist countries.

In examining the circle of questions related to rectification we must touch on one other factor mentioned by L. Suarez—the external conditions in which it is developing. Within the economic sphere they can be considered extremely unfavorable. A fairly difficult financial situation has developed which for a long time already has been characterized by low sugar prices, a growing foreign debt, decreased prices for petroleum reexported from the Soviet Union and growing difficulties related to the devaluation of the American dollar. Under these circumstances relations with other socialist countries, and first and foremost with the Soviet Union, and the development and improvement of socialist economic integration acquire special importance.

[E. Dias] When developing a system of economic management we cannot forget our historical traditions, the legacy of the revolutionary past, in which the ideas of Che Guevara, inseparable from the ideas of Fidel Castro, have a special place.

Che always emphasized the need to struggle against the consumer approach to the economy, against sentiments that might appear in socialist society if we blindly continue to adhere to a formula for satisfying man's demands more and more fully. I think that this is not a specifically Cuban dilemma—how to achieve a condition in which together with changes in social relations man would also change, to have man form new values inherent in socialism. It is in this direction that the rectification process is moving. We want to more extensively draw everyone into the work of society, to eliminate individualism as much as this is possible while at the same time more fully revealing individuality and the best qualities of man so that he is moved by a striving for common well-being and not only by a desire to satisfy only his own needs. This is why some of the ideas and practical measures implemented by Che Guevara are so important.

His constant concern was the international education of workers. This work has not been halted all of these 30 years. Thus we do not have to correct anything here; all we have to do is develop and multiply. It is of especially great importance for the individual just starting out in life, for young people. However, we still have a lot to do concerning what Che called "daily heroism," possibly due to an entire series of circumstances related to the use of economic mechanisms that are foreign to us, which has already been discussed a great deal.

The problem is how to fully revitalize the everyday heroism that inspired us when we were young. This is one of the goals of our rectification process—as quickly as possible to include youth in solving the most difficult

problems of the Homeland, to let them feel not only like the inheritors of a heroic past but like genuine managers of the country. It is important that they recognize revolutionary traditions as their own; we do not rule out the use of contemporary symbols that are comprehensible to them. We must not simply hand over a packet of values but make them "their own," common to all generations. Only in this way can we count on success.

Remember how in the period of the 1962 October crisis at the time of the mobilization of tens of thousands of people to protect the homeland, labor productivity in the country not only did not fall but actually increased. He called this phenomenon the "spirit of October." He thought that a person could stand up to his full height and show his best qualities not only in extreme situations. He believed that this could be an everyday occurrence. We share this conviction.

[F. Martinez Eredia] Unfortunately, as a science Marxism-Leninism lags greatly behind in giving meaning to contemporary problems of socialist building. All of us went through a period that today we are trying to sometimes forget—a period of self-satisfaction and complacency; we cannot reduce these to separate instances, as if they did not have widespread significance. This brought great harm to us. I think that all of us and not just Cubans will be able to deal with our problems better as we move forward.

[A. Dilya Alfonso] It is paradoxical—theory is woven in the braid of political concepts that are generated by our revolutionary process. I feel that the Cuban revolution has passed through an entire series of stages. They must be studied instead of simply being compared to the experience of other peoples, which of course is also essential. We cannot simplify the thesis that is supported by many researchers that the building of socialism in one country is only a concrete manifestation, described in detail, of general laws. I happened to read a confirmation by two American sociologists that the Cuban revolution has the undoubted advantage of constantly reinventing socialism. This is not quite the case although from the very beginning Cuba has had to find its own path in socialist creation. This was also manifest in the struggle with the sectarian tendencies of A. Eskalante, in the implementation of institutionalization and now in the course of rectification.

I share the opinion that success accompanied us to a greater extent when the Cuban revolution traveled its original path, naturally not only negating foreign experience but also utilizing it. In my opinion, the building of socialism and any revolutionary transition in general is first and foremost a national phenomenon, of course subject to the action of universal tendencies.

If we take any specific sphere of our revolution, for example the organs of People's Power, we can be sure that they arose as a result of the interpretation of the teachings of Marxism-Leninism concerning democracy,

of the experience of other socialist countries as well as and as a priority—as a result of the search on our national soil. This is why they demonstrate enviable dynamism in their work and the capacity for renewal. Of course there are still many shortcomings within this sphere too, which in particular is especially evident during the discussion of economic development plans. This is why rectification cannot be limited to strengthening the organs of People's Power; they must change gradually, acquire more extensive functions and real power and achieve genuine participation of workers in their work.

And here is another question that is acquiring more and more significance. It was already touched upon by E. Dias. I do not think it is easier to attract youth into the revolutionary process and into the building of socialism than into the reproduction of the capitalist system. But we should not bury our heads in the sand. Here there are hopeful signs—for example, the last congress of the Young Communists League (April 1987) and of the Sais Brothers Youth Cultural Association, which have demonstrated an increased critical spirit and striving toward revolutionary change among our youth.

The success of rectification in Cuba depends to a large extent on the degree to which the new generation will think and act differently than we did, will accept the building of socialism through contemporary glasses. This should not frighten us or put us on guard. Jose Marti said that youth can and must resemble its own epoch more than that of their parents.

[F. Martinez Eredia] It is important to emphasize that the struggle for unity of revolutionary forces and for the achievement of this unity is one of the greatest successes of the revolution in Cuba.

Unity, like other factors if looked upon from the historical point of view, create the form of life, the ideological structures. We should also not forget that unity is sometimes confused with the absence of different points of view on a particular question, with unanimity. Fidel often spoke out against this interpretation of unity, which distorted its essence. However, we have not been successful yet in rooting out this evil. For us it is usually easier to support someone's idea than to understand the situation or to at least listen to the other side. This happens not because we are more predisposed toward the monotone. No, this kind of behavior is also a part of our own history, of our choice—to survive, throwing down a challenge to the United States and building socialism.

Today, while we maintain the basic features of our concepts, we must develop socialist democracy. This is why I feel that the assessment of L. Suarez is correct when he states that the level of our current polemics cannot satisfy us, which does not at all mean he is comparing this to the discussions that took place in the early 1960's. Today we can also sometimes see how an

artist breaks his lance while struggling against another, how a director argues with a journalist and so forth. Perhaps this is important but right now everything is still on the surface because the basic problems of our development are left untouched. We are just setting off on this path.

[L. Suarez] The reality of Cuba (and probably also of Vietnam) has posed a problem that has not yet been adequately studied—that of socialist building in poorly-developed countries which for a long time were in the grip of dependence. I think that Cuba has accumulated rich experience in this area, experience in seeking answers both in the theoretical as well as in the practical spheres; however, unfortunately, the experience has not yet been generalized. In the early 1960's Che said that the theory of socialist building is still in diapers. And today too there is no "growth" in this direction. We have seen more than once that some particular textbooks have tried to present as scientific truth the specific historical experience of particular countries.

It should be established that existing concepts do not encompass the new that has been brought in by the experience of poorly-developed countries. Meanwhile, all revolutions after the second world war have occurred in the so-called "third world." And this is why a situation has truly developed which F. Martinez in his speech determined as the contradiction between strict advancement of revolutionary ideas and specific material-economic successes of socialism on a national and international scale. This kind of situation undoubtedly requires the intensification of theoretical searches in order to solve the conflict.

I support O. Martinez—perhaps we have tied our hands too much with terminology, categories and concepts, trying to mark the new—that which we are just obliged to reveal. For example, I feel that the proposal to utilize the terms "limited" or "controlled" cost accounting as a designation for the system that is developing in our country is not well-grounded. It would be more precise to say a system of state budget financing that has been modernized or adapted to new conditions, that is capable of controlling the negative tendencies that it may give rise to.

The times persistently demand the development of a social structure which does not yet have a name, that has not been delineated conceptually, but that is capable of dealing with the main goal of the transitional period—the simultaneous development of the communist consciousness and the building of a material-technical base for socialism. This is one of the great challenges facing rectification in Cuba and all rejuvenation tendencies in socialist countries.

It is essential to develop new formulas that correspond to the new circumstances. These theoretical and practical answers must be found with a consideration of the fact that capitalism has undergone significant changes. Even

Che emphasized that we must utilize the most progressive methods of economic activity. And after all the technical possibilities of a corporation have become much richer as compared to the 1960's. Information has revolutionized many processes.

Sometimes proposals are made to borrow some elements of pre-monopolistic capitalism in order to reverse the problems of socialism. In my opinion, if we can find something suitable for socialism we should seek it not in the pre-monopolistic phase but in the very latest forms of the state-monopolistic level. Only there can we find the basis for ideas about the use of technical opportunities in economic operations. Of course we should not confuse this kind of approach with the mercantilization of relations, which Che clearly called "the weapon used by capitalism." COPYRIGHT: Izdatelstvo "Nauka", "Latinskaya Amerika", 1989

Roundtable on Latin American Peace Process, Reagan Doctrine

18070178 Moscow *LATINSKAYA AMERIKA* in Russian
No 3, Mar 89 pp 56-69

[Roundtable on Latin American Peace Process, "Reagan Doctrine" (Part II, Conclusion) with Gilberto Kastanyeda, Romulo Kabalyeros, Fausto Estrada, Rodrigo Khoubert, Jorge Turier, Ruben Montedoniko, Fernando Karmona: "'The Reagan Doctrine' and the Peace Process in Central America"]

[Text]

[Gilberto Kastanyeda] In my opinion, the main factor which should be considered when analyzing each of the Central American countries (but especially in the case of Guatemala) is the fact that peace talks are becoming "Central Americanized."

The problem of this "Central Americanization" arises from the weakness of the positions of Central American governments in the face of pressure by the U.S. In this way, "Central Americanization," being more than positive, turns out to be a negative phenomenon from this point of view. The impossibility of Central American countries to withstand pressure from the U.S., as has already been stated, will always result in a 4:1 sentiment against Nicaragua at the negotiation table. I think that the Esquipulas-III conference clearly demonstrated this ratio—4:1.

From the point of view of active neutrality of the Guatemalan regime the question of "Central Americanization" of the talks looks completely favorable. Guatemala has long been striving to conduct talks on a Central American level, i.e. between five countries. The proposal of a Central American parliament made by Cereso was approved by the rest of the presidents from the region at a meeting of Esquipulas-I on 25 May 1986 and generally has this direction. However, it also has a relationship to

the very specific demands of Guatemala, as for example regarding the reactivation of regional trade and the formation of a common front in international financial talks.

I think that the actions and proclamations of Cereso and of the Guatemala military itself, which of course began this policy during the coup d'état in 1983, clearly attests to this point of view. They admit that the war in Central America is not advantageous to them and that the settling of the Nicaraguan conflict politically would be preferable. Although this kind of settlement would provide a temporary breather for the Sandinistas it would at the same time allow time for the organization of a new form of pressure on the part of the internal political opposition in Nicaragua and would also allow people to take advantage of the conflicts that are borne by any revolutionary process.

For example, I remember an interview that Cereso had with journalist Blashe Petrich of LA KHORIADA on the eve of his official visit to Mexico in mid-1986. In it Cereso said that active neutrality recognizes the presence of Sandinistas at the head of the Nicaraguan government; whether they are removed or not is another question. It is important to recognize this fact and also that negotiations should be carried out with them; later it will be seen whether they are removed or not. In my opinion, this is a very unambiguous statement.

However, Guatemala has a positive attitude toward peace negotiations and, in my opinion, will not alter its position considerably because it corresponds to government interests. I feel that Reagan was not able to alter this position.

At the same time I would say that the "Central Americanization" of negotiations today will more and more often take the form of a 4:1 ratio. And that in this respect Guatemala, as well as Costa Rica, will begin to play an ever-increasing role of opponent of the Nicaraguan revolutionary process, subordinating themselves to the interests of the U.S. and expressing similar interests. They will begin to put great pressure on Nicaragua to carry out "democratization," as the opponents of the Sandinista revolution understand it. The goal is to have the revolutionary government make concessions to the internal opposition so that it can develop, increase in size and under such conditions remove the Sandinistas from power. I am speaking about a very unique "peaceful" revolution.

In the light of everything that has been stated above, in my opinion one of the basic shortcomings in the matter of protecting the Sandinista revolution and the revolutionary struggles in Central America is the absence (with the exception of Nicaragua) of a single position among people's-democratic forces, which in the light of the severity of American interference and of the possibility of direct military action, would develop their own path for establishing peace.

[Romulo Kabalyeros] I am in complete agreement with the chronological analysis of the evolution of the contadora process. However, like Khilberto Kastanyeda, I also think that the practical results of Esquipulas-III significantly narrow the framework of independence that was developed with such effort and care, especially due to the level of obligations or the character of the new economic and financial dependence placed upon themselves by most of the countries of Central America.

I feel that "Central Americanization" is fraught with great danger. The exclusion of outside elements not having special interests in the region which had contributed a healthy dose of impartiality and which tried to be a kind of "indicator of balance," is fraught with great danger because it can bring about a weakening of the dialogue between the five countries. I tend to think that the results of Esquipulas-III attest to the enormous strategic and diplomatic success of Reagan, because from the moment of Esquipulas-III the possibilities for achieving an agreement in the region was seen as much more distant because of the systematic establishment of the ratio of "four to one." In connection with this I feel that the U.N. initiative and other attempts of a multilateral nature among which the Acapulco document (obligation) is singled out can prepare the soil for negotiations.

On the other hand we are trying to interpret as painless the process of the passing of the baton to the contadora group of Central American activists. I do not think this way. First of all, the conditions and directions for the development of the situation which resulted in the appearance of intra-regional tension have changed and should not change the point of view of Latin American countries in their examination not only of the dangers that lie in wait for Central American countries but also of the consequences on the level of the continent. Secondly, and in my opinion this must be clear for history, we must remember that Esquipulas-II preceded no more and no less than the development of a block of four countries. If you remember, Costa Rican president Arias invited the presidents of El Salvador, Guatemala and Honduras for a meeting—the only three countries with whom he can negotiate because they have democratic regimes, at that moment leaving Nicaragua outside the door during peace negotiations in Central America. At first glance the initial plan consisted of revitalizing the proposal on creating a Central American democratic association, a proposal made 7 years ago in that same Costa Rica.

It is in this search for a more extensive solution, in my opinion, that President Cereso has at his disposal a large amount of trust because he is able, having proposed to implement Esquipulas-II, to expand the framework of negotiations. But in any case that which preceded Esquipulas-II and the results of Esquipulas-III are an attempt to organize a block of four countries in which seemingly model democratic systems exist, moreover not formally but "in actual fact."

And finally, that about which Insulsa spoke and which seems to me to be worthy of interest or at least of our attention. In making a very complex analysis, he raises a problem, the essence of which is in imparting a multifaceted nature to relations between Central Americans and the rest of the world, which in my opinion can become a factor that will significantly expand possibilities for achieving peace.

Some new activists in the world arena, judging by everything, have not yet recognized their significance, if not military then at least economic—this deals first of all with Europe, Japan and even socialist countries themselves. On this plane let us remember that the Reagan administration had to turn to them in one way or another, to extend invitations to them, and to a lesser degree to convince them of the need for certain steps that it took in Central America. I think that this circumstance has great potential and is related to the initiative of the U.N. General Assembly.

In Guatemala, as the critical situation involving the financial imbalance is exacerbated, and as payment resources are expended in absolute quantities and the debt problem arises, although late, the foreign policy also changes step by step. Since the time of Esquipulas-III it has been possible to see these changes with one's own eyes, especially thanks to the phenomena or admissions made by the representatives of the armed forces concerning the fact that the internal war was a much more serious matter than stated previously.

Also true is the factor that new facts have surfaced that attest to the possibility that in the future Guatemala's position will become more compromising, similar to that of Costa Rica.

At the same time there is a weakening of the democratization process.

Probably friction is developing both in the ruling party as well as in the ruling group due to internal conflicts, and Cereso, judging by everything, is losing his leadership position. I would not be surprised if (and herein lies the danger of the "Central Americanization" of the "conflict solution") Guatemala began to move more toward the 4:1 formula, while still maintaining its neutrality, instead of the timid 3:2, which could exist to some degree.

I think that this is not as clearly manifest as the exacerbation of the problem of human rights in Honduras—a circumstance that is extremely alarming because we are speaking about a society that despite all of its problems of recent years has maintained its own type of social consensus.

There are signs that attest to the possibilities of a new "limitation" of the acquired democratic space and to problems in the administrations of Christian Democrats.

All of this can result in the appearance in the near future of the danger of Guatemala's changing its position on the conflict in Central America.

[Fausto Estrada] It is evident that the position of Honduras at the summit conference in San Jose on 14 January 1988 coincided with the Reagan administration's "purposes." President Jose Azcona Hoyo visited Costa Rica without having carried out the agreement signed in Guatemala in August 1987. Honduras was last to create a National Commission on Reconciliation, doing this even under pressure by social organizations and various political forces opposed to the regime. The decree on the administration was neither "broad" nor "unconditional", as was expected. The directors of social organizations and fighters for human rights stated in public declarations that amnesty indulged the top military command which, as proven factually, was guilty of the murder, kidnapping and torture of thousands of Hondurans.

On the other hand, one of the central moments in the matter of establishing peace in the region is the support by the Honduran regime of the Nicaraguan counterrevolution. This point, which in the Esquipulas-II agreement was formulated as "the cessation of external aid to non-regular forces" (contras) and "the non-use of the territory of one country to carry out aggression against another country," is being completely ignored by Honduras.

In the example of Honduras we can see all the so-called "victories" and failures of the Reagan strategy in Central America. We assume that President Jose Azcona Hoyo and General Umberto Regalado Hernandez will make every effort (even if this results in a blow to sovereignty and territorial integrity) to supply the Nicaraguan counterrevolution with all the aid that is needed in order to act against the contras. This is the desire of Washington, and Honduras shares it completely.

Neither Azcona Hoyo nor Regalado Hernandez will sit with their hands folded after being informed that the House of Representatives of the American Congress has decided to refuse military aid requested for the contras.

The Honduran government, as one of the most obedient allies of the Reagan course, does not cease to worry about the congressional decision. This is asserted by the political leadership and representatives of the top military officials. The military defeat of the contras and their inability to achieve a diplomatic victory are evident. If direct negotiations are reestablished between the Sandinistas and the contras this will occur because of a strong desire on the part of Nicaraguans for peace and not because of the political or military successes of the contras.

On the other hand, in Honduras itself a patriotic movement is growing in opposition to providing national territory for attacks against Nicaragua. The fact is that

we Hondurans were among those who suffered most from the militaristic policies of the Reagan administration. Hundreds of our fellow countrymen have disappeared without a trace, some were forced to depart into exile, some comrades were killed, thrown behind bars and subject to torture. And all of this was the result of speaking out against the presence of Americans and Nicaraguan counterrevolutionaries.

President Jose Azcona Hoyo does not have the support of the public in his policies, especially foreign policy. He cannot even depend on the members of his own Liberal Party, which is experiencing a process of breakdown due to the political ambitions of its leadership and differences of opinion regarding the contra presence. This kind of situation weakens the position of President Azcona even further.

A new generation of officers has appeared within the armed forces with ideas close to those of the U.S. and consequently with more prejudices against the Sandinistas. This hardly facilitates the search for a peaceful settlement to the regional conflict. Since the armed forces are the main power factor in the country it is not likely that in the short- or long-term future there will be changes in the political regime with regard to Central American problematics.

[Khilberto Kastanyeda] One of the most important events in the internal political life of El Salvador was the election of deputies to the Law Conference and of members of 262 municipal councils which occurred on 20 March 1987. The political forces that entered into a pre-election struggle expressed the interests of the minority of the population. The people were absent from the pre-election scenario; they were not taken into account by a single political party participating in the struggle because in the reverse case it would have been necessary to place on the agenda decisions relating to the main Salvadoran problems—the economic crisis and the violation of human rights. In El Salvador 92 percent of the population receives 50 percent of the income; unemployment encompasses most of the population, reaching 50 percent even according to the most modest calculations. The Central American University provides a figure of 60 percent—obvious unemployment and not full employment. According to official data published by the newspaper EL DIA, unemployment levels equal 75 percent. According to official data illiteracy reaches 40 percent but in village regions it reaches 60 percent; the infant mortality rate is 59.5 per 1,000 newborns; and 79.4 percent of the population does not have drinking water. For every 10,000 residents there are 2.9 doctors, 0.4 stomatologists and 2.9 nurses; 72 percent of children aged 5 and under suffer from malnutrition.

Various political projects have never been discussed in Salvadoran elections. The mechanism of obtaining power with the aid of an election farce was in effect. In order to come to this conclusion it is sufficient to look at how the elections were conducted, i.e. they were always

accompanied by either repression or disorder due to falsification. Only under conditions of the participation of all political forces in elections on the basis of equality can we speak of the participation of the people and of the fact that the elections are a true expression of the will of the people. In this sense the survey carried out by the Institute of Public Opinion of the Universidad Centroamericana Jose Simeon Canas among the people (workers, marginal strata, middle classes and so on) and the most typical departments in the country is very telling. This survey reflects sentiments on the eve of the coming elections.

The majority (71 percent) of respondents answered either "Don't know," or "I do not support" or simply did not respond to the question about support for a particular party or candidate for the 1989 presidential election. Judging by the responses the coming elections do not allow us to hope that they will lead to the establishment of peace or will become an important means of achieving it. In the same way, there was a negative response to the question about whether there is a process of democratization and liberalization taking place, which is a necessary condition for genuine elections. Only 9.8 percent responded in the affirmative. It is surprising that Christian Democrats also responded negatively and that only 14.8 percent of them gave an affirmative response.

If elections do not provide the hope of solving the problems of the Salvadoran people and do not open up real possibilities for an end to the war, what alternatives remain?

FNOFM-RDF [Further expansion unknown] has made an all-encompassing proposal about ways to establish peace. It has asked President Duarte to reestablish a dialogue and negotiations with the existence of the necessary political conditions for implementing the democratization process. These conditions include: 1) disbanding "death squadrons" and punishment of members of punitive expeditions; 2) repeal of Article 2 of the amnesty law, which bases everything on the capitulation of insurrectionists; 3) ceasing to supply the Nicaraguan contras from Salvadoran territory; 4) the reorganization of the national commission on reconciliation with its inclusion among the representatives of a real political opposition; 5) the repeal of Decree 618, which takes away the right of protection and allows for the illegal arrest of any individual; 6) the beginning of a serious and responsible dialogue with political parties by trade unions, universities and so forth; 7) the making of a peace proposal to the contra group in the area concerning disarmament and security; and 8) the renewal of a political dialogue between the government and insurgent organizations.

In a communique on 5 February 1988 they propose to begin the work of two commissions which had been created with the agreement of Esquipulas—one on a cease fire and a second regarding the "remaining content

of Esquipulas-II." FNOFM-RDF also expresses its readiness to work for the active participation of various strata of the population as observers of the work of these commissions. The people's patience is wearing thin, and the possibility for renewing the political will of the people, which could mobilize them to struggle for peace and national development, is decreasing.

The strategy of the government is by no means accidental, but rather corresponds to the strategy of the Reagan counterinsurgency and anti-people's struggle, pursuing the goal of stopping the revolutionary movement or weakening it by means of isolating the population that is its main supporter and cover. The cease fire and disarmament by FNOFM is being put forth as the only subject of negotiations as a condition for FNOFM's legalization, as is the separation of RDF from FNOFM. This goal is not that naive; we are speaking about laying blame for the continuation of the war on FNOFM-RDF. This was also admitted by Colonel Ochoa, one of the leaders of the ARENA party, who declared that FNOFM does not want to and cannot put away its arms because if it does this it will be destroyed.

Also worthy of attention is the argument presented by the ARENA party to explain why the armed forces cannot defeat FNOFM. The representatives of this party assert that "war is a profitable business for the KhDP [Christian Democratic Party] because it means getting 500 million dollars from the U.S. annually, which the American Congress would never confirm were it not for war;" in addition there is advantageous credit. This is hardly the most important reason, but the argument itself is called upon to diminish the strength of FNOFM. Of course we cannot but consider American interference, which is facilitating the continuation and exacerbation of the war.

It is important to note that with the implementation of the principle of self-determination, i.e. with the removal of outside forces from the conflict, the first to lose power will be the KhDP, and the power of the army will weaken considerably. In this way the influence of the bourgeoisie and the weakened influence of the army against the forces of FNOFM-RDF, which is supported by the people, remain.

[Rodrigo Khoubert] Quite evident is the completely clear ideological closeness of Arias to some means of mass information of Costa Rica (the magazine PROSESO wrote about this), which call the International Group on Examination and Observation a group of pseudo-revisionists sympathetic to the Sandinistas. How the Costa Rican press represented the Esquipulas-III conference 2 weeks before its beginning can only be called an uninterrupted militaristic bacchanalia; the same thing happened in the course of the 4 years of the leadership of Monge and under Arias at the time of the visit by Daniel Ortega—this militaristic anti-Sandinista campaign bordered on hysteria just at the time when negotiations were to be carried out; moreover, the goal

that was pursued was to break negotiations off in order to once and for all "eradicate this Marxist-Leninist dictatorship" (this is exactly what the press wrote).

This campaign is hardly an accident. In Costa Rica the editor-in-chief of the newspaper LA NACION is a member of the "Free Costa Rica" movement, a semi-militaristic rightist organization of fascist persuasion. The editor-in-chief of the newspaper LA REPUBLICA also belongs to this group. This entire campaign corresponds to the purposes of those whom I call the ideological front of the U.S. and Costa Rica.

One could ask what it is that this ideological group or front wants. On the one hand it is striving to fuel anti-Sandinista sentiments among Costa Ricans and to bring about street manifestations with the goal of halting the recent rapprochement between Costa Rica and Nicaragua.

On the other hand, it is trying to divert attention from the latest sorties of the contras in northern Costa Rica and to legalize their presence in open conflict with the Arias initiatives. Of course it is trying to support American policy in Central America and to undermine the meeting of presidents so that Congress will vote aid to the contras. Here it is trying to discredit the report of the International Commission and to blame Nicaragua for the non-fulfillment of the Guatemala Agreement.

This internal front was seriously threatened by the line favoring democratization that Esquipulas signifies. In other words, Costa Rica does not have complete freedom of the press, radio and television, and it is their availability that the aims of Esquipulas implies. And yet Costa Rica has pretensions of serving as a model of democracy for Nicaragua.

President Luis Monge was an ally, a pawn of Washington—I do not know what else to call him. His role in the contadora process was clear and he was transformed from an unconditional ally into a wise friend of the United States, as he is referred to today by President Oscar Arias.

The contadora group was always seen by Monge as an untimely hindrance. In the words of the most active participants, such as Madrigal Nietto, for example, it was seen as a "slow initiative and a step to the side." In conclusion I would like to say that if Arias truly wants peaceful coexistence with Nicaragua on the basis of extensive pluralism and genuine self-determination he should admit that Nicaragua is fulfilling the obligations it has taken upon itself.

It is quite clear that Duarte and Azcona have not passed the test, yet Arias treats them with more care and favor in all his speeches.

Moreover, prospects are becoming somewhat spent. Do you remember Arias's statement that if Sandino were alive today he would become first among contras? To what point will he go in all of this? The limitations are obvious, the problem remains the same. I am speaking about independence in dealing with national problems of eliminating Reagan's "legacy." It is difficult to achieve negotiations when one must face the hegemony of the U.S., where military factors are the main means of its support.

[Jorge Turner] It should be emphasized that the situation under President Carter and the situation that developed under President Reagan are radically different. This is not only because Carter tried to raise the moral prestige of the United States, which had been so undermined in Latin America, by means of strengthening policies in the area of human rights but also because from among of the series of problems in the region he selected the problem of Panama as the touchstone to demonstrate the readiness of the American government to solve Latin American problems. And naturally, the attitude toward the problem as a touchstone enabled him to establish the compromise date of 1999.

In contrast, Reagan's position after the victory of the Sandinistas was basically different. In Reagan's opinion, everything that was done during Carter's administration amounted to unnecessary and excessive concessions to Panama. At this moment the U.S. is most worried not about the fact that Panama can begin to manage the canal but about the fact that in 1999 American troops will have to leave the isthmus. These troops are subordinate to the U.S. southern command stationed in Panama. It has the duty of defending the canal and of military control in Latin America.

Reagan's point of view is very unambiguously expressed in the Santa Fe Declaration, in which he confirms that the goals of his government are to have a joint-stock company manage the canal effectively but to have defense matters controlled by the Inter-American Defense Council.

Reagan's initial idea was later edited when one of the directors of the Southern Command, John Gelvin, announced prior to his transfer to NATO that the United States could return management of the canal to Panama 10 years before the planned date if Panama for its part agreed to the presence of American troops at least until the year 2025.

What is the conclusion? It is evident that the enmity of the American administration to Panama's General Manuel Antonio Noriega is not only the result of the absence of democracy in Panama or of the drug trade. The fact is that this enmity arises from Noriega's refusal to discuss extending the presence of American troops in Panama, and consequently Washington is trying to develop a more compliant leadership in Panama.

[Ruben Montedoniko] I think that important changes have taken place between 1980 and 1985-1986 and from late 1986 to the present. At the first stage the possibility of direct intervention against Nicaragua could not be ruled out, primarily in 1984-1985 and in 1986 until Irangate.

At the current stage we have the Arias initiative. Things have moved to a number of agreements or conferences, summit conferences, which are known under the name of Esquipulas. In my opinion, conferences in Esquipulas mark a change in the priorities of real ruling forces in American society.

Whereas Reagan adheres to the idea that "policy can be made by means of war," or "war is the continuation of a policy using other means," Democrats at the given stage feel that "war can be continued by means of politics." I think that this embodies the primary changes that American policy has suffered with regard to Central America. I do not think that the Democrats are far from attempts to alter the political structure of Nicaragua but I doubt that they are staking success on armed intervention. They would rather try to achieve their goals by political means and with fewer expenditures...

In my opinion, all of the elements of the Central American problem have undergone changes; today they correspond more to the times and to prospects for the future, and this is why, regardless of the change in Washington's administration, the new president will have a relatively less firm position than Reagan. He will have to adapt himself to Congress, in which Democrats continue to predominate. Thus, Democrats will play an important role in foreign policy decisions.

I think that this is the way to understand the concessions made by Nicaragua recently in order to eliminate factors that the Washington administration could use for armed intervention.

In any case, both Democrats and Republicans are trying to bring about a division in the ranks of the Sandinista leadership. These attempts are not new. With the aid of such a policy it was possible to carry out the invasion of Grenada in 1983.

[Fernando Karmona] I have always been convinced that Mexico is a Central American country, and not only because of historical ties. Reagan, who transformed geography into geopolitics, spoke about the "four borders" of the United States. However, it should be remembered that Mexico is contiguous on three of these—the Caribbean basin, Central America and the line with the United States that was drawn in 1848.

Another aspect should also be emphasized. There is enough data, as for example that which was presented by our friends about the repayment of the debt, on the fact that Central America as a whole pays the same amount per year for maintaining the debt as Mexico deducts

within several months. In other words, in Mexico transnational capital, especially American, is of very deep interest; the conditions involving the country's historical development provide it with a high level of social and political stability as compared to Central America. All of these factors make our country not a weak link, like Central America, which confirms the victory of the Nicaraguan revolution, but a strong link in the so-called "sphere of influence" of the U.S. on our continent.

Deserving of attention is the question of the "unanimous" support of U.S. strategy within the country and of the secondary importance of differences between Republicans and Democrats with regard to policies toward Central America, Latin America and the entire world. I think that the problem has to do not with Reagan or his leadership of long duration or with the "New Right" and factions within the monopolistic oligarchy of the U.S. but with imperialism as a system, which is significant, a system that long ago passed outside the framework of competitive maneuvers resulting from the 1988 presidential election.

Consequently, the problem is much deeper. Khoubert spoke about the struggle on the question of selecting between negotiation and direct confrontation in Central America, on what is put on the map—and he spoke about this while directly quoting the Costa Rican minister of foreign affairs—"the limits of independence" of Central American countries, and I would add also the limits of independence of Latin American countries too, with Mexico among them. In particular, the independence of this country, it seems to me, has been seriously undermined in recent years.

In the international arena, whether you like it or not, another influential force is in power, this being the "third world," gripped by conflict and burdened by inequality. It also encourages change in the relationship of powers, and not only on a planetary scale but on our continent as well. The relationship among forces on the American continent is a far cry from what it was at the time of the Cuban revolution or during the intervention of the U.S. in the Dominican Republic in 1965; it is not the relationship that existed over many decades and probably over an entire century between Latin America and the U.S.A. It is enough to remember the crisis within the OAS itself and the vacuum which it created; the contadora process and a number of other factors lead to the idea that many governments are more and more interested in looking after the interests of Latin America, which incidentally should not be confused with Latin Americanization of our peoples. In other words, with the exception of Cuba and Nicaragua, today the positions of Latin American governments are far from populist positions.

Nevertheless in the struggle for one's own survival under circumstances that have been complicated by the current crisis and by Reagan's attempt to reestablish U.S. hegemony, which has been discussed here, these governments, including the Mexican, are looking for ways to

withstand American pressure. Even if these attempts are weak, at least they are moving in the right direction, although in the final analysis the official opposition is that of the bourgeoisie, which does not lean on the mobilization and participation of our peoples.

The foreign debt illustrates best the class nature of the official policy. I have in mind the inability and lack of decisiveness of our governments in the matter of creating a "debtors club" with the goal of closing rank and of carrying out multilateral and not bilateral negotiations.

The aforementioned changes in the relationship of forces, in my opinion, are being taken seriously by the Sandinista revolution and are reflected in the foreign policy that has been followed in recent years by the revolutionary government, especially since it became the victim of American aggression. The result of this, for example, is the fact that in contrast to Cuba, which in 1962-1970 was totally isolated from the rest of Latin America, Nicaragua does not find itself in such isolation. This fact attests well to the changes in the distribution of forces on the continent and in the world.

We should more specifically examine U.S. strategy and its consequences in order to protect not "limited independence," but complete independence, which Nicaragua has placed on the map today. The question of the economic crisis and changes in the relations of forces are closely related to the Nicaraguan situation.

In economic terms Nicaragua is withstanding miraculously a difficult situation, one that would have forced any non-revolutionary government to retreat or surrender. In Nicaragua the consequences of the drought that all of Central America has experienced are felt much more strongly and are being exacerbated by a whole series of factors: The fall of world prices, production losses as a result of economic diversion, the financial, trade and technological blockade by the U.S., the trade deficit, the accumulated debt, the orientation of the economy as a whole and especially of the government sector toward defense with 60 percent of the budget allocated for this purpose and the budget deficit would have made Mexican leaders grow pale.

Galloping inflation, devaluation, the black market, speculation—here are some of the characteristic aspects of some elements in the strategy of the "war of small intensity" begun by Washington, and it has already brought success, dealing serious blows to Nicaragua and resulting in tension, fatigue, dissatisfaction and impatience among the people. However, over a period of 9 years this policy has not resulted in the toppling of the revolutionary government and has not deprived the revolution of popular support. This is an excellent example of the vitality of a genuine revolution and of the people in power.

There are other questions that should be posed in connection with the Nicaraguan revolution. I think that Reagan's concern about the fate of Mexico, which is supposed to be threatened by "Sandinista communism," was cause for laughter. Mexico has been coexisting well with the Cuban communist regime for 30 years now, and there is less distance separating Cuba and Mexico than there is separating Mexico and Nicaragua and there have been none of the catastrophic consequences mentioned by Reagan.

From the military point of view the Contras have suffered a strategic defeat. The contras are nothing without the support of the U.S., Honduras, Salvador, Costa Rica and Guatemala. In qualitative and quantitative terms the contras are not a political threat to the Sandinista revolution. Counterrevolutionary mercenaries will disappear immediately after the disappearance of the sources and bases of foreign aggression.

We should also examine some of the aspects of the diplomatic politics in the Nicaraguan revolution. If we remember the Brest peace, we can say that in history there have been much more dramatic concessions than those which the Sandinistas made in the name of peace and the preservation of the revolutionary path, in order to eliminate reasons in support of aggressive acts. After Esquipulas the arguments presented in order to continue aggression against Nicaragua have been falling one by one, facilitated by actions such as the dialogue that has begun with the contras, which for so many years Washington strove for and Managua rejected. However, from the point of view of the Sandinistas, this dialogue has to do only with one question, namely the question of the cease fire. The revolution, revolutionary transformations and revolutionary goals are not subject to negotiation. This cannot be the subject of negotiation.

But there is no doubt that Nicaraguans are now experiencing the most difficult period of all their 9 years now. I do not intend to become involved in ideological propaganda when I express by conviction that the people's Sandinista revolution will move forward because it knows how to lean on international solidarity expressed in the form of economic aid on the part of governments as well as of people. Let us look, for example, at Mexico, which stopped delivering petroleum in 1985 but yet is not demanding that Nicaraguans pay it the 500 million dollars for petroleum that creditors want from Mexico itself. And it is not demanding the reexamination of the economic policy of Nicaragua in the interest of debt repayment. In addition, it should not be forgotten that at a certain point Mexico was Nicaragua's main creditor.

We should also consider that some Social Democratic governments in Europe also are providing serious aid, not to speak of the USSR, Cuba, the GDR and other socialist countries which are providing multi-faceted aid without any conditions. Although the solidarity in not official, and populist solidarity is less noticeable from the economic point of view, it plays an important role in

the political sphere. For example, it has been calculated that over 100,000 Americans and tens of thousands of West Europeans have come to Nicaragua, where they have worked without compensation as a sign of solidarity. No one can diminish the significance of this fact.

The precise, extremely precise fulfillment by the Sandinista government of the Esquipulas agreement is a conscious political act directed at strengthening and protecting the revolution. In my opinion, Nicaragua will come out of this the victor thanks to the creative force of the revolution, the consistency and flexibility of its leaders and the presence of many conflicts (which it knows how to use in its own interest) in the U.S. and in its relations with its allies, Latin America, the "third world," socialist countries and so forth.

But it is early to beat the kettledrums. Nicaragua will remain in a difficult position for another few years. But the influence of Latin America will increase. In other words, our eternal aggressor will have to simultaneously deal with the acute problems posed by the revolutionary struggle of our peoples and in other parts of the world. That which was once said by Ernesto Che Guevara, judging by everything, is being drawn in detail in the future, and not only in Latin America. COPYRIGHT: Izdatelstvo "Nauka", "Latinskaya Amerika", 1989

Officials Discuss Soviet-Peruvian Diplomatic Relations

18070178 Moscow LATINSKAYA AMERIKA
in Russian No 3, Mar 89 pp 70-76

[Meeting between Rokher Eloy Loaysa Saavedra, Ambassador Extraordinary and Plenipotentiary from the Republic of Peru to the USSR, Kharri Belevan Makbrayd, Peruvian Deputy Minister of Foreign Affairs, Yu. V. Lebedev, first Soviet ambassador to Peru and S. A. Mikoyan, editor-in-chief of the journal LATINSKAYA AMERIKA: "USSR—Peru: On the Anniversary of Establishing Diplomatic Relations/ 20 Years on a Background of Centuries"]

[Text] On February 1 of this year it was 20 years since the USSR and Peru established diplomatic relations.

A meeting took place in the editorial offices which included the following participants: Rokher Eloy Loaysa Saavedra, Ambassador Extraordinary and Plenipotentiary from the Republic of Peru to the USSR, Kharri Belevan Makbrayd, Peruvian Deputy Minister of Foreign Affairs, Yu. V. Lebedev, first Soviet ambassador to Peru and S. A. Mikoyan, editor-in-chief of the journal LATINSKAYA AMERIKA.

[S. A. Mikoyan] It seems to me that the establishment of diplomatic relations between the USSR and Peru was an act that was very significant not only for Peru but for all of South America. After all this was a courageous step considering the international situation at the time...

[Kh. Belevan] I think that this was very important for the USSR as well. In general I think that the striving to regulate relations, at least for our part, existed even before the coming to power of Velasco Alvarado. The Peruvian MID [Ministry of Foreign Affairs] strove for this long ago. Its workers are characterized by a high level of professionalism; it is enough to mention the name of Javier Perez de Cuellar, the current U.N. General Secretary...

[Yu. V. Lebedev] I would like to support this thought, adding the names of those two ministers with whom I worked—Miguel de la Flor and Mercado Kharrin.

[Kh. Belevan] The great importance that the Peruvian MID placed on relations with the USSR can also be confirmed by the fact that Perez de Cuellar became the first ambassador. A rank diplomat and still young, he had occupied various diplomatic posts in Peruvian embassies in France, Great Britain, Bolivia and Brazil. Prior to being assigned to the USSR he occupied the responsible posts of MID director of the administration on legal questions and then director of the administration of policy and diplomacy. I emphasize this because this kind of assignment demonstrates the importance we placed on this mission from the very beginning. Later Jose de la Puente, former chancellor of the republic, became ambassador to the USSR. He replaced Perez de Cuellar.

[S. A. Mikoyan] Why is it that it was the military that established relations with the Soviet Union?

[Yu. V. Lebedev] I think that here everything has to do with the independent course that was followed by the government of Velasco Alvarado both in domestic as well as in foreign policy. Thus, on 1 February 1969 an agreement was signed, an exchange of notes took place and an official joint communique was published. In private talks Mercado Kharrin and Velasco Alvarado told me that they had wanted to correct for a long time the anarchism that culminated in the absence of diplomatic relations with one of the great powers.

[R. Loaysa] I would like to discuss the following—devotion to a dialogue and cooperation are among the constant features that establish the originality of the people of the Republic of Peru. From ancient times the Peruvian people have strived to associate with other peoples and tribes. In other words, the striving toward dialogue and mutual understanding is a basic characteristic of Peruvian originality.

This is why when Peru won independence in 1821 the country was involved not only in organizing domestic life and its government (internal organization) and was concerned to no less a degree about its international position and its ties with other countries.

I would like to emphasize that even during the difficult and dramatic moments in its history, Peru has always demonstrated a striving toward mutual understanding with other countries within the international community.

In marking the anniversary of the establishment of relations with the Soviet Union, we must also remember that we also had ties with pre-revolutionary Russia in the last century.

[Yu. V. Lebedev] But diplomatic relations did not exist...

[R. Loaysa] No, but there was contact. And there was an accredited plenipotentiary representative who worked in Saint Petersburg at the end of the last century—Doctor Lavalye. His mission was not only to develop contact with Russia but also to have the Russian court participate as arbiter in the conflict between Peru and Japan. There were later ties in 1945, when at the end of World War II the Peruvian Congress developed recommendations to the constitutional government to take actions that would enable it to establish diplomatic relations with the USSR. For reasons that were not the will of either country, not to speak of our peoples, this process was unfortunately interrupted.

In any case it must be emphasized that in Peru there has always been a desire to have ties with all of the peoples of the world regardless of their geographical location, ideology and government system. Thus that which occurred in 1969 was nothing more than a concrete manifestation of this desire. Of course, it is to the historical credit of the regime that was in power then that it made a decision and took specific action. This also occurred because the country tried to implement our principle of universal diplomatic relations. I would like to remind you that on a preliminary basis, before the establishment of diplomatic relations with the Soviet Union and with the countries of Eastern Europe, steps were taken in the area of organizing economic and trade relations although of course the full significance of events was recognized when on 1 February relations were finally established on the ambassadorial level.

[Kh. Belevan] "Anachronism" was mentioned here. And really, it was only eliminated on 1 February 1969. We must remember that desire is one thing but that the decision to establish relations belongs to the military regime.

I think that really no one can deny that often in Latin America the military is characterized by subservience before the oligarchy, isn't this so? But we are still talking about Peru. I would say that in the given case there are nuances, if I can express myself in this manner. Peru's armed forces, the navy fleet and the air force are the children of the middle classes.

And democratic development evidently is among the interests of all Peruvians. All of the military leaders of Peru have declared this in firm, direct and concrete

terms; they support democracy, the constitution and the processes of development that occur within the framework of Peru's constitutional law.

[Yu. V. Lebedev] I would like to emphasize that our relations developed very rapidly from the very beginning. In all areas. We concluded a trade agreement in 1969, in 1970 we signed an agreement on scientific-technical cooperation and then (in 1971) the Agreement on Cooperation in Implementing the Plan for the Development of the Fishing Industry (the building of a fish processing complex in the city of Paita). The agreement about Olmosa was of great importance. In 1974 regular flights began along the Lima to Moscow route.

[S. A. Mikoyan] Perhaps we could touch on the fact that for the first time in the history of relations between the Soviet Union and a Latin American country (with the exception of Cuba) we are cooperating in the military sphere?

[Yu. V. Lebedev] At that time Peru developed problems with arms. Because after the complication of relations with the United States the Peruvian government had practically nowhere to obtain new arms. This threatened independence itself—Peru needed both arms and ammunition. At the request of the government of Velasco Alvarado we began to sell Peru some types of arms.

I remember when I came to Peru in June 1969 I was surprised by the feeling of friendship that Peruvians demonstrated with regard to the Soviet people. Despite the fact that prior to 1969 we did not have diplomatic relations it turned out that they are well acquainted with the Soviet Union and that many had visited us despite the note in the passport that prohibited visits to the Soviet Union. Not only had they visited us and socialist countries but they had also become acquainted with our art, our literature and had become sympathetic to our country. This is why it was easy and interesting for us to work in Peru.

[Kh. Belevan] All of this enables us to say that the balance, the result of our relations over 20 years, can be considered positive. As a result of 20 years of cooperation we are observing mutual exchange. Moreover, there is a whole system (scholarships, vacancies in higher educational institutions) thanks to which many of our young men and women are educated in the Soviet Union. These 20 years have allowed us to know each other better, and I hope that this acquaintance has been mutual although of course the difference is large—the Soviet Union occupies an entire continent whereas Peru is smaller in both size and population. Perhaps Ambassador Loaysa can tell us in more detail what we have achieved during the last 20 years.

[Yu. V. Lebedev] I would just like to emphasize that 20 years in the history of relations between two countries is a very short time. Thus it is all the more revealing how much we have achieved in our relations with Peru.

[R. Loaysa] I would like to touch on two aspects—the first is the mutual rapprochement, the acquaintance between two peoples. Here we have already spoken about mutual interests, especially in the area where it is possible to leave all ideological differences, with all due respect to them, aside, as for example in the areas of culture and art. Our great poet Sesar Valekho visited the USSR three times and was carried away by the process of building a new life here. At this very table we met with the Soviet scholars working on the works of this poet.¹ Our leading politicians and representatives of philosophical thought, such as Senor Aya de la Torre in the 1920's and Lina Moros in later years, have also visited the Soviet Union. They have followed the development of the Soviet people with great interest. The acquaintance has increased thanks to the cinema. I am not speaking here of the chef d'oeuvre "Battleship Potemkin," which delights the entire world. If you look at me, for example, you could say that I grew up on Soviet films such as "The Forty First," "Don Quixote," and "The Cranes Are Flying," and on examples of art such as the excellent Berezka ensemble...

[Kh. Belevan] And let us remember "Hamlet" with Smoktunovskiy...

[R. Loaysa] Yes, in addition to formal (diplomatic) relations there is the spiritual attraction, the exchange, the interest in mutual understanding which make diplomatic relations more intensive, enriching them with new content. And here I will fully agree with what was stated by Ambassador Lebedev. My opinion is to continue to develop our cooperation both in the economic and financial sphere as well as in the area of technology, science and culture. We have always seen not only kind words but also deeds on the part of the Soviet Union.

I would like to touch especially on the humanitarian sphere of our relations, which was mentioned by Kh. Belevan. Over 1,400 Peruvian students are studying in the Soviet Union. They are receiving a higher education in universities and institutes, and specialists with degrees are receiving advanced training. Peruvians are studying in 12 different cities from the Baltic to Irkutsk; they study and live in Leningrad, Tbilisi, Yerevan, Tashkent, Baku, Odessa, Kishinev, Kiev, Minsk, Volgograd, Rostov-on-Don, Stavropol and Pyatigorsk. I was able to visit all of these cities and to meet with them. I know personally how they live, and not from brochures, and was able to establish that from the point of view of level of instruction and living conditions they are receiving everything they need to successfully master their professions.

[S. A. Mikoyan] I think it is very important that despite the fact that during the last 20 years many turbulent events have occurred in the world and that many changes have taken place both in the Soviet Union and in Peru our relations have remained stable and have developed constantly.

[Kh. Belevan] In addition to those positive moments which Ambassador Loaysa has already mentioned I would like to turn your attention to the beneficial coincidence of many of our positions in the area of international problems. This coincidence in the course of the most varied international forms bore not a formal but a fully specific nature. You are correct in speaking about the fact that many events and changes occurred in the world and, particularly, in relations between the two great powers. During those years, 1967-1969, the United States escalated its war in Vietnam. Recently in the Soviet Union there has been a universalization of policy, the concepts of "perestroyka" and "glasnost" are becoming understood all over the world—these are words that President Alan Garcia uses without translation at high-level meetings.

I would also like to emphasize, like Sergo Mikoyan, that despite the changeability of the situation in the world, throughout all of these 20 years our relations have been supported on a very good level. Any human relations, and in the final analysis any international relations contain not only official meetings but are also predetermined by human relations, are subject to the vagaries of fate (there are upward flights and falls). There were also upward flights and falls in the intensity of relations between Peru and the Soviet Union. But they could not interfere with the coincidence of the basic positions of our countries with regard to the main international problems.

[Yu. V. Lebedev] During the time that I was in Peru I spoke often with Minister Mercado Kharrin and Miguel de la Flor about various international problems. And I do not remember a single time when we were not in almost complete agreement on an entire complex of questions for maintaining peace, international security, on the problems that face all of the peoples of the world. At the present time, I wish to note, Peru is playing an especially important role in Latin American and in world affairs, thanks to active participation in the Contadora process. And what about Peru's position with regard to the foreign debt? It is having a big influence on other Latin American countries and is of great interest in Latin America.

[Kh. Belevan] Yes, without false modesty it should be noted that it was the Peruvian initiative that was implemented in the Group for the Support of the Contadora Movement, thanks to the proposal of President Alan Garcia, which was supported by Brazil and then by Uruguay...

It is true, as Ambassador Lebedev emphasizes, we can note with pleasure that Peru is adhering to a principled foreign policy, particularly in South America and on the question of finding a solution to the Central American crisis.

[Yu. V. Lebedev] In conclusion I would like to emphasize that the majority of our citizens have for many years been interested in the history and life of the distant country that is exotic to us. For those who have liked your country for a long time, and there are many of us, Peru has always been a kind of symbol, a legend. It is symbolized as inhabited by people who are unbending fighters for independence, the heirs of great civilizations, and builders of legendary cities. And what is there to say about the great culture of these heroes, this has been a legend for us since childhood...

[Kh. Belevan] I am deeply touched by what you are saying...

[R. Loaysa] Thank you very much for these words, and I want to remind you that the recent exhibition, "Gold of Peru," in the Museum of Art of the Peoples of the East was yet another material message and historical proof of an unequalled past.

[S. A. Mikoyan] I would like to thank the respected ambassadors for visiting the editorial quarters of our journal and for this very interesting conversation.

Footnotes

1. See this issue of the journal, p 80. COPYRIGHT: Izdatelstvo "Nauka", "Latinskaya Amerika", 1989

Brazilian Scientist Interviewed on Latin American Economic Development

18070178 Moscow *LATINSKAYA AMERIKA*
in Russian No 3, Mar 89 pp 92-97

[Interview with Teotonio dos Santos, Brazilian Marxist sociologist, by A. B. Reznikov, economics editor of the journal: "Teotonio dos Santos: What Will We Be Like At the Start of the Third Century?"]

[Text] On 23-25 November of last year an international scientific conference was held in Moscow on the subject of "Prospects for Socio-Economic Development of Latin American Countries and Contemporary Global Problems." Participating in the work of the conference was the well-known Brazilian Marxist sociologist Teotonio dos Santos.

We are presenting for the reader's attention the interview which he gave to the journal's economics editor, A. B. Reznikov.

[Reznikov] Teotonio, you are known to our readers as a prominent Brazilian scholar and social activist. I would like to know your opinion of several urgent problems of a regional, and I would say, of a universal nature. The first of these is related to the process of economic polarization that, as many scholars note, is developing in Latin America. How do you assess this phenomenon if,

in your opinion, it exists? I am speaking, for example, about the differentiation between Brazil on the one hand and a whole number of less developed countries in the region on the other.

[dos Santos] It is true that from the point of view of the economy we are observing a tendency toward the marginalization of some Latin American countries; their export volumes have decreased sharply and they are less and less attractive for foreign capital investment. This leads to isolation of their economies and creates a crisis situation. It is complicated even further when there is a new recession, which is expected at the end of next year. At the same time other countries such as Brazil have achieved a growth in exports having sharply curtailed imports, which has enabled them to achieve a large positive trade balance. Consequently, there are cases of isolation and differentiation based primarily on the slowdown of domestic industrial development. It in turn depends on imports, which are paralyzed by the crisis. This results in tense relations between countries, including within the framework of our region.

On the other hand, a tendency toward coming together has been observed. Thus, in search of expanding exports attempts are being made to stimulate the regional market. Argentina and Brazil are following the paths of integration, which has good prospects. In other zones of Latin America an increase in regional cooperation has also been noted.

Within the political sphere the most important feature of the current situation is the striving of most of the countries on the continent for a more independent diplomacy. The *contadora* group is the most evident of such groups. And the conferences of the "eight" (now the "seven" with the exit of Panama) are pointing to the presence of a certain political agreement. In general this is facilitating the development of a new mechanism for regional integration and cooperation in response to the deterioration of conditions of international trade, the growth of the foreign debt and increased outside pressure.

Returning to the "economic track," I would like to emphasize that Brazil, for example, is unavoidably deprived under the given conditions of prospects for economic growth if it does not develop ties with countries having a middle level of development in various parts of the world. No matter how paradoxical, with the presence of good will regarding cooperation we would be able to gain a certain advantage from crisis, for in this case instead of stimulating polarization it would facilitate the strengthening of the mechanism of regional integration despite developmental differences of participating countries.

[Reznikov] What kind of role could Brazil play in this?

[dos Santos] I think that contemporary Brazil can play a positive role in the integration process. I emphasize contemporary, because up until now we believed more in integration with the U.S., which is becoming more and more burdensome, especially under conditions in which Washington is taking repressive measures against our exports and is putting pressure on our creditors to make refinancing conditions more severe. Moreover, as you know, the United States not only does not support the strengthening of Brazil's defense potential but is also against plans to develop national nuclear energy. This in addition to other things has created a conflict situation between the two countries. It is important to emphasize that for the first time in the history of our, and possibly, any other country in the region it has been written into the new Brazilian constitution that we are a Latin American nation and will give preference to the development of relations with the countries of Latin America and other regions of the third world. This is a completely new formulation of the question!

[Reznikov] How do you see the economic and political "portrait" of Latin America in the early 21st century?

[dos Santos] A characteristic feature of the region at the beginning of this century was the export primarily of agricultural products. We struggled to alter the situation and to become exporters of industrially-processed raw materials and finished products. Of course, some countries were not able to reach this phase—it is they which comprise, so to speak, the "other pole" of the continent. Nevertheless, all of us have flourished in the area of exports, so that even a new branch appeared, having a negative effect on exporter-countries themselves. I have in mind the export of narcotics that is flourishing in Bolivia, Peru and Colombia. This is a principally new and negative factor of development. In general, though, if the existing tendencies are preserved we Latin Americans will enter the 21st century even poorer and more marginal with regard to the world economy. In order to avoid this we need a strong political will and revolutionary potential such as we demonstrated during the 1960's and at later stages and which in one way or another were reduced to zero as a result of the clashes with a powerful superpower supported by its local allies—the traditional landed oligarchy and the business sector.

The new political will is already beginning to be manifested in the expanded political and social base of social organizations, in the growth of mass self-consciousness resulting from foreign economic, but first and foremost political and moral failures in the policies of the United States in recent years. The concealed or open support of odious military regimes, the spread of archaic political and economic concepts resulting in broad marginal strata of the population cannot remain unnoticed. This is why it is very clear that the progressive political wave will be more powerful this time. And here in my opinion an important role can be played by relations with the socialist world.

We cannot say that the countries of the socialist block have been particularly active in recent years. But they are fully capable of doing this in the course of a constructive search for new, creative forms of international relations that will give developing countries the greatest freedom of maneuvering during negotiations. In my opinion the most effective, impressive and efficient is the diplomacy of the Soviet Union. Thanks to it we will be able to enter the 21st century with the hope of extensive transformations and first and foremost—of being included in the world economic system on a just basis that will help us satisfy the desires of our peoples.

The region's countries are in a different situation than the countries of Asia and Africa, which face the problems of hunger and a shortage of trained cadres. Latin America has at its disposal sufficient food resources. We ship intellectual "commodities" to the U.S., Western Europe and Australia. We must keep the upper hand over those international forces which are hindering further growth of our economy. Having achieved this, Latin Americans will be able to play an important role in the processes of harmonious development of mankind and of strengthening the common peace. Having achieved this, we will acquire full rights to proudly enter the 21st century, recognizing our humanistic mission.

[Reznikov] Please share with us your understanding of the economic and political processes that are developing in the Soviet Union. After all they are inseparably related to everything which you have stated above.

[dos Santos] With great pleasure. I feel that glasnost and perestroika are not accidental phenomena in the process of the development of socialism as a social form. Until the mid-1950's the Soviet Union and other socialist countries generally occupied a defensive position with regard to world capitalism. Later the economic prerequisites developed for changing the existing situation. It seems to me that perestroika reflects the needs of the new stage although many feel that it is the result of the economic failures of the Soviet Union. For me, I repeat, the situation is just the reverse—changes are being implemented not because of weak development but as a result of qualitative changes in the economic sphere on the basis of industrialization, super-urbanization, and the growth in the strata of the creative intelligentsia. After all, in the Soviet Union there are three times as many scientists as in the U.S. Just 20 years ago their number was approximately equal, and in 1960 the U.S. had twice as many scientists.

[Reznikov] Yes, but the problem of quality exists...

[dos Santos] In the final analysis quality depends of quantity. On the other hand, I had occasion once to present data on the fact that the United States is a pure importer of highly complex technology. But is it a backward country from the point of view of technology? It is clear that it is not. The cost of progressive technology today is extremely high and probably no country

will be able to succeed in the area of super-rapid introduction of this technology for everyday production. Thus we can understand the need to import knowledge. The USSR is faced with many difficulties on this level because the new social structure has developed under conditions of international isolation and only now has been forced to "open up."

The question of openness is very important. I am speaking not about solving the problem of backwardness but about the fact that the production forces in your country have developed to such an extent that they cannot remain in a closed condition and must take up the call of the world economy. This is the reason for the situation that has developed. If we do not understand this and continue to maintain a defensive position it is possible to make many serious mistakes. "Openness" should be closely tied to the advancing philosophy of struggle for improving the structure of international relations and the creation of a global society.

I would like to emphasize that the USSR's influence on world events is very important. M. S. Gorbachev is a very popular individual; the expectation of positive changes in any area of the world are connected with him. Prior to leaving for Moscow I had many meetings with common Brazilians. Everyone is interested in what is happening in your country. I heard, "You are going to the USSR? Then send my regard to Gorbachev!" Both simple workers and even politicians with reactionary tendencies see him as a positive world figure. For this reason alone the Soviet Union does not need to occupy a defensive position because it bears a great responsibility. From this arises the need for a thorough Marxist interpretation of the phenomena and processes taking place in the Soviet state and first and foremost of Stalinism as a form of distortion of Marxist thought.

I would like to give special attention to the fact that often criticism of Stalinism is carried out from a position of bourgeois liberalism while the Marxist tradition of critical thought is ignored for reasons of a domestic political nature or for some other reasons. This is bad since anti-Stalinist arguments in this case unavoidably suffer from the inadequacies and limitations characteristic of traditional liberal analysis. I do not want to say at all that the anti-Stalinists-Marxists of the 1920's, 1930's and 1940's were correct about everything. Simply, in leading criticism from the Marxist position they usually risked their own lives. After all Stalinism first and foremost destroyed Marxism, annihilating the old bolsheviks—the guards of Marxist thought and action. I feel that it is essential to strengthen the Marxist approach to this fundamental problem. The continuation of criticism from a position of liberalism will not lead to anything because it cannot give the world anything new.

In my opinion, it would be useful to develop a broad discussion among Marxists with the goal of assessing the changes that have occurred within the Soviet Union and their possible influence on the contemporary situation in

the world and the ideological base of the international communist movement. It is also essential to pay special attention to the processes of self-administration and cost accounting which basically are just beginning to be developed in the USSR, having given rise to new problems. In other words, we must study and develop the experience of perestroika and glasnost in the interest of further development of world socialism. COPYRIGHT: Izdatelstvo "Nauka", "Latinskaya Amerika", 1989

First Argentine Trade Exhibit Held in Moscow
18070178 Moscow LATINSKAYA AMERIKA in Russian
No 3, Mar 89 pp 109-113

[Article by M. M. Gurvits: "Goods From the Shores of the Parana in Moscow"]

[Text] The trade and industry exhibits from foreign countries and firms in Moscow is nothing at all new. However, in recent years their implementation has become more capacious in content. Under the conditions of the economic transformations that are being carried out in our country in the course of the perestroika process new legal and organizational forms of cooperation with foreign countries are appearing. At the same time such exhibits are called upon to facilitate the more active drawing in of our country into the process of internationalization of work economic ties.

The first exhibit of Argentine goods in the USSR held in Moscow on 21-28 October of last year in the demonstration hall of Ekspotsentr [Exposition center] was called upon to make its contribution to expanding mutually-advantageous economic relations. The exhibition was organized by the Chamber for Argentine-Soviet Trade and by the Association of Importers and Exporters of the Republic of Argentina (AIYeRA) with the cooperation of the Soviet Trade Chamber and the Trade and Economic Department of Argentina's embassy in Moscow. Participating in the exhibition were over 150 of Argentina's enterprises, primarily of the small and mid-sized type. They represented a wide selection of exhibits reflecting the country's achievements in the area of the food, textile and chemical-pharmaceutical industries, leather processing, computer technology, banking and many other branches.

As at any other exhibition the representatives of Soviet organization and their foreign partners held negotiations, signed protocols about joint intentions and concluded contracts. In the course of negotiations with representatives of Argentina's firms we were interested not so much in the specific results of the exhibition as in the difficulties that hindered a fuller implementation of potential mutually-advantageous economic cooperation between our countries.

The Opinion of our Partners

"Personally I support the idea that perestroika should have been carried out 10 years ago," said Leon Pekoroff, at one time the president of the Chamber for Argentine-Soviet Trade and of the Matimport Firm, which for more than a quarter of a century has been importing into Argentina equipment for petroleum and gas, coal extraction and energy enterprises.

"I have been visiting the Soviet Union several times a year for the last three decades and know well what is going on. Perestroika is very important, a needed and useful matter. It is impossible to do without it. I am convinced that it will be victorious because the Soviet Union cannot tolerate the unavoidable lag that threatened it prior to the beginning of this process."

"In the last 15 years alone we have sold Soviet goods worth at least 500 million dollars," continued L. Pekoroff. "In general this equipment has proven itself well. It is true that during the last 2 years there has been a noticeable technological lag in Soviet products that we import. Western countries produce machines and equipment for the world market that have a higher operations quality. This is why large Argentine companies prefer to buy the products of Western firms. We are negotiating with Soviet enterprises not without success on the subject of their increasing the quality of their goods. Nevertheless, in individual cases difficulties remain with regard to equipping Soviet equipment with computer technology, which makes it less effective and competitive on the foreign market. We have been expressing our criticism to our Soviet partners for 10 years now. I can note with satisfaction that during the last 2 years the attitude toward our proposals has changed considerably. This has resulted in positive changes in economic contacts as well. Now, in procuring Soviet machinery, we supplement them in Argentina with the units and parts that are in short supply and thanks to this many of them are completely satisfactory for our needs."

Is the ruble convertible?

The main problem that hinders further development of trade and economic ties, as L. Pekoroff as well as the other exhibit participants feel, is the question of the convertibility of the ruble. The opinion of our interlocutor can be reduced to this:

"The predominant majority of purchasers of the goods we are exhibiting are mid-sized enterprises and recently-developed cooperatives. They have no hard currency, and in Argentina you cannot buy anything with the ruble. This is the main hindrance on the path of developing economic ties between our countries. We are making great efforts to solve this problem but we cannot hope for a simple solution. As one possible solution we are negotiating with two banks—The Bank of the Province of Buenos Aires and the Kredikoop Cooperative Bank. The idea consists of the following—Argentina's

goods will be sold in the USSR for rubles, which will be used to acquire the Soviet equipment that Argentina needs. The australs received for it in turn will cover expenditures for goods exported by Argentina to the Soviet Union. Nevertheless, although at first glance this route appears to be the easiest, it is difficult to implement...."

AIYERA director Fernando Raymundo proposes a different approach to the problem. He feels that Argentina should organize an ongoing delivery of Soviet goods so that businessmen will know what they can procure from the USSR and at what price.

The position of many representatives of Argentina's firms who come to the Soviet Union for the first time was formulated by Sergio Ant, head of the small company Kfir. In particular, he stated:

"It is evident that your country has a dense domestic market and a high purchasing power among the population. But in order to utilize the advantages available here first and foremost it is essential to deal with the problem of the convertibility of the ruble, with its real relationship to hard currency. Without that it is impossible to come to an agreement on prices for the corresponding types of products. Moreover, we do not completely understand the process of price formation in the USSR since the production of many types of products is subsidized by the government, as a result of which their retail price is lower than production costs. In order to expand our economic ties it is essential to know the prices of goods we may propose to our Soviet partners. We know how much our products cost, let us say, in dollars on the world market—I export goods to Canada and Australia, and have no problems there. But I cannot determine their real cost in rubles. If I take the official exchange rate their cost is depressed and it is not advantageous for me to sell them. If I base prices on the unofficial exchange rate which has no legal rights to exist but, let us be realistic, does exist, then it turns out that the cost of our products are sharply elevated. Thus, until we know the genuine value of the ruble with regard to hard currencies, we will not be able to have an impression of the competitiveness of our products on the Soviet market.

Why Do We Need Joint Ventures?

S. Ant, like many other representatives of Argentina's business circles, feels that one of the most important directions in the development of economic relations at the contemporary stage is the development of joint ventures, the products of which could be used for the domestic as well as the foreign market. In S. Ant's opinion, the joining of efforts by Soviet and Argentine producers could bring very real results. The same point of view is shared by Rafael Jimenez Sayes, who represents a leather-processing firm, Kurtiyembre Verona.

"I feel," he said, "that the creation of joint enterprises is one of the most important beginning measures that has as its goal the renewal of technology and bringing it up to world standards. This will enable us to improve quality, to increase the assortment and volume of products being produced. I think that at the current level of development the creation in the Soviet Union of joint enterprises with foreign firms, naturally not only with Argentina but also with other countries, has proven itself well in its production branches and will become a more effective method for solving many economic problems in the initial stages of perestroika. I would especially like to point out that in such cooperation the decisive role could be played by small and mid-sized foreign firms such as those represented in this exhibition since large international companies usually are not interested in sharing their technological secrets. At the same time today, when new forms of industrial organization operations are being created in the Soviet Union, such as cooperatives, lease contracts and cost accounting associations, it will be easier for them to establish contacts with small and mid-sized foreign firms than with large monopolies."

However, there are still many barriers along the path toward creating joint enterprises. S. Ant feels that foreign firms interested in cooperating with Soviet enterprises need more complete information about the situation in different branches of the economy, about the organizational structure of the economy, about the legal foundation for the creation of joint enterprises and about marketing data. Like many of his colleagues he sees many difficulties in finding the instance, the partner who would have the prerogative to make specific decisions on developing cooperation. R. Jimenez Sayes feels that there continue to be many limitations on the foreign partners of Soviet enterprises related to movement through the country, visas and other formalities which fetter initiative.

In our opinion, the opinion of the head of the firm that produces training equipment, Rodolfo Prudente Pachini, is more measured.

"The fact is not that we face any specific barriers on the path of developing cooperation with the Soviet side," he says. "Rather, we do not have an adequate understanding of the organizational form of operation, of the structure of industrial enterprises and of the entire USSR economic system. There is nothing surprising here—after all the principles of economic operations in our countries are quite different. I am convinced that we can eliminate the existing difficulties around a negotiating table, clarifying each other's positions, concluding contracts and delving into the details of the organization of a particular industry. If we are able to achieve mutual understanding within the circle of problems that interest us, it will be much easier for those who come after us in the matter of economic cooperation."

Perestroika for the Sake of Man

Discussions near the exhibition stalls holding Argentina's goods probably repeat many conversations with

representatives of business circles of other countries because the problems that have to be dealt with are similar in principle. Of course, our reporting from the Eksposentr could be written differently, we could enumerate the agreements, describe the exhibits presented by the firms, praise the organizers of the exhibit for demonstrating initiative because they really do deserve praise, and emphasize the significance of the development of economic ties between our countries...However, this would hardly have brought us closer to an understanding of the essence of the acute problems that face us on the path of international economic cooperation.

The main thing is that all sections of the exhibition, both Soviet and Argentine, despite the criticism, were optimistically inclined; everyone felt that a solution to the problem was just a matter of time, that it was just a matter of making an effort and of persistence, of expressing good will. Many of our guests saw in the Soviet people the pledge of success as regards their striving to remove barriers that stand on the path of developing economic cooperation between our countries. This mood was expressed in part by R. Jimenez Sayes. To the question of his impressions he replied:

"Of course the matter is not how many contracts we signed. Personally I was most impressed with the atmosphere of change and renewal, with a genuine interest in the success of the work that has been started that reigns in your country. This mood is manifest in discussions with specialists, with representatives of various enterprises and institutions and in talks with visitors to the exhibit. The people of your great country understand precisely that the world is moving forward and they do not want to be at the tail end of technical progress. I am sure that this will not happen because in reality there is no barrier that cannot be removed. I think that all we have to do is give an individual more freedom to realize his creative potential because the development of the individual initiative of each person will bring about a solution to the tasks that face the entire country more quickly." COPYRIGHT: Izdatelstvo "Nauka", "Latinskaya Amerika", 1989

Scientific Conference on Latin American Social, Economic Development

18070178 Moscow *LATINSKAYA AMERIKA* in Russian
No 3, Mar 89 pp 134-137

[Article by A. S. Bondar: "Prospects for Socio-Economic Development of the Countries of Latin America and Contemporary Global Problems"]

[Text] The international scholarly conference entitled "Prospects for Socio-Economic Development of the Countries of Latin America and Contemporary Global Problems," which took place in Moscow on 23-25 November 1988 was sponsored jointly by the Latin America Institute of the USSR Academy of Sciences, the Soviet Committee for Solidarity with the Peoples of Latin America (SKSNLA) and the Soviet Association of

Friendship and Cultural Cooperation with the Countries of Latin America. In addition to Soviet specialists Latin American specialists from Argentina, Brazil, Bulgaria, Venezuela, Hungary, the GDR, Cuba, Norway, Poland, Czechoslovakia, Sweden and Ecuador participated in the conference.

At the center of the discussion were problems raised in reports by V. V. Volskiy, director of the Latin America Institute of the USSR Academy of Sciences and corresponding member of the USSR Academy of Sciences and by A. B. Chakovskiy, chairman of SKSNLA, as well as in a number of speeches by prominent Soviet and foreign scholars. First and foremost the following must be included among these problems—the likely changes in world politics and the world economy and their influence on the economic development of the region's countries; promising variants for development strategy; the position of Latin America in the future international economic system; contemporary global problems and their connection to the socio-political situation in Latin America; and the evolution of social structure, social image and political behavior of various classes and social groups. A number of speeches and reports analyzed the place and role of global problems in the ideology and politics of various parties and movements; the dialectics of common human and class interests were clarified.

A special place in the discussion was occupied by the question of the participation of Latin American countries in the struggle to eliminate the nuclear threat, by an analysis of the positive experience of Latin America in creating a nuclear-free zone, a zone of peace and cooperation. The significance of the peaceful settlement of the Central American conflict for the elimination of the approach of force in inter-American relations was noted, as was the role of regional and extensive inter-national cooperation, which gave a positive dynamics to these processes.

The work of the conference proceeded in plenary sessions and in three sections. About 70 Soviet and foreign scholars participated in the session entitled, "The Economic Development of the Countries of Latin America Until the End of the Current Century in the Context of the Evolution of Global Problems." The global problems of world development were examined in three basic aspects—military-political, ecological-resource and socio-economic.

An analysis of the situation in the world economy, with a consideration of the effect of global problems on the socio-economic situation in Latin American countries, convinced us that the economic slump in developed capitalistic countries in the short-term future would have a negative effect on Latin American countries. The opportunities for Latin American countries to weaken the negative phenomena in the world economy are limited.

A discussion of the social costs of development as well as of the problems related to the participation of the government in the economy and a strengthening of the tendency toward its privatization has enabled us to conclude that despite a certain amount of success in the economic sphere, the region's social problems are becoming more severe and the relationship between the government and private sectors is related to the problem of democratization of society. It was noted that under regional conditions transnationalization is manifest in the creation not only of new economic but also of new social structures. Having agreed that there is no purely financial or economic solution to the problems of the foreign debt, the discussion participants pointed to the need to look for political solutions. At the same time it was emphasized that in this area the situation has new features and characteristics related to the appearance of mechanisms for increasing the problem of the foreign debt.

The prognosis for the development of relations between the United States and Latin America, in the opinion of the speakers in this section, look very unpromising due to the growth of protectionist tendencies in the U.S. In connection with this special attention was given to regional integration. As emphasized, it is not only a possible means of eliminating economic difficulties but a real direction for solving the crisis.

In discussing the prospects for economic development of individual countries and subregions it was pointed out that Brazil has at its disposal the greatest adaptation possibilities for coming out of the crisis as compared to other Latin American countries. In examining the situation in the Central American subregion, the speakers came to the conclusion that at the present time it is experiencing not a business but a structural crisis in the course of which the struggle between revolutionary and counterrevolutionary alternatives is developing.

In the course of exchanging opinions on a broad spectrum of relations between Latin American countries and socialist-CEMA [Council for Mutual Economic Aid] countries discussion participants, and in particular representatives of LAES and CEMA came out in support of solving the problems that still exist with regard to relations between them and of eliminating existing hindrances with the goal of developing the essential ties.

A great deal was said about the activation of scientific cooperation between Latin American and Soviet research centers, about the need to continue and increase both bilateral as well as multilateral contacts in this area with the goal of expanding trade, economic, scientific and cultural cooperation.

About 60 scholars participated in the work of the section entitled, "Global Problems and Alternatives for Social Development in Latin American Countries." The reports that attempted to determine the nature and specifics of mutual ties among various parties in the life

of Latin American society and the coordination of international, regional and national factors were of special interest and resulted in a lively discussion.

Considerable attention was given to an analysis of the evolution of social structure under conditions of developing transnationalization. The discussion on the nature and prospects for processes of marginalization and pauperization of various social groups of the population was of great interest.

The section discussed a group of problems that deal with the contemporary condition and prospects for developing political systems in Latin American countries. The discussion participants supported the thesis concerning the extremely complex, dialectic nature of interrelations between the socio-economic, ideological and political spheres and concerning the plurality of factors that influence the development of political systems and its individual elements.

In examining various ideological currents extensive confirmation was received by the position formulated in the theses of the institute's scholars concerning the fact that questions related to determining the place and role of Latin America in an interrelated world, the search for ways to eliminate the crisis of contemporary civilization under regional conditions and the conceptualization and strengthening of the understanding of the concept of social progress are at the center of attention of public thought in the region's countries. A special place in the discussion was occupied by the problem of finding and developing alternatives for social development.

Great interest was expressed in the problem of the relationship between objective imperatives of modernization and various socio-political alternatives. The problem of developing an effective alternative to bourgeois modernization was posed sharply. It was noted that at the present time there is no such plan, which makes the development of various variants of socialist strategy a pressing need. Having admitted that modernization as such is an objective necessity, discussion participants pointed to the importance of creating a socialist alternative modernization plan.

A number of speeches posed the question of determining specific political subjects for forming a leftist alternative to the processes which to a large extent are the result of transnationalization. Various points of view were expressed with regard to new social movements and the formation of new features in the political culture of Latin American leftists.

In discussing the problem of political unions special note was made of the fact that leftist forces must develop a political language that is understandable to the masses. The possibility of developing new types of political alliances for the purpose of achieving specific goals was

noted. In connection with this there was a discussion of the question of the "hierarchy" of units—the extensive democratic unit and the unit of leftist forces.

Over 40 Soviet and foreign scholars participated in the section entitled, "Global Problems, New Political Thinking and Latin America." They emphasized that new political thinking comes forward as a methodological complex for recognizing the realities of the contemporary world and as a materialization of the new view of the world in concrete foreign policy actions. The new political thinking is simultaneously an invitation to an active dialogue that opens up prospects for the drawing together of points of view; it helps to bring out an inadequately developed resolution and to determine directions and approaches for the future.

In discussing the general aspects of the concept of new political thinking and the key problems of international relations in the Latin American region, discussion participants expressed an opinion concerning the inadequate development of Soviet policy concepts with regard to Latin America as compared to concepts involving the European house or proposals regarding ATR [Further expansion unknown].

Considerable attention was given to the methodological premise concerning the predominance of the general over the specific in the conceptualization of new political thinking; moreover, there was doubt about the fact that at the given stage global interests can prevail over regional and national in the concrete conditions of Latin America. Another idea of a methodological nature was also discussed which came out in the thesis concerning the need to differentiate between the processes of internationalization of economic life and transnationalization, under the conditions of which the TNK, which is the mover of the process, is a parasite on economic life and distorts internationalization. In connection with this the conference participants came to a common opinion that the only way to achieve economic security is to establish and protect a New International Economic Order.

In discussing the problem of disarmament in the Latin American region various points of view were presented, reflecting the contemporary level of development of these problematics. However, those who brought them out came to a single opinion about the urgent need to bring clarity to the question of mechanisms for implementing the concept of "disarmament for development."

The discussion participants stated that the path of Latin America toward social progress and economic development lies in integration and the strengthening of Latin American unity. At the same time the need to give Latin American integration a complex nature and to create new mechanisms for cooperation was emphasized.

At the final plenary session the work of the section was summarized by N. G. Zaytsev, doctor of economic sciences, Professor B. M. Merin, doctor of historical sciences, and Professor A. N. Glinkin, doctor of historical sciences. They noted that the exchange of opinions that had taken place affirmed the deep interest of Soviet and foreign Latin American specialists in contemporary global problems and in prospects for the socio-economic development of the region's countries, brought out new conceptual approaches, provided a new stimulus to research by Soviet and foreign Latin American specialists, and directed the attention of scholars to various aspects of the influence of global problems on the directions and dynamics of socio-economic and political development of Latin American countries. COPY-RIGHT: Izdatelstvo "Nauka", "Latinskaya Amerika", 1989

U.S. Latin American Policy Examined

18070178 Moscow *LATINSKAYA AMERIKA* in Russian
No 3, Mar 89 pp 138-143

[Article by B. F. Martynov and S. V. Tagor: "A Change in Tactics or a New Strategy?"]

[Text] The composition and delivery "to the top" of recommendations on the question of selecting a Latin American course by various representatives of U.S. political forces have become a type of tradition during presidential election years. In this, 1988 was no exception, with the victorious Republican Party and President G. Bush receiving probably a record number of such recommendations, which was related to the exacerbation of problems facing Washington's Latin American policy at the present time.

The same authors (R. Fonteyn, F. Bushi, G. Samner, D. DzJordan) who prepared the well-known Santa Fe Document, which established the program for Latin American policy in the R. Reagan administration, have begun to compose one of the documents. Nevertheless, this document differs considerably from its predecessor. The difference is especially evident in determining the goals of the new Latin American policy.

The Santa Fe Document formulates a strategic course for the U.S. in the second half of the 1990's and the problems of the region's countries which are most important for its vital interests. The "selection" of priorities already points to the U.S.'s altered approach to Latin American policy on the part of representatives of neo-conservative circles. However, the methods which are being proposed to solve these problems still often remain traditional.

G. Bush is a moderate political leader who must act in a changing international situation. The changes that have occurred are to a large degree the result of a high level of political activeness on the part of the Soviet Union, which is leaning on new political concepts. Evidently, this has considerably affected the position of the authors in their selection of political priorities and has also been

the reason that the document gives preference to pragmatic approaches. Because of this the document turned out to be realistic to a considerable degree. The primarily non-confrontational nature of the proposed course for Latin American policy of the U.S. and the necessity to combine the efforts of the Republican and Democratic parties during its development speaks of the fact that proposals are being made to Bush to normalize relations with opponents in the U.S. Congress by including them in foreign policy decision-making.

The Santa Fe Document defines U.S. Latin American policy as that of a good neighbor "who has returned to stay." It insistently recommends a cessation of inaction on questions relating to the crisis of economic development in the region's countries and of the burden of foreign debt payments. Unambiguously it proposes to move away from the strict policy of pressure threats and to initiate an active political and diplomatic dialogue with the countries of Latin America. The basis for this conclusion is the fact that the document does not mention one of the basic foreign policy goals of the Reagan government—the toppling of the Sandinista regime by military means. It has not been ruled out that on this question there has been a certain reevaluation of goals or rather of means for implementing these goals.

Two circumstances will influence the fact that G. Bush's course will be more moderate with regard to Latin America as compared to the policies of the Reagan administration. This is related, first, to the fact that the Democratic Party has retained a majority in Congress. Secondly, in recent years for the United States the problems of the countries of Central America have "overshadowed" the importance of other large countries in the region, relations with which have grown more tense, and this circumstance is now starting to be recognized. Santa Fe Document II also does not avoid this.

A conservative spirit is manifest in several parts of the aforementioned document in theses on "the Soviet threat" and "communist aggression." However, these theses do not "set the tone" for the entire document. Now the "Soviet threat" is presented not in the form of revolutionary transformations and the appearance of new socialist countries in Latin America but of...Soviet cooperation—via Cuba and Nicaragua—with drug dealers in Colombia and of a growing influence of communist ideology and culture in Latin America as a result of improved Soviet-Latin American relations. The priority problem, according to the document, is how the new administration should withstand the "communist threat."

Other problems include the foreign debt of Latin American countries and their economic development as well as growing immigration from the region to the U.S. The authors recognize that the solution to the given questions depends to a significant degree on the U.S. position. If the problems are not dealt with without delay, warn the authors of the Santa Fe Document II, the United States

will face even greater enmity on the part of the region's countries, an increase in the number of "pro-Soviet" governments, an expansion of the scale of "subversive" operations, increased danger for the international financial system, an expansion of the scale of crime and narcotics trading, and an increase in the influx of immigrants, and this will place the question of American military intervention on the agenda.

According to the authors' ideas these kinds of dim prospects should put the new administration on guard, dispel any illusions of placidity and put an end to "indifference" to Latin American affairs. In order to avoid increased growth of undesirable tendencies, the authors of the document propose the active policy for solving Latin America's problem, based on a many-sided dialogue with Latin America, supported by both the Republican and Democratic parties.

The main goal of the United States' Latin American policy is proclaimed to be "the development of democracy" in Latin America. However, as before, it has been assumed that the United States and the Soviet Union have opposing interests not only on the geopolitical plane but also in that the USSR defends moral values and ideologies that are "incompatible with democracy and freedom" and that it seemingly is an opponent of strengthening democracy in Latin America.

In a number of sections of the document there is "friendly criticism" of the Reagan administration. Thus, for example, he is made fun of for excessive attention to carrying out election campaigns and the fulfillment of constitutional norms and laws, while losing sight of the "essence of democratic transformation" in the region and while not giving enough attention to the economic aspects of development. Latin America is seen by the authors of the report as the field of battle between forces that represent the government sector leaning on "communist ideology and supported by the Soviet Union" and the forces of genuine democracy—-independent organizations of businessmen. Proposals on the "development of democracy" are general in nature and are directed first and foremost at creating the conditions for a freer activity of foreign and local private capital.

In general in the economic sector there is a certain continuity of R. Reagan's policies. However, the proposal to write off the foreign debt of Latin American countries is not written into "Reaganomics." The authors justify this by stating that this action can create favorable conditions not only for establishing national markets for capital but also for the development of private enterprise, which they support so fervently. The "Committee of Santa Fe" sees the solution to problems of economic development that are recognized as important not only for democracy and stability but also for American interests, as before, in the development and strengthening of the private sector.

These goals are served by the seemingly forgotten Caribbean initiative of Reagan. It is proposed to extend it until 2007, changing the policies of the U.S. in the area of import of agricultural products, removing barriers on the path of such products to the American market by eliminating, for example, the sugar quota.

A new aspect (with regard to "Santa Fe II") is the expressed concern for ecological problems in Latin America, the recognition of the need to unify the efforts of all American countries to solve them; moreover, it is assumed that the U.S. has considerable experience and possibilities for providing effective aid in this direction.

The problems of low-intensity warfare (VMI), the narcotics trade and the rejuvenation of OAS, which are placed in the same chapter in the document, may within the next decade become the basis for a massive ideological attack by the U.S. on a regional scale with the goal of propagandizing American values and criticizing communist ideology. This attack is planned as a response to the "challenge" thrown out to Washington by the new foreign and internal policies of the USSR which, as the authors of the document note, "is spreading its influence to every country in the hemisphere."

The authors of the document call for an "equalization" of plans related to the VMI and to the global strategic plans of the U.S. on the scale of American foreign policy priorities. In this one senses an attempt first to move from characterizing operations as "emergencies," as happened previously on numerous occasions, to characterizing them as planned, and second, when possible to refuse to use gross force in a VMI and to move toward the use of preventative measures. Thus, Santa Fe II ultimately emphasizes the policies of a long-term expression of "outrage" by the U.S., culminating in the departure from direct support of military-anti-communists and in the reliance on democratic governments. Calling for the "education" of the Latin American military, theoreticians from the "Committee of Santa Fe" hope that the former will finally be able to understand the fact that "even elected administrations may successfully withstand the threat of subversive activities and terrorism."

The calls to strengthen the ideological influence on the armed forces should, in our opinion, be examined as an attempt once again to strengthen "anti-insurrectionist" beginnings in Latin American armies under the pretext of "merging" the activities of narcotic contraband traders and the leftist radical movement in the region. This is the result of Washington's desire to reach a new, more "objective" level of ideological warfare with leftist forces. It is in this area that prospects for the activation of OAS activities are being sought. Judging by the document, OAS operations must be primarily of an ideological-offensive nature, permeated with the struggle against "the foreign and internal threat." Here it is assumed that OAS will unambiguously approve of U.S. plans because it is proclaimed that the acceptance or

refusal of these plans will "affect the future of this organization." However, the document ignores the fact that the activation of OAS activities, which Latin American countries themselves are interested in, in principle can no longer be reduced to those aims which the U.S. is seeking ("aid" to Washington in the Central American conflict and withstanding "narcotics terrorism"). This presupposes prospects for growing conflicts within OAS between the U.S. and a fairly monolithic group of the more developed countries in the region.

Counting on OAS aid as "a friendlier" U.S. organ than the U.N., theoreticians from the "Committee of Santa Fe" evidently realize that even in the OAS what awaits them is far from a "peaceful life." Deserving of attention in this area is the tenet of a document that views the problem of the narcotics business as bilateral and calls upon the United States to curtail domestic demand for narcotics. Moreover, the document promises a more sympathetic U.S. attitude towards the interests of Latin American countries which, as was stated, "do not have to coincide with our interests."

Dissatisfaction with the fact that "Brazil, as all of South America in general, has become of secondary priority as compared to our problems in Central America," has become evident in the fact that in the document this region does not figure in at all among the "important" objects needing attention—in contrast to Mexico, Colombia, Brazil, Cuba and Panama. This can attest to a certain change in the approaches of theoreticians of the Republican party to the question of the importance of particular countries for the U.S., when the criteria that is used is not so much their faithfulness to "the banner of anti-communism" but rather their significance for the uninterrupted functioning of the economy and a crisis-free social situation. Thus, the proposals of "the Committee of Santa Fe" with regard to Mexico (to support efforts directed at eliminating state enterprises and the development of the domestic market; to support any attempts "to improve" the country's political system—the supremacy of one party) are directed first and foremost at improving the general economic and financial situation in the country, which in one way or another already affects the economy and finances of the U.S. quite seriously, and also at efforts to fight the narcotics trade in Mexico, which is a staging base for narcotics shipments to the U.S.

The general direction of proposals with regard to the five countries involves the need to strengthen the information-propaganda influence on them by the U.S.

The recommendations of the "Committee of Santa Fe" on Cuba are further from reality since here all hopes are placed on "rapid and positive changes in Cuba after the death of its leader," either as a result of the action of internal opposition or of the strengthening of propaganda efforts on the part of the U.S. In this way, U.S. policy with regard to Cuba will continue to be built

according to the tactics of a "ripe fruit," which in the more distant future does not exclude the possibility of interference by the U.S., including direct interference, into the affairs of Cuba, which is still considered to belong to its sphere of interest.

Recommendations with regard to Panama for the first time reveal fairly candidly the attitude of the U.S. ruling party toward the problem of adhering to the "Torrijos-Carter" agreement, which evidently will be subject more than once to attempts at revision on the part of the U.S.

The declaration that the U.S. needs a stable and dependable democratic regime in Panama is generally subordinating since the establishment of such a regime is seen only as a preliminary condition to the start of negotiations on maintaining a limited number of American military objects in the canal zone.

The "Torrijos-Carter" agreement is now practically being declared as not corresponding to U.S. national interests since it confirms that after the year 2000 all U.S. military objects in the canal zone will be transferred to Panama; the distribution of military forces in the Western hemisphere will change to the detriment of the U.S. (The references to the change in circumstances is viewed in international law as a basis for reexamining an obligation that has been taken on).

The possibility of the coming to power in Brazil of a leftist government in 1990 is being seen "as an economic and political catastrophe." The return to power of the military, which governed the country "softly" until 1985, is seen as a "lesser evil," but still as an undesirable phenomenon since it will "remove Brazil from its goal—to become a developed country and a great power by the end of the current century." The authors greatly emphasize the need to consider Brazil's strategic goal in the practical policy of the United States and in particular to have a more attentive attitude toward examining existing Brazilian-American problems, especially in the sensitive sphere of high-tech products, computers, textiles and so forth; to make an effort in the future to avoid greater and unpleasant disputes; and to revive the mechanism created in 1976 by H. Kissinger for regular meetings between the U.S. Secretary of State and the Brazilian Foreign Affairs Minister.

The recommendations of the committee with regard to Colombia, which, as its members feel, can in the 1990's "become a second El Salvador if the existing tendencies do not change," are very one-sided. They see the main problem in the supposed merging of the narcotics trade and the radical leftist movement. At the same time this document does not foresee any kind of U.S. assistance in implementing the "struggle against absolute poverty" announced by Colombia.

In our opinion, the document reflects the absence of any kind of long-term U.S. program for the continent's large countries that is oriented toward their specific features and national characteristics.

The conclusion of the document still gives us reason to hope for a more dialectic approach to Latin America by Republicans, one that is closer to the realities of today's world. In comparison to "Santa-Fe I," which is fully locked into the "search for international communism" in the Western hemisphere, the new recommendations appear to be more oriented toward objective problems—indebtedness, poverty, terrorism, narcotics addiction and so forth, which lie at the heart of the social and economic disorder in Latin America and are reflected in the status of inter-American relations. Whereas the "Santa Fe I Document" was permeated only with initiatives by force and ideas of "throwing off" communism in the Western hemisphere, the "Santa Fe II Document," although not ultimately rejecting interference in the internal affairs of neighbors, nevertheless focuses on questions of peaceful "propaganda of the advantages of private enterprise in comparison to state capitalism." Of course the preservation of the complex "sphere of influence" in the minds of Washington politicians has and will continue to leave an imprint on the implementation of the U.S. Latin American course. However, change towards a greater consideration of reality has already been noted. At the same time, the recommendations of the "Committee of Santa Fe" places a number of new tasks before the continent's leftist forces, including the need to find an adequate response to the new ideological offensive being planned by the U.S. COPYRIGHT: Izdatelstvo "Nauka", "Latinskaya Amerika", 1989.

Coffee Shortage Linked to Decline in Oil Exports to Brazil

18070211b Moscow ARGUMENTY I FAKTY
in Russian No 14, 8-14 Apr 89 p 6

[Interview with L. de Agiar Neto by Yu. Sigov: "Where Did Coffee Disappear?"]

[Text] Coffee has long become one of the scarce products in our stores. In the opinion of representatives of Soviet foreign trade organizations, frequent crop failures in coffee exporting countries, as well as the rise in coffee prices on the world market, are the reasons for this. However, is this so? This is what L. de Agiar Neto, Brazil's trade representative to the USSR, thinks about this.

[Correspondent] In connection with the disappearance of Brazilian instant coffee from the counters of our stores the following question arises: Did Brazil completely stop delivering coffee to the USSR?

[L. de Agiar Neto] No, you continue to receive Brazilian coffee, but in much smaller quantities than before. For example, whereas in 1986 the USSR purchased coffee worth 40 million dollars from us, last year, only 21

million dollars. Brazil delivers only instant coffee to your country. Soviet foreign trade organizations refused to buy coffee in granules from us as long ago as 1984. Incidentally, the USSR is the only state buying instant coffee in Brazil. All the rest prefer coffee in grains, including Brazilians themselves.

[Correspondent] What was last year's coffee harvest in Brazil?

[L. de Agiar Neto] Are you hinting at the drought and floods, which allegedly struck our country, about which your press reported? They simply did not exist, so that a good harvest was gathered. However, despite this the Soviet Union again reduced coffee purchases in Brazil, whereas, for example, the United States increased them (in 1988 the United States imported coffee worth 2,215 billion dollars from Brazil, that is, 100 times more than the USSR).

[Correspondent] A paradoxical situation has been created: The demand for coffee has increased sharply on our internal market, but Soviet foreign trade organizations, in particular Soyuzplodimport, have been reducing its purchases year after year...

[L. de Agiar Neto] We are extremely interested in increasing the deliveries of Brazilian coffee, but you have nothing with which to pay for it. Before 1988 oil made up about 90 percent of the Soviet exports to Brazil, but now its purchases in the USSR have been stopped, because it is cheaper for us to get "black gold" from Nigeria and Venezuela. Previously, we also purchased Soviet turbines for hydroelectric power stations—now we produce them ourselves.

We could increase, for example, coffee deliveries to the USSR in exchange for your tractors and other agricultural equipment, but for now this idea does not find the proper support among Soviet partners.

[Correspondent] As you know, in our country a 100-gram can of the Brazilian coffee Cacique costs 6 rubles. It would be interesting to know how much it costs in Brazil.

[L. de Agiar Neto] I have already said that we do not drink instant coffee. Therefore, it hardly gets to the Brazilian market. With regard to the price of a can of the Cacique coffee, which has tripled in your country in recent years, we have nothing to do with this. The wholesale prices, at which our Soviet partners purchase coffee in Brazil, remain stable. However, in order that you may not have the impression that I am avoiding an answer to the question concerning the price of Brazilian coffee outside the Soviet Union, I will say that, for example, in the United States a can of our instant coffee (100 to 120 grams) costs on the order of 2.5 to 3 dollars.

Finally, the last piece of information for lovers of Brazilian coffee in your country. In 1989 we plan to deliver 10,000 tons of instant coffee, which will amount to about 100 million cans, to the USSR.

[Correspondent] So, approximately every third Soviet citizen will receive a 100-gram can of Brazilian instant coffee this year. Possibly, India will "throw in" a little coffee to us. However, does Soyuzplodimport not prepare for you—respected readers—and us a too meager "coffee ration"?

Grenada Since U.S. Invasion

18070211a Moscow SOVETSKAYA KULTURA
in Russian 6 Apr 89 p 7

[Article: "Grenada, Which Was Forgotten"]

[Text] "Why does the following happen in our country: Either some country or political figure is in the field of vision of all international journalists at once, or completely disappears from newspaper pages for an indefinite time?" asks our reader M. I. Antonova from Leningrad. "You will surely mention Grenada on the next anniversary of the American invasion, but in no way earlier. Yet the task of a newspaper is to give an objective picture of the surrounding world without distortions or hush-ups." We accept this reproach, which is fair in many respects, and we offer an article from the French newspaper LE MONDE, entitled "Grenada, Which Was Forgotten." Together with journalist Marie-Claude Decamps let us set out for this tiny Caribbean island.

On 25 October 1983 an operation under the code name of "Urgent Fury" befall tiny Grenada. Allegedly in response to an official request by Sir Paul Scoon, the governor bequeathed to the island by the British Empire, 7,000 U.S. marines and soldiers of the "Caribbean forces" put an end to the 40-year rule of the leftist regime... Six days before that Deputy Prime Minister Bernard Coard with the help of a certain quadroon overthrew the popular Prime Minister Maurice Bishop. In order to hinder the crowd, which tried to free him, heavy guns had to be used. The same evening Bishop and nine of his associates were executed at the wall of Fort Rupert—an old, gloomy fortress, where the main police headquarters were located at that time.

In order to capture this small Caribbean island, the mighty power needed no less than a week. The Pentagon distributed—on principle—8,612 medals, but was forced to arrive at the unpleasant conclusion that it was easier to simply brandish a big club than to skillfully use it. The losses were appreciable and the cost of the operation high—75 million dollars.

Today there are not many obvious signs of the American "older brother's" stay on the island. Unfortunately, the true "invasion," that is, the invasion of private capital, which Ronald Reagan, who visited Grenada in 1986, advocated so loudly, did not take place. Not a single big

hotel was built, if we do not take into consideration the former naval headquarters remodeled into the Ramada Renaissance Hotel. Virtually not a single large enterprise, with the exception of affiliates of four American pharmaceutical firms (including Johnson and Johnson and Smithkline Beckman), was built. Finally, despite the daily run of British Airways and the less regular runs of Venezuelan Aeropostal, big airlines bypass the new airport. At first Grenada was played up too excessively, but now it is forgotten. The island with its incredibly magnificent beaches, settlements multicolored like English candy, and high churches continues to look at the horizon, waiting for the promised ships and airplanes, but, as before, remains a tourist desert.

On the other hand, the present government—a center-right coalition elected in 1984—has also greatly contributed to the general lethargy. Moreover, the disastrous tax reform carried out by the imperious and aging Prime Minister Herbert Blaize has led to a rapid rise in prices, hurting the most unfortunate. Above all, the government beset by crises and discords has been unable to meet the expectations of young people. Many of those who at one time served in the People's Revolutionary Army are without jobs (unemployment has reached almost 40 percent) or prospects for the future. The aircraft carrier Independence, which looms not far from the coast, plagues them too much with its presence. They feel the surge of national sentiments and remember "Maurice" (Bishop), whose achievements in the cause of education and social progress were quite realistic. They complain about the poverty of local television, which is limited to retransmitting broadcasts of American television companies, or about the rapid growth of religious sects, who—from Pentecostals to Mormons—engage, in the words of one of them, in the "colonization of souls."

Some make ends meet through smuggling and others join the Rastafari—tramps—in order to acquire at least some semblance of individuals. In Sauters in the north of the island, where at one time the first colonists (incidentally, French) were noted for the fact that they forced the natives to commit suicide, the Rastafari gather around small outdoor coffee houses. Seating themselves on mats, they smoke gandzhu—the grass of oblivion. People say that in the last 3 years crack—an inexpensive variety of cocaine suitable for smoking—has also appeared here. This has led to a sharp increase in theft on the island.

Motor vehicles of the special security forces trained by Americans now carry out preventive patrols ever more often. However, the central police commissariat located in a pinkish building, as before, proudly ignores the drug addicts. The huge crucified locust at the entrance to the office is presented as the only enemy of the island's population.

According to Leslie Pierre, the publisher of THE GRENADIAN VOICE, the island's chief newspaper, "tropic serenity" reigns on this tiny timid island. However, it is quite possible that "family quarrels" will break out this year, because in accordance with the British system the prime minister will have to hold parliamentary elections in the very near future. A good half a dozen parties and organizations have already entered the arena of rivalry. The surviving advocates of the former leftist government, who have united in the ranks of the Maurice Bishop Patriotic Movement, expect to take advantage of the romantic political capital connected with the tragic end of their former leader and to receive more than 5 percent of the votes, which they managed to pick up during the previous elections. "The Spirit of Maurice Bishop Continues To Live" says the banner at the entrance to the party headquarters—a small house in the colonial style.

The present government coalition feels uncertain. The 70-year old Prime Minister Herbert Blaize is sick and travels regularly to Washington for treatment. However, he has become so used to power that he is considering to remain at the head of his New National Party, thereby blocking any initiative. His potential successors have already quarreled openly among themselves, splitting the coalition, which is shaky as it is, even more.

Some people now ask themselves the following question: Will the civil strife in the government not prove to be advantageous, first of all, to the island's former "strong man"—dictator Eric Gairy—who was driven away only owing to the 1979 "revolution"? With all the improbability of this hypothesis it should not be disregarded.

In the meantime American diplomats, who have taken cover in their bunker-villa, which stands at the very edge of the high coast, make an effort not to show themselves in any way and try, like all the rest, to predict Grenada's future, fixing their eyes on its cloudless horizon.

Improvements in Cambodian Economy Examined

18070313 Moscow PRAVDA in Russian
14 Jun 89 Second Edition p 4

[Article by M. Domogatskikh, P. Tsvetov, A. Chernyak, special correspondents, Phnom Penh: "The State of Kampuchea [Cambodia]: The Healing of Wounds"]

[Text] Phnom Penh—the capital of the State of Kampuchea—has once again become one of the lively crossroads of Indo-China, and perhaps of all of Asia. Whom you don't see today here in the streets, in the hotels of the capital, in the halls of the museum complex of the former Imperial Palace, in the monumental installations of the ancient architects—the temples of Angkorvat and Bayon or in the less grandiose, but so respected monument of past centuries—the temple of Toprum and Tonlebat. They are businessmen from Japan and Australia, from France and India, journalists representing newspapers and television companies from various continents, tourists from Europe and Asian countries.

And this country attracts all by the fact that enormous changes are taking place here in the domestic life and the time is approaching for the solution of one of the most complex regional conflicts, engendered by the evil schemes of forces hostile to Kampuchea, which attempted not only to turn the wheel of history back, but to stop time itself. Now, 10 years after the overthrow of one of the most dismal regimes in the history of mankind, it has become especially clear that, as it is impossible to stop time, it is impossible to keep the resilient sprouts of life from forcing their way through the heaviest obstacles of the past.

Every newcomer to Kampuchea from far away, who knows what happened in this country, who is prepared to see a dismal picture, will see the triumph of rebirth: Streets full of people, kiddies playing in parks, briskly walking school children with satchels, packed movie theaters and open concert squares bringing together thousands of people. . . .

"Our two most important achievements," said Kkhun Sudari, a lady journalist well known in the country, "are first: There are no people in the country who are suffering from hunger. And second: The faith of people in a peaceful and happy future."

10 years is not a long period. But how much has been done in Kampuchea during these years. Indeed, the country had in essence experienced a national catastrophe. We have already written that more than 3 million people were annihilated. Industry was destroyed, great damage was done to science, culture. . . .

One should also take into account the fact that, although in 1979 the country threw off the Pol Pot regime, it lived still in conditions where the people, artificially torn away from its hearths, was on the road. On the road in the real sense of the word, because the northerners had to return

to the south, and the southerners—to the north. Those who lived in the west of the country made their way with difficulty along roads to the east, and they were met by sorrowful columns stretching from the east.

During this year, the peasants were able to cultivate only a total of 770,000 hectares of land and to harvest only 570,000 tons of rice. Without the fraternal assistance arriving in time from the socialist peoples and from other friendly countries, the hunger, which was initiated by the regime of genocide, could have increased the number of victims. But the world association, in spite of the serious obstacles of hostile forces, helped the long-suffering people to survive.

"The First Five-Year Plan of socio-economic development," Heng Samrin noted in his report at the second national conference of leading personnel, which took place in April of this year, "is being implemented successfully, especially in the sphere of agriculture. In 1988, the country harvested 2.7 million tons of rice, which once and for all removed the danger of hunger and stabilized the socio-economic situation. Before the war, that is before 1969, the area of rubber plantations in Kampuchea came to approximately 70,000 hectares, of which 47,500 hectares produced approximately 50,000 tons of dried rubber. And this high-income sector was given, it seemed, a mortal blow: In 1979 the country harvested with difficulty 1,300 tons of rubber. Today rubber plantations are distributed on almost 52,000 hectares. Not all of them have entered into the time of maturity, for this 7 years are required, but during the past year the country obtained 31,000 tons of dried rubber, and this not only provides for its own raw material needs, but makes it possible to export rubber, thus obtaining the necessary foreign exchange funds for development needs.

Kampuchea is rich with forests, which produce valuable types of wood, enjoying high demand on the world market. During the past year, the level of wood output was attained that was projected for 1990. 50,000 cubic meters of red, black and other valuable types of wood, supplied to the world market, helped to strengthen the economy, to carry out the technical reconstruction of the sector, and to create the conditions for its more successful work in the future.

Our Kampuchean friends invited us to visit the state center for the breeding of pure-bred cattle, which is in the province of Takeo [Takev]. Here they raise pedigree buffalo and supply them to all the provinces.

"We now have 365 head," Or Savan, the chief of the center told us. "These buffalo were brought here from the Philippines. They are in good health and endure the drought better. But the undertaking is not moving ahead as quickly as we would like. During the dry season there is a shortage of fodder. Things are bad with pastures and equipment. In short, there are things that need to be done.

Kampuchea was never a country with developed industry. But nevertheless, there were 79 enterprises here which turned out automobile tires, bicycles, equipment, clothing, footwear, canned food, food products, and beverages. After the Pol Pot men, only 10 enterprises remained.

Once upon a time, the great English writer and visionary Herbert Wells wrote about our country the book "Russia in the Shadows". He did not believe that Russia will ever be radiant with the light of electric lamps. Few people believed that this will happen in the immediate years ahead and in Kampuchea, which was not simply in the shadows, but also in impenetrable darkness.

"With Soviet assistance," Heng Samrin said, speaking at the conference, power stations were restored and built in Phnom Penh, which today produce 180 million kilowatt hours of electric power a year; four stations operate Batdambang, Siemreab, Kampongtyam, and Kampong Saom. This made it possible to restore and to set going almost all the destroyed enterprises, as well as to create more than 2,000 small enterprises turning out consumer goods.

A quarter of a century ago, a tire factory was built in Phnom Penh. Large modern blocks of shopped, spacious territory.

"Upon their withdrawal, the Pol Pot people almost completely destroyed the enterprise. We restored it. But," says Khul Ion, the director of the plant, "time does not spare even steel machines, they drop out of operation. In 1986 we turned out 35,000 automobile tires, but in the past year—only 24,000. The reason? A shortage of energy. Old equipment. We are beginning the reconstruction of the shops. We have established connections with Soviet enterprises, ordered new equipment, and have already received part of it."

At the plant, a comparatively small collective—slightly more than 430 people—consists of graduates of Soviet vocational-technical schools and engineers who studied in the Soviet Union and Czechoslovakia. The plant is searching for new forms of economic management, the collective is thinking about the output of new products for Kampuchea and for export. And one can get acquainted with these products not only at the plant, but also in a lively market not far from its entrance checkpoint, where the trade in tires for bicycles and motorcycles, rubber gloves and shoes. This is already the result of individual labor activity.

Incidentally, at the party conference it was said that the party welcomes the development of initiative and enterprise. All sectors of the economy have been advised to help its development. We visited the first private enterprise, which made its appearance 2 years ago.

In Chakangra, in the suburb of Phnom Penh, there was formerly a small glass factory, sooner a workshop, which made bottles for water. But the Pol Pot people closed it, too, and drove the proprietor Khiyep Khong into a "commune," and when he returned to Phnom Penh, he did not want to engage in the old trade. His friend, the very active 54-year old former hotel owner Uong Bu, argued for the great utility of the glass factory. And he persuaded him. They started to collect broken glass and make bottles. At first, everything was wretched and primitive. They announced to their acquaintances, and they to their acquaintances, that a new glass factory had to be built. They invited those who wished to become shareholders, to pay in 1,500 dollars or an equivalent amount of gold. We note that trade and all payments in Phnom Penh are conducted both in the national currency—riels, and in dollars. Moreover, the riels are kept at a rather stable level in relation to the dollar.

And the first 22 shareholders appeared. The obtained new equipment, expanded the production premises, and mastered modern technology. And now, a year later, the factory produces 4 tons of glass utensils a day, including medical utensils, part of which are sold to neighboring countries.

Chea Sau, the deputy chief of the industry department, told us that the factory in Chakangra now is already not the only private enterprise. In Phnom Penh alone, there are more than 100 of them. They make footwear and spare parts for bicycles, tableware and various tools. This is of great help to people, because state enterprises cannot always get through to the small things, and the handicraftsman knows the market better, knows what people need.

We also visited the famous fishing village on the right bank of the Sap River. From time immemorial, the its inhabitants have been the chief suppliers of fish and "prakhok"—a fish sauce for the inhabitants of Phnom Penh. There was a time when they started to create all sorts of obstacles for the fishermen, to combine them by force into a fishing cooperative, where at once a bureaucratic management apparatus began to grow up, which reorganized the entire work to which the fishermen were accustomed after its own fashion, as a result of which there was no increase in fish, and incomes fell. Now everything has returned to its place. "We are like a cooperative: We live as a single village, we know each other, we work together as a fishing brigade," El Sen, the most authoritative fisherman on the shore, told us. "In the village, there are 120 families. We have 200 boats, and all adult fisherman go out to fish together. We share the income on the basis of participation in the work. But there are no people who are dissatisfied, because wages have increased and the standard of living has risen.

We were guests in the home of El Sen. He showed us not only his fishing equipment—two boats and nets, but next to it, under the house, raised on piles, a Japanese Honda motorcycle. For Kampuchians, this is more than a

Mercedes in our country. But El Sen surprised us even more with a color television and a video system in his home. 40 other fishermen of the village have such such systems.

Incidentally, in addition to their own national first and second programs, Kampucheans watch Soviet television. In the center of Phnom Penh, there stands a powerful relay station, constructed by Soviet specialists.

"We are very grateful for this assistance, which you extend to our country," said the electrician Sorr Ritkhi, who recently arrived from Volgograd, where he acquired his specialty. A hospital, a polytechnical institute, and several power stations have been built by the Soviet Union and presented to the Kampuchean people as a gift. The training of specialists is being conducted on a broad basis. All of this is bearing fruit. Our country is healing wounds.

Today, the State of Kampuchea is searching for and anticipating the future. The withdrawal of the Vietnamese volunteers from the country, and the negotiations of all the participants in the conflict about ways of settling it, compel the discussion of the future, both in the ministries and in the peasant huts.

"But nevertheless," Yyet Ki, secretary of the party cell in Chakangra, "we have survived the most difficult. Now we are in a crucial stage that is very important for us. We know how to defend our achievements and to make the country peaceful and prosperous. We cannot be turned away from this path. This, we, the people of Kampuchea, can and will do without fail."

... There are more and more smiles on the faces of the Kampucheans—people who are industrious and trusting like children. The following incident is engraved in our memory. At the market, one of the Soviet tourists found a VCR. They bargained and agreed on 300 dollars. But here the question arose: How to check the equipment in operation? The shop owner proposed an original way out:

"You give me a deposit of 100 dollars, take the merchandise, check it out in the hotel or in the home of acquaintances, and tomorrow bring the rest of the money or return the VCR, if it is defective.

You should have seen the expression on the face of our fellow-countryman after that proposition.

... Faith! Perhaps, this is the most characteristic trait of the Kampucheans. This trait helped them to hold out during the brutal years. This trait helps them today to heal the wounds.

Problems, Successes of USSR-PRC Cross Border Trade

18070308 Moscow SOVETSKAYA ROSSIYA
in Russian 30 May 89 Second Edition p 3

[Article by Sergey Kulik, TASS political correspondent—special for SOVETSKAYA ROSSIYA: "Two Banks of One River: Successes and Problems in Soviet-Chinese Cross Border Trade"]

[Text] The windows of the Blagoveshchensk House of Soviets, where the Amur Oblast Party Committee is located, directly look out on the great river. The factory smokestacks of Haiha emit smoke on its opposite right bank. The typical sounds of Chinese melodies are even heard from there sometimes. The distance between the cities, which look at each other, is some 700 meters....

L. V. Sharin, the obkom first secretary, says: "It is very tempting to trade across the Amur. Last year, we built a "winter road" here for the first time—an ice crossing over which a journey to our neighbors took some 15 minutes. More than 150,000 motor vehicles traveled in both directions for three months. The trade turnover brought in up to 100 million Swiss francs. This was sixfold more than planned. We are now arranging for—again for the first time!—a ferry line of communication. It will eliminate trans-shipping in the ports and will be a great help to the river transport workers. At the same time, we are raising the question of constructing a motor and rail bridge across the Amur between Blagoveshchensk and Haiha in order to establish reliable conditions, which do not depend on the whims of the weather, for further expanding the economic ties between our socialist states. The geographical position of Blagoveshchensk permits us to become—to some extent—the 'trade representatives' of other USSR oblasts in trading with China. I urged this, having availed myself of the podium during the USSR Supreme Soviet session. The people from Tula were the first to respond. They suggested delivering fertilizer and metal to us in exchange for Chinese consumer goods."

I was surprised! "Your 'fat'?"

Leonid Vasilyevich smiled bitterly: "Commissions. You know that necessity is the mother of invention. We do not have any surplus of products in the oblast except for electrical energy and timber. The LEP line will cross the Amur by the end of the summer. Never before have we hauled our own timber resources and that is why we can also offer the Chinese something. This, however, is not much. They want to receive fertilizer, metal, cement, and glass. It is necessary to travel throughout the country: to obtain, to exchange, and to unscrew. Since we organized direct trade links two years ago, we have learned a great deal and have comprehended much. At first, we seized upon the consumer goods for which the Far East inhabitant is especially starved. You know—thermoses, flashlights, clothing with bright labels.... Soon, however, we

understood that, while we were delivering resource-intensive goods and raw materials to our neighbors that would stimulate the development of their economy, we ourselves had to live for the day, solve long-range tasks and receive equipment and technology lines through the cross border trade. Generally speaking, China should not be transformed into a raw material appendage.

Many anecdotes are circulating through the Far East concerning the first months in the establishment of cross border trade. They recall, for example, how the Amur Oblast trade organizations sold cement to the People's Republic of China and the Amur agroindustrial committee simultaneously exchanged it in the Democratic People's Republic of Korea for soy beans. The Mikhaylovskoye Agroindustrial Association purchased nails in the People's Republic of China at a price of 2,000-3,650 Swiss francs per ton and the Khabarovsk Kray Fishing Union of Consumer Trade Cooperatives sold similar goods to China at a price of 450-750 Swiss francs. At one and the same time, the prices for identical products in the contracts of different enterprises can differ by 50, 100 and—in some cases—200 percent.

How could this happen? No matter to whom I posed this question, all were unanimous in their opinion: The Far East people had undertaken the task without having any experience or personnel.

V. E. Gubanov, the leading engineer in the group for foreign economic ties of the Amur composite scientific research institute in the USSR Academy of Sciences Far East Branch, thinks: "Every enterprise, with rare exceptions, worked independently, without coordinating with the others. As a result, not having mastered the situation and not knowing prices in the world market, they determined them spontaneously without an accurate economic basis.

At the same time, trained employees of foreign trade companies at different levels usually participated on the Chinese side in the discussions with Soviet specialists from the very first steps in forming the cross border ties. A single information network for prices functions in the People's Republic of China. The drafts of agreements and contracts are carefully worked on before the beginning of negotiations and that is why the side, which is unprepared for it, can—at times—do nothing other than accept the proposals of its partners. The Chinese side has mastered the state of affairs very well and pursues a single trade policy that permits competition between their own organizations to be averted.

This obviously expedited insight and urged the local leaders to put the element of cross border ties under their wise control. Heilong-jiang began in 1987 with the exchange of Soviet fertilizer and wood for Chinese watermelons.

One can now find quite a bit that is interesting and useful in the Amur Oblast's plans for technical and economic cooperation with the People's Republic of China. The Chinese, for example, have agreed to purchase licenses from the United States for the use of production processes and to assign their workers to the building of a solar battery plant using our silica deposits. This is very important for the Amur region where there are very clear days and a very small population that lives on an enormous territory far from electric power transmission lines. The Amurelektropribor plant has held discussions on receiving imported component parts through the People's Republic of China for the assembly of color television sets in Blagoveshchensk; part of them will then be sold in China. The question of organizing the production of video tape recorders and computers has already been looked into under the same conditions.

An agreement has already been achieved concerning the Chinese side manufacturing products from raw materials delivered by us—furniture, leather items and wood particle and fiber boards. Taking into consideration the fact that one of the main brakes for developing the Far East is the acute shortage of manpower, three brigades of Chinese construction workers have been recruited to erect an oblast hospital, the Turist hotel and a new drama theater building in Blagoveshchensk.

However, since the key link in expanding the Far East's production forces is the food complex, a large portion of the projects are being implemented in agriculture. Having been in the Maritime Kray and the Pogranichnyy settlements, I understand particularly clearly how much can be done here by cooperating with the People's Republic of China.

Last year, Chinese peasants leased 83 hectares of land on the Baranovskiy Sovkhoz.

V. A. Dovgal, deputy chairman of the Pogranichnyy Ispolkom, says: "However, the main thing is our 'construction project of the century'—the largest brick factory in all of the Maritime area. The equipment and building materials for it were imported from the People's Republic of China and Chinese workers are building the plant. It would seem that it has no direct relation to agricultural production. However, 20 million bricks a year represents an expansion of the social and consumer sector which we launched so disgracefully and without whose expansion we will not keep youth in the village today; consequently, we will not move the solution of the Food Program from dead center. The shortage of labor resources is a very critical one for us. That is why we ourselves would be able to do nothing without the help of the approximately 500 Chinese workers who are working on building joint projects in the rayon."

To some extent, fertilizer has become a "common equivalent" in cross border trade. In the Maritime Kray, for example, almost three-quarters of the price of our cross border exports to the People's Republic of China fell to

its share last year. One Maritime Kray union of consumer trade cooperatives alone signed contracts for the delivery of 100,000 tons of fertilizer, 90 percent of which was purchased in the country's western rayons.

The supporters of centralized regulation of foreign economic activity maintain that the use of fertilizer in "cross border trade" operations not only squanders currency reserves but also undermines our agriculture.

However, the Amur agroindustrial committee showed me a fat folder in which telegrams had been filed that reported kolkhozes giving up the purchasing of fertilizer this year. Some had accumulated surpluses; others had no money; and still others were guided by ecological considerations. The people of Blagoveshchensk planned to pay off their Chinese partners, who had delivered equipment to them for processing agricultural products, with this fund of fertilizer. Instead of this, they were compelled to pay enormous fines to the railroad for the demurrage of railcars with fertilizer, timber, metal, cement, glass, coal, and even fish that had been held up at the border.

These are the judgments that can be heard today in the Far East. Where is the way out? Most likely, it lies somewhere in the middle—between the uncontrolled element of the first operations of the "cross border traders" and a strict policy of regulation.

Japan's Scientific Research Programs Described
18070309 Moscow SOTSIALISTICHESKAYA
INDUSTRIYA in Russian 30 May 89 p 3

[Article by B. Kubichev: "The Japanese Version: Scientific and Technical Research Provides High Results"]

[Text] The country of the rising sun does not stop surprising the world with ever newer breakthroughs in the area of equipment and technology. There are quite a few explanations for this onslaught—both profound and superficial ones. For all that, the myth lives on for some reason that, they say, the Japanese are really dependent on the West for a portion of their new ideas and that they can only embody somebody else's brilliant discoveries—that they are not too capable of independent scientific research. It is difficult to say what is more important here—the lack of knowledge of the subject or the desire to console oneself for the loss in the race to bring new technologies to market. However, this rubbish is tenacious; at its basis is the conviction that an atmosphere of strict regulation of scientific life, which does not organically contribute to the conducting of basic research, reigns in Japan.

In connection with this, one must assume that the conclusions, which are contained in a report by a group of prominent American scientists that was recently published in the United States, are a genuine revelation. This report, which was compiled on orders of

"JTECH"—an American government program to evaluate Japan's scientific and technical potential, conclusively maintains that Japan is successfully conducting an experimental program to expand basic science to the highest degree with its direct application to industrial practices. The level and intensity of the work is such that several Japanese scientists have become world authorities in their fields as a result of it.

The report's authors have scrupulously researched the Japanese program for "long-term research in the area of advanced technology (ERATO)" that is being financed with funds from the Research Development Corporation of Japan, one of the organizations for the Japanese government's management of science and technology.

What are the goals of ERATO which was established in 1981? First, eliminate the gap between the research work being done in Japanese universities and the applied research in industry. Second, stimulate research aimed at a breakthrough, especially on those avenues that would provide industry with competitive technologies and types of products for a long time.

From the very beginning, about two dozen special-purpose programs have been launched within the ERATO framework. Many of them have been aimed at so-called "hybrid technologies" which lie at the junction of branches. The programs to develop the ecological chemistry of morphogenetics can serve as an example. Each one is calculated based on five years and costs from two to three million dollars a year. It is interesting that the director is appointed not from above but as the result of a careful poll of young scientists and engineers who work in this scientific area. The ERATO directors do not shun spending a great deal of time at any type of scientific conference or symposium in order to sound the participants out as to which scientist enjoys the maximum respect and under whose leadership they would like to work on a new long-term subject.

As a result, they move truly outstanding people to the forefront. Scientists of such a level as (Osamu Khayasi), an eminent world biochemist, or (Koki Khorikosi), a microbiologist whose work has called into being a complete branch of industry that produces fodder chemical additives, for example, now head the programs about which we are talking. They believe that another of the directors—(Dzyuniti Nisidzava)—is the most prominent authority in Japan on semiconductors.

However, not only so-called "academicians" head these special-purpose programs. (Tikara Khayasi), the president of the (Ulvak) corporation which produces scientific equipment and instruments; (Senti Iosida), the director of a group of factories in the Nikon company; and (Mitsuru Furusava) from the (Dayiti Seyyaku) pharmaceutical company, are among the directors.

The programs are completely autonomous—a staff of bureaucrats, who would regulate each step in the research, does not direct them. Directors themselves are free to select their staff of co-workers based exclusively on the interests of the task and the funds that they have at their disposal. As a rule, they invite those who are not yet forty, assigning primary importance when doing this to one's receptivity to what is new and one's ability to think non-traditionally without looking back at "schools" and "authorities." Where possible, they lease premises for the research work since this is considerably less expensive than maintaining permanent laboratories.

Why is industry eagerly going over to this type of cooperation? Besides the evident reason of picking up new long-term technologies, there is another one. Companies acquire an opportunity to raise the qualifications of their prospective workers to the extra-class level. Under other conditions, this would be difficult if not impossible in general. At the present time, industrial workers represent 60 percent within these programs. As a result of this, practical workers, who have been enriched with skills in basic scientific research under the leadership of outstanding scientists, return to production facilities.

The attraction of foreign specialists is an interesting distinctive feature in this new organization of scientific and technical research. In a number of cases, they represent up to 10 percent of the scientific and engineering collective engaged in working on some problem or other. This clearly testifies to the fact that secrecy considerations are yielding to the need to obtain exceptionally valuable results in a very short time. They invite both independent scientists and researchers from foreign companies and firms—and not only from Western countries. Even I. Varshoni, a citizen of Hungary, headed one of the groups in the program to develop (Dzyuniti Nisidzava) semiconductor technology.

The report by the American scientists emphasizes that this approach to organizing research on breakthrough avenues provides outstanding results. Bob Lyons, a chemist from the special-purpose program to research solid-state physics in one of the laboratories in Tsukuba "science city," states—not without some amazement—that the program has provided him a unique opportunity to work on a whole series of new approaches to creating materials having qualities which he had not previously conceived of since he had assumed that this was an unfeasible task. Similar high results have also been achieved in the area of creating high temperature superconductors that promise a revolution in energy.

The report by the American scientists says: "The results, which have been obtained by (Dzyuniti Nisidzava), essentially are extremely important and pioneering ones and the quality of the results in the group to develop technologies for growing crystals for the building of semiconductor instruments based on gallium arsenide does not have any analogy in the world." The same high

expert appraisal is being given to the work results of (Osamu Khayasi's) group with prostaglandin—hormone-like substances which, in the opinion of many scientists, can revolutionize the medicinal preparation market by the end of the century: "... the program has revealed a multitude of avenues for further research. Doctor (Khayasi) and his co-workers are undoubtedly world experts on prostaglandin at the present time."

If one talks about the purely organizational aspect of this Japanese experience—incidentally, there is nothing special in it which cannot be transplanted to our soil—I would point out that all of this is being done within the framework of existing industrial and university structures. There is no need to establish new state committees with enormous staffs and essentially futile intermediaries between science and production are not required. Lucid minds, independence, energy, money, and a demand for final results—these are the components of the breakthrough. Judging from the American scientists' report, the United States is concerned by how to adapt all of this to itself. Of course, not only America should think about this.

Chinese Scholars View Mao Zedong Legacy

18070177 Moscow IZVESTIYA in Russian 25 Mar 89
Morning Edition p 6

[Article by Yu. Savenkov, IZVESTIYA's own correspondent, Peking: "We Do Not Fetter Ourselves With Dogmas"]

[Text] *On a cold and windy morning of 26 December of last year thousands of people formed a long line on Peking's Tiananmen Square in front of Mao Zedong's burial vault. His life and activity, his victories and defeats became a part of China's history and had a tremendous effect on the fates of the country's inhabitants.*

That December day was the 95th birthday of the "great helmsman." Baskets of flowers from children stood in Mao Zedong's memorial. A calligraphy and painting exhibit devoted to two dates simultaneously—Mao Zedong's 95th birthday and Liu Shaoqi's 90th birthday—was opened. A dispatch by Xinhua from Shaoshan, where Mao was born, reported on an art exhibit, a concert program, and a track and field race in connection with this date. A scientific symposium devoted to the study of his ideas, in which scientists from Hunan Province participated, was held. A five-year program of research on various aspects of Mao's views and their effect on society's life was discussed.

Probably, there were all the commemorative features: a restrained tone and no loud words, official statements, or evaluations... To this it can be added that during the opening of the 13th Congress of the Communist Party of China (1987) presiding Deng Xiaoping proposed that the memory of the veterans of the Chinese revolution, who

had died, be honored. The name of Mao Zedong was mentioned along with the names of Zhou Enlai, Liu Shaoqi, Zhu De, and other outstanding party and state figures.

The figure of this man, who since his student days defined his life's goal—"to transform China and to transform the world"—is extremely contradictory. Mao Zedong is one of the founders of the Communist Party of China and a participant in its first congress. In 1948 in Tiananmen Square, having proclaimed the formation of the Chinese People's Republic, he stated: "From now on the Chinese people will rise to their full height." Later, however, with a "cavalry attack" he tried to build communism in violation of the laws of social development and became the initiator of the "great leap forward"—development of production at superrapid rates, leaning on... manual labor. During his years peasants were united into communes and even household articles were confiscated for public use. After the achievements during the first years of the people's rule the economy was on the verge of a disaster and hunger began in the country. However, when a sound economic policy brought the country back to a healthy path, "leftist forces" again appeared on the proscenium. The "cultural revolution"—10 years of chaos, which brought countless calamities on the country—erupted. Mao permitted his elevation to the rank of an "infallible god." A red pocketbook—excerpts from his speeches and articles were memorized—was the symbol of personal devotion on the part of every Chinese inhabitant to the "great helmsman."

Mao Zedong's personality cult, which, as the Chinese authors Li Xuekun and Zhang Peihang write, "was born and began to grow into a malignant tumor after 1956," was officially recognized and condemned with an indication of his name at the Plenum of the Central Committee of the Communist Party of China in June 1981 in the "Decision on Some Problems Concerning the History of the Communist Party of China From the Time of Formation of the Chinese People's Republic." The plenum gave a new interpretation of Mao Zedong's ideas. It stated that Chinese communists, whose main representative Mao Zedong was, generalized the experience accumulated in the course of the Chinese revolution and defined the leading ideas meeting specific Chinese features. Thus, "Mao's ideas represent the quintessence of the party's collective wisdom." At the same time, the plenum recognized numerous errors of Mao Zedong himself both in theory and in practice and placed on him personal responsibility for the biggest miscalculations and defeats. The decision noted that the mistakes in his concept of the class struggle under socialism became more and more serious with the years. The autocratic style of work disrupted democratic centralism in the party and his personality cult grew constantly. It was stated that precisely he developed and led the "cultural revolution."

The Rules of the Communist Party of China adopted at the 12th Congress in 1982 state the following: "The party

prohibits the personality cult in any of its forms." However, habits do not simply go away. For example, this what Gong Yu Zhi, deputy head of the propaganda department at the Central Committee of the Communist Party of China, writes in the weekly BEIJING REVIEW: "The historical significance of the presently expanding movement for the 'emancipation of consciousness' lies in freeing the thinking of all party members from Mao Zedong's personality cult and in helping people out of the traps of dogmatization and deification of his virtues."

In the era of the great transformations, whose goal is to make China powerful and rich, the country greatly needs active and creative individuals with initiative. Meanwhile, many sociologists and politologists believe that the chronic sickness of "asking for instructions" and the psychology of dependence have not yet been overcome. There is a shortage of people capable of making independent decisions. For many years in his essence man has been considered only a means of social development.

Now society, turning to the past, also wants to understand and become aware of Mao Zedong's legacy. In addition to such authoritative official institutions as the Center for the Study of Party History and the Center for the Study of Documents and Archives under the Central Committee of the Communist Party of China, there are public organizations; for example, the Society for the Study of Mao Zedong's Philosophical Ideas. There are special publications and many theoretical articles appear. Here are some research topics: the theory and practice of Utopian socialism; the theory of conducting a revolution under conditions of the dictatorship of the proletariat; the social basis for the formation of the personality cult; the relationship of the later Mao's views to Marxism-Leninism. Memoirs of his former comrades-in-arms appear ever more often.

The weekly LIAOWANG published a talk between its correspondent and the recently deceased Ji Dengkui, who had worked as a party leader in Henan Province for a long time. From the middle of the 1970's he held the post of deputy premier of the state council and was a member of the Politburo of the Central Committee of the Communist Party of China. "At that time," he said, "there were two paths in front of me: to follow Mao, or not to listen to him. I chose the first path, because I believed in him superstitiously. However, some acted differently. Chen Yun and Deng Xiaoping were among them. Did they not listen to him? At times they did not. Therefore, they had both takeoffs and downfalls."

Ji Dengkui believes that Mao was the greatest personality in China's history. The fact that under his leadership the Chinese people established a united and independent China is his main contribution. He was unusually decisive—few could compare to him in this. The fact that he incessantly launched political campaigns was his main mistake. He wrote good articles, but often acted contrary to his ideas. In the last few years he

believed hardly anyone. At that time intraparty life was not normal. "This is the tragedy of our party and of Mao Zedong himself," believes Ji Dengkui.

An article by scientist Li Rui appeared in the newspaper GUANGMING RIBAO recently. It was devoted to an analysis of Mao Zedong's views and activity during the last years of his life. This is a foreword to a collection of academic articles, which are still in the press. "It is difficult to call everything that was published about Mao Zedong in his lifetime scientific works. The breakthrough was made in June 1981, when his place in the Chinese revolution was stated honestly. However, this decree is not the conclusion, but the true beginning of the process of studying Mao Zedong," the author believes. From his point of view, an analysis of precisely the last period in Mao Zedong's life—primarily the fallaciousness of his ideas, which brought serious calamities on the people and resulted in a historical tragedy for him—is the most important. Mao Zedong belongs to history. To investigate his views means to study Chinese society.

Here are several fragments from Li Rui's article:

For example, historian Li Shu maintains that the seedlings of the personality cult should be sought in the patriarchal system (the head of the family decided everything) and in feudal personal dependence. This phenomenon also deserves close attention today. The fight against revisionism in the early 1960's was an extreme manifestation of dogmatism. Where did dogmatism come from? From ignorance; ignorance, from poverty. "The poorer, the better; the poorer, the more revolutionary." Mao also said: "The more books you read, the duller you grow." People's ignorance was the ground for the personality cult.

Another author—Li Zehou—believes that the sources of the "cultural revolution" should be sought in feudal policy and morality. Many authors write: Mao was never in the West. He went to the Soviet Union only twice. From his youth until his extreme old age China's cultural traditions, which sprang up on the soil of a closed small peasant economy and an authoritative regime, had a profound effect on the formation of his world outlook. Many authors stressed: In the Mao era we built socialism behind closed doors and evaluated capitalism one-sidedly. Yet it enjoyed the fruits of civilization. Now a systematic analysis is needed: the ability to see not only flaws, but also to derive useful experience; for example, in the organization of production, management, science, and technology.

Scientist Xiao Yanzhong notes that during his last years Mao exaggerated the role of the subjective principle and regarded economic laws as relations among people and as the product of policy. He began to confuse such concepts as "to rule" and "to control." He reduced complex diverse relations to a "class struggle not for life,

but for death." He considered the will of the savior—"himself!"—the source of the nation's entire strength and transformed the thesis "to trust the masses" into the dogma "to trust himself."

The following thought was heard at the scientific symposium "Views of the Later Mao Zedong" organized by the Center for the Study of Party History under the Central Committee of the Communist Party of China: "These views were formed in the process of a search for ways of building socialism. However, as practice showed, they were cut off from Chinese reality, although there were also correct ideas (agriculture is the basis for the national economy, independence in international relations, and the idea of the fight against hegemonism)."

"We are going through a period of replacement of the old system," Li Rui writes in the conclusion of his article. "Many problems arise, the world throws down a new challenge to us. It would seem: Why should we dig up the past and settle old scores? Let us better turn our face to God's world, to modernization. However, the destruction of the old and the creation of the new are two sides of one medal: Don't forget the past, it is the teacher of the future..."

Prof Su Shaozhi is one of the most authoritative social scientists in China. For more than 40 years he has investigated the theory of socialism. He began to study Marx's "Das Kapital" even before the liberation—he tells me this pensively. His recent years have been connected with China's Academy of Social Sciences. He is editor-in-chief of the scientific journal STUDY OF MARXISM. Participation in developing the concept of the initial stage of socialism is among his significant research. He is an ardent champion of complete freedom of discussion. "His opinions are sharp and unexpected," his colleagues say about him.

I prefaced my first question to him with the statement by politologist Yan Jiaqi: "Science is a world in which there are 'three nos': There are no forbidden zones, there are no idols, and there are no summits."

"Do you share this point of view? Is it applicable to Marxism, the object of your concern?"

"Don't create an idol for yourself—this is also my credo," the professor answered. "I value the spirit of the December 1978 Plenum of the Central Committee of the Communist Party of China. It precisely opened a new page in the development of Marxism. This doctrine is not a dogma, but a method, a compass. This is a science, which is developing constantly. We will be able to demonstrate our loyalty to Marxism only if we creatively follow the realities of the modern world. In socialist countries Marxism is the guiding social force precisely because it is a constantly developing science. There was a time when we studied Marxism according to 'Kratkiy Kurs Istории VKP(b)' [Brief Course of History of the All-Union Communist Party (of Bolsheviks)], but under

Stalin it was transformed into a dogma. In fact, Stalin established the monopoly on problems of theory and 'Kratkiy Kurs' was declared the 'Encyclopedia of Marxism.' Generations of people in China studied according to this textbook and its effect is still very strong. Now the time has come to study the works of the classics in the original. However, the theory should be reinterpreted, new conditions and new problems should be studied, and new conclusions should be drawn. After all, at one time Lenin rejected the Marxist conclusion on a simultaneous victory of the revolution in main capitalist countries. We should revive the critical spirit of Marxism and test its correctness with the demands of the time. In the course of the reform we substantiated, for example, the need for a commodity farming system. Possibly, the efforts to find a confirmation of this thesis in works by classics will be fruitless. To evaluate what is taking place from abstract principles and Utopian models means to discredit Marxism. In its essence the world is diverse. Different models of socialism appeared during the second half of the 20th century. The model with specific Chinese features differs, for example, from the Yugoslav model with its self-management. To easily sanction one thing and to deny another is unscientific and dangerous. Marxism has become unusual. Therefore, differences of opinion are unavoidable and its shades are different. We suffered so much from the personality cult, which brought Marxism to stagnation, that we should have the boldness to recognize the pluralism of views."

"In China it was stated firmly: Transformations will be carried out only on a socialist basis within the framework of four constitutional principles of the social structure. Upholding Marxism and Mao Zedong's ideas is one of them. At times, however, one hears: The views of the later Mao are one thing and Mao's ideas, a totally different thing. They contradict each other. Is this possible?" I asked Su Shaozhi.

"Mao's ideas are the product of combining the universal truth of Marxism with the concrete practice of the Chinese revolution. This is the collective mind of the party. Zhuo Enlai, Zhu De, Liu Shaoqi, and Deng Xiaoping—all of them made their contribution. During the years of the 'cultural revolution' it was said: 'Mao's ideas are the Marxism of the modern era.' I am against such a formula—it pushes away all the rest and contradicts pluralism. Mao's ideas are a system of views, theories, and inconcrete conclusions. The latter can be erroneous. A theory selects only tested conclusions. Some do not agree with this and consider this casuistry. I will express the following point of view: Prior to 1957 Mao's views were basically correct. Therefore, we scored a victory in the new democratic revolution. Later only the article on the 'Correct Resolution of Contradictions Within the Nation,' possibly, was correct—the rest was confused and erroneous; first of all, his two theories: the class struggle under socialism and the continuation of the revolution under conditions of the dictatorship of the proletariat. They theoretically substantiated the 'cultural revolution.' The 13th party congress

noted that the process of combining Marxism with our country's practice lasted more than 60 years. Two historical takeoffs occurred during that time. The first—the new democratic revolution, which ended with the formation of the Chinese People's Republic. Chinese communists found an original path to the revolution and led it to victory. The second takeoff was after the December 1978 Plenum. We found the way to the construction of socialism with specific Chinese features: reforms, openness, the 'emancipation of consciousness,' and the fight against the personality cult... I believe that the first takeoff was Mao's era and the second, Deng's era. Incidentally, the roots of Mao's theoretical errors lie in the fact that he excessively stressed the struggle of opposites, underestimated unity, and placed emphasis on the class struggle, while productive forces were disorganized.

"Deng Xiaoping rectified Mao's mistakes. Society began to live according to the following principle: Everything that corresponds to the development of productive forces is reasonable. However, this is not the only service of our leader. His speeches against feudal ideology and an excessive concentration of power play a tremendous role. In particular, I highly appreciated Deng Xiaoping's speeches on the political restructuring of society at the expanded conference of the Politburo in August 1980. This is his serious contribution to the theory of socialism," Su Shaozhi summed up.

Recently fate has favored me with meetings with Chinese scientists, who have never backed the course of their logic with lofty quotations. Let them forgive me my sin: I will not refrain from one such quotation. This is how the Central Committee of the Communist Party of China evaluates the political conclusion proposed for the 13th Congress of the Communist Party of China: "We do not fetter ourselves with individual book dogmas and we do not elevate what we have successfully accomplished in practice into a finished and irreproachable model."

Japanese Approach to Youth Problems, Children's Rights

18070216 Moscow SOVETSKAYA KULTURA
in Russian 8 Apr 89 p 8

[Interview with Yasukhiro Yesimine by Vladislav Dunayev, correspondent of the Academy of Pedagogical Sciences and SOVETSKAYA KULTURA, Tokyo: "Only a Japanese Problem?"]

[Text]"Is the boy alive? Did you call the police? Calm down, we will undertake your son's defense..."

Yasukhiro Yesimine put down the telephone receiver, having finished the routine talk, which repeated almost verbatim the two preceding ones, to which I became a witness during the several minutes of the just begun conversation. We were in the waiting room of a lawyer's small office on the sixth floor of the corner building at the intersection of Ginza and Sebu Avenue. Lawyer Yesimine received us as part of his public activity, which, indeed,

was directly connected with his professional activity: He is one of the founders and activists of the Tokyo Society for the Protection of Children's Rights.

The nature of the telephone conversations did not surprise me. During the more than 3 months of my stay in Japan I noted that every day all mass information media addressed the problem of violation, in one form or another, of children's rights. Many reports on different cases of physical violence, whose victims are children, have appeared recently. For example, the knot of the chain of sadistic actions, which have cut short the life of five girls of kindergarten age in a terrible way, has not yet been unraveled; the case of the policeman, who beat a teenager taken to the police district to such a degree that he died without regaining consciousness; sentencing the director of a school for children with mental deviations in the prefecture of Saitama to 3 and 1/2 years of imprisonment for organizing a collective beating of student Mikinori Tsutiba.

Data on tragic conflicts in schools are published constantly. In 1988 a total of 170 students committed suicide, including five in elementary grades, and this with last year not being the most indicative. A total of 35,000 cases of harassment of school children on the part of their classmates were recorded. A total of 300 teachers in elementary and secondary schools were subjected to a strict punishment for the use of force against their students. In the light of such statistics another figure is no longer surprising: The number of children, who refuse to go to school, is growing year after year (all cases of absences for more than 50 school days are recorded). Thus, in 1988 secondary schools lost 32,000 students and elementary schools, 5,000.

Of course, all these figures are much lower than, for example, those published in the United States. I do not presume to judge about ours—I do not know. However, here, in Japan, the above-cited statistics have been in the center of attention of public opinion for more than 1 year and have produced one of the widest citizens' movements in the country.

[Correspondent] Mr Yesimine, as far as one can judge, the society, basically, deals with cases connected with violence against children...

[Yesimine] You are wrong. The range of problems of our society, as well as of the entire movement for the protection of children's rights, is much broader. To be more precise, the precedents connected with various forms of violence against children, as well as hooliganism and vandalism, whose initiators the children themselves are, are only some manifestations and consequences of the wide and extremely profound problem—violation of the rights of the tiny person, the child, who often is society's least protected citizen.

[Correspondent] I, as a foreigner, cannot but be surprised by this. After all, the Japanese tradition, which considers the child not the property of parents, but a guest sent home by gods, has always been illuminated by a totally special attitude toward children. Furthermore, it is no accident that Japanese society is defined by the socio-psychological term "amae," which means that since time immemorial relations among people and, primarily, the attitude of adults toward children, adolescents, and youth have been noted not simply for tolerance, but also patronage and even a tendency toward "spoiling" them. So, what has happened in recent years? And what is the positive program of your society and, on the whole, of the movement for the protection of children's rights? In connection with this there is another question: This is a rights protection movement. Therefore, I would like to find out about the legal basis, about the rights that are being violated, and about the laws on which you rely in your activity.

[Yesimine] I will begin from the end. Essentially, any citizens' movement is for the protection of rights, because citizens unite and always act in connection with the violation of a certain right and, consequently, of the law guaranteeing it. Our movement is not an exception. Externally, however, it has an even more pronounced rights protection nature, only because a large number of lawyers and entire lawyers' unions throughout the country participate in it.

Japan's constitution, which, on the one hand, guarantees citizens the right to freely unite themselves into organizations, including for the protection of their rights, and, on the other, proclaims the right of any citizen to adequate living conditions, as we say in our country, "from the cradle to the grave," is primarily the legal basis for our movement. This includes the right to a healthy (physically and mentally) childhood, to free compulsory education, and to a cultural standard of living worthy of man. Article 31 prohibits subjecting man to any punishment except that which is in accordance with the procedure established by law. Article 36 prohibits the application of any form of cruel punishment by officials. Children's rights are violated precisely in all these directions.

Going back to the legal basis for our movement, I would like to say that the constitution not only permits, but, if you wish, demands that we protect human and, especially, children's rights: Articles 11 and 12 openly state that basic human rights are guaranteed as inviolable perpetual rights and should be supported through the people's constant efforts.

[Correspondent] You have now outlined such a broad range of problems—from the guarantee of health to the provision of education and conditions for a cultural environment—that, in my opinion, it is not a matter of a rights protection movement in the usual sense, but of a comprehensive program for democratic control...

[Yesimine] I would say otherwise: To be sure, it is a matter of democratic control, but within the framework of the rights protection movement of citizens, who, with due regard for the breadth and depth of the encompassed problems, in their actions are guided by two programs—minimum and maximum. At the same time, our strategy is determined by the fact that both these programs must be realized in parallel, because it will take more than 1 year to accomplish the tasks facing the movement in the foreseeable future.

[Correspondent] Mr Yesimine, before you begin to set forth these two programs, I would like to remind you of my question: What has happened in recent years? What has caused such an aggravation of the problem of children's rights?

[Yesimine] By disclosing the content of the minimum and maximum program, I will answer your question. Essentially, the minimum program is an investigation and adoption of rights protection measures with respect to each specific case affecting the child's vitally important interests. It is an integral part of the maximum program, because it directly makes it possible to clarify the in-depth causes of the problem that has arisen and become increasingly aggravated, as well as serves as its palliative solution for this entire period, as long as the problem exists. The point is that, as we now believe, the problem itself is of such a profound social nature and is connected with such a complex interweaving of other problems of our society, which is going through something like a transitional state, that the development of an adequate protective system will require a considerable time. But, first of all, about the nature of the problem and its origins.

Now, as you know, various mass information media place the main emphasis on the shortcomings of our school system. This system, which, according to the definition of UNESCO, is one of the best in terms of inclusion of all the strata of society in a specific program of knowledge needed at the end of the 20th century, at the same time, hampers the development of individual abilities and an independent personality. It is believed that with its supercompetitive nature and excessive organization our school leads to stress, turning away the child from the teaching process itself and producing alienation and, as a consequence, excesses of hooligans' fights, vandalism, violence, and even suicide. Of course, there is a grain of truth here, but schools are not the first cause of this phenomenon, nor one of the consequences. More profound causes should be sought within the framework of the family, where very rapid and, owing to this, at times destructive changes occur.

You have probably heard how Japanese children have been called in recent years?

[Correspondent] "Terebi-ko," "kagi-ko"...

[Yesimine] Yes, "tele-children," "children with a key on their necks," "high-rise children," "children of the tenant father," and most recently, in connection with more frequent divorces, "mother's child," "father's child," and, I will also add, children of empty homes.

So, the "tele-child." On the average, Japanese children watch television for 5 to 8 hours a day. In any event, a television set is not turned off in a home for 8 hours (the same statistics in the United States is 6 hours). Of course, if we take into consideration, for example, the extremely important educational programs of NHK, which provides the opportunity to become acquainted with all the best in the culture of Japan and other countries throughout the world, the following question will arise: Is it so bad that children sit in front of the television set for many hours? However, an introduction to such programs requires the presence of parents next to and together with the child, otherwise he will immediately switch to another channel, where there are endless cartoons with superman heroes seemingly programmed so that our children may never grow out of the age of Peter Pan or Ken-tyan.

"A key on the neck" is also a sign of the absence of adults at home, to which the child returns after classes. If we remember that in the process of urbanization local society, essentially, has been destroyed and that neighbors, especially in big cities, do not know each other, it is easy to imagine how such a child spends time after school.

"High-rise children" are also the result of the process of urbanization and the appearance of multistory blocks not traditional for our country, which has always been oriented toward the existence of a family in a separate house, even if its size does not exceed that of an ordinary European apartment. According to the latest data, psychologists have established a clear correspondence between the floor, on which a child under the age of 5 is brought up, and the degree of his quick-wittedness and independence: The higher it is, the lower these qualities. The reason is understandable: He cannot reach the elevator button. If there is no one at home, the child does not go out into the street. And when adults are present in the apartment, owing to the crowded space the child seems to be constantly under excessive control and gets used to being obedient and to counting completely on someone else—his independence becomes atrophied and later, when he encounters reality, this yields its sad fruits.

Nevertheless, the empty home is the main problem. If we recall that about 20 years ago the Japanese family, as a rule, consisted of three generations and, moreover, had no more than three children in the city and five and more in the village, the destructive effect of such an empty, to be more precise, deserted home on the psyche can be hardly surprising.

Grandmothers and grandfathers were the first to leave the family. The process of "family nuclearization" (please excuse the science-like word), which has seized the whole world, has led to the fact that in Japan, where the average life-span has already reached 81 years for women and 77 years for men, old people are forced to live separately for many years. Children deprived of an important aspect of the period of adolescence—contact with a grandfather or a grandmother—suffer.

Now people have already become accustomed to the fact that the Japanese family is a family "without a father, forgetting that this phenomenon—by no means of such long standing—is connected with the postwar period, when the tasks of economic restoration and then the high rates of development have led almost to an round-the-clock employment of our men. Now they are accused of having the psychology of "work alcoholics" and of the fact that, when they get the opportunity to return to the family earlier, they do not rush to do so and, even if they come home about 9 or 10 o'clock in the evening, they often bring, so to speak, "homework" from work, spending endless hours on it. In any event, work and obligatory contacts with colleagues after work, as well as transportation, which takes up nearly 2 hours every day and consumes in man almost as many calories as a full work day requires, can leave such a father neither with physical nor mental capabilities for communication with his child.

[Correspondent] The mother remains. As far as I know, despite all the statements by the Japanese on the orientation of your society toward "male interests," nevertheless she invariably has been the legislator, the basis, and the forming principle.

[Yesimine] I think that this applies to any society. From the time when functions were divided and the man, so to speak, went out hunting, it was precisely the woman who kept the fire in the hearth. In other words, she preserved the family and prepared ever newer generations for life. And today? You said "the mother remains." The problem is that she also leaves home.

[Correspondent] Mr Yesimine, I have read a great deal about specific cases of rights protection actions within the framework of the citizens' movement both in newspapers and in journals published by various organizations—"Freedom and Justice," "Law and Democracy," "Struggle in Localities," "Handbook on Protection of Children's Rights," and "Reports on Cases of Violation of Small Citizens's Rights." Japanese television also pays much attention to this. I would like to ask you to discuss the measures, so to speak, within the framework of the maximum program.

[Yesimine] Today it is obvious that a constructive solution of the problem should be sought in two directions—in transferring a significant number of maternal and, in general, parental functions to training and educational institutions and organizations (provided they are

restructured fundamentally) and in ensuring for the mother opportunities to efficiently realize both her life aspirations connected with activity in society (be it a job, public activity, or, finally, improvement in her educational level throughout her life) and the fulfillment of the basic task of bearing and bringing up children entrusted to her by nature and society.

[Correspondent] Such vast plans are hardly realizable through the efforts of the citizens' movement alone. Apparently, in these matters you should arrive at cooperation with official institutes and, primarily, with the Ministry of Education...

[Yesimine] I believe that such cooperation has already appeared if we take into consideration the fact that—to a large extent under the effect of our rights protection actions, wide campaigns throughout the country, and involvement of the press and television—educational bodies have seriously engaged in the reform of the entire school system. The appearance of a government plan for a life-long educational system, which is intended to remove excessive competition within schools, is not accidental. The ministry's recommendations to school administrations concerning a wide enlistment of all grade students in the development of new school regulations, which in each case correspond to a specific situation, are not accidental.

[Correspondent] You have in mind permitting children to wear not only uniforms, but also other individual clothes, and to have different hairdos?

[Yesimine] This also. After all, what to us, adults, in general, may seem not worthy of much attention often evokes the most painful reactions in children. If we are now talking about the tasks of developing individuality, without which it is impossible to solve the most important problems within the framework of the same production orientied to an ever greater extent toward science-intensive spheres, toward individual work with the computer, and toward the sphere of informatics, the strict unification in the same clothes observed in our schools is obvious nonsense.

[Correspondent] So, your program is the optimum combination of the time spent by the child with his mother and of school hours...

[Yesimine] If the attitude toward the child changes fundamentally both at home and at children's institutions. The point is that not only children of an "empty home," but also children of those constantly caring mothers, who often, contrary to the children's abilities and inclinations, drag them literally by force higher and higher on the rungs of the educational ladder and push them to be "A- students," get into an extreme situation. In essence, this is also a form of a lack of attention to the child as a specific individual. It is no accident that

numerous cases, when children of such a "kyeiku-mama" ("mama-mentor"), failing tests, commit suicide, or raise their hands against the mother, have been recorded.

In any event, this is an important part of the program, which, in addition, is realizable in the very near future. The point is that the family woman is still inclined toward partial employment—no more than 4 hours a day. The prefecture of Chiba is a good example. Here local self-administration bodies in cooperation with participants in the movement give children various premises and sports grounds and organize citizens, including pensioner teachers and educators, so that during the second half of the day children may be ensured a place and the participation of adults in the most different activities—from the preparation of lessons and meetings with representatives of various professions to sports games and amateur activities. At the same time, an interesting thing has been revealed. Children of different ages gather together and, as a result, what adults cannot achieve is easily and naturally achieved owing to the attraction of young children to older ones and the urge of young people to protect teenagers.

[Correspondent] What group of children is drawn into such out-of-school activities?

[Yesimine] First of all, we try to involve children, who refuse to go to school, in alternative activities. To carry out work among their parents is the second, no less important, task. If during such a critical moment of his life the child feels the shoulder of his mother, father, and other adults next to him, he will never forget this. After all, it is a question of mutual understanding, spiritual closeness, and, moreover, courage for an open resistance to inertness. This will serve to overcome the barrier between parents and children and among generations, which is increasing constantly—this cannot but disturb us.

A movement for the establishment of alternative schools, sometimes on a cooperative basis, such as the school in the prefecture of Shizuoka organized by a group of the intelligentsia in art specialties, has appeared. Probably, you read about the Tokyo school Tokye Shure, whose initiator and first director is K. Okuti, the author of the bestseller "Refusal To Go to School Is Not a Sickness." In Okuti's opinion, children's refusal to attend the modern school is "reassuring." After all, the life of the modern man provides for the freedom of choice, but the school signifies a complete rejection of such freedom. Psychiatrists support Okuti. Prof. T. Vatanabe, chief of the Department of Child Psychiatry at Tokyo's Konoday State Hospital, who heads a group for the study of the psyche of children, who refuse to go to school, stated the following recently: This is the child's healthy defense reaction, especially if he is emotional, vulnerable, and independent. If the school suppresses individuality, the child as the product of nature will avoid it. If society exerts pressure on such

a child, making him out to be "abnormal," this will inevitably lead to serious deviations in his psyche and, as a result, to violence or suicide.

[Correspondent] Mr Yesimine, in recent years in connection with youth problems the terms "repressive psychology" and "repressive upbringing" have begun to be used in various countries throughout the world, including in the Soviet Union. Do you think that Japan has also not avoided the practice of repressive upbringing?

[Yesimine] The concept of "repressive psychology" also exists in Japan, as, probably, in every organized society. To some extent the achievements of the Japanese economy can be attributed to repressive upbringing, because owing to it uniform, highly skilled manpower has been trained by the beginning of the 20th century. However, such education has long become obsolete, hampering the formation of an all-around personality. Recently, the shortcomings of repressive psychology and repressive upbringing have become the subject of discussion in the government. The attempts to transform the system of education into a more creative and constructive one attest to this.

[Correspondent] That is, as I understand you, repressive upbringing is seemingly justified at a certain stage in society's development...

[Yesimine] Apparently, this depends on the degree of historical development. I believe that the level of cultural development of the society that resorts to this kind of repressive upbringing is very important. England is an example. There until recently teachers were permitted to use force against students, but with the consent of the administration and parents. Such practice was abolished only recently. To what does this attest? I believe, first, to the quite high level of culture in this society, where such matters had to be coordinated and, second, to the fact that now the level of civic, democratic, and legal development of this society has grown even more.

Apparently, something similar was observed in Japan. A little more than 100 years ago the nation was in an extreme situation and had to "open the country to the world" and to catch up with the most developed Western countries. It was necessary to do this in the shortest time and in spheres that were not primordially ours. In other words, we faced the task of mastering the achievements of another civilization without giving up ours. In connection with this I will cite an interesting fact: A law on a severe punishment of children, who raised their hands against their parents, was adopted during the Meiji reforms. The extraordinary nature of this law lay in the fact that hardly any Japanese young man or woman would dare to do this. After all, the Japanese tradition brought up young people in the spirit of reverence for their ancestors. However, it was considered necessary to adopt the law—also a kind of aspect of repressive upbringing. The law served as a preventive measure

against excesses during the transitional stage, at the moment of penetration of other rules and other moral orientations into the previously closed society.

However, it is most important to understand that now it is not only possible, but also urgently necessary, to give up any kinds of repressive methods of upbringing. This will also be justified from a purely utilitarian point of view: Proceeding from the tasks facing society in the sphere of scientific-technical, economic, and cultural development, an internally free man is needed. I believe that today society has attained a level, which makes it possible to put forward the demand to provide for children the most favorable, that is, humanistic conditions for development as a biological creature, as an intelligent person, as a citizen, and as a full-fledged and fully developed personality. I am fully convinced that,

fighting for the personality of every child, we are also fighting for the future of our society, whose strength is in the moral health and spiritual wealth of its citizens.

[Correspondent] Mr Yesimine, the UN Children's Fund called for the convocation of a high-level meeting for children's problems...

[Yesimine] Yes, since the world has not developed a more effective mechanism for the solution of the most acute problems, it seems that such a meeting should be held. Especially as there is hardly a problem, which in its significance and acuteness could be compared with the problem of safeguarding children's rights—to health, to a happy childhood, to a daring youth, to a clean planet, and to Life.

Soviet-Egyptian Economic Ties Viewed

18070324 Moscow TRUD in Russian 28 Jun 89 p 3

[Article by TRUD correspondent E. Nalbandyan:
"Goods in Short Supply Coming Rapidly From Egypt"]

[Text] Recently, Egypt celebrated the 25th anniversary of the damming of the Nile. Even at present the Aswan Hydropower Station contributes about 20 percent of the power generated in the Arab Republic of Egypt. It is worth mentioning that at the time of commissioning it provided three-quarters of all electricity in the country!

"We will never forget that the great victory at Aswan was won with Soviet technical help," says (Abdelsatad Halil), a participant in the construction of the dam. "However, in all honesty, I do not particularly like the words 'with the help of.' They sound too official. They do not reflect the heart of the matter, which was the fact that the envoys of the Land of Soviets, having worked side by side with the Egyptians on this construction project, not only taught us many skills, but also, if I may say so, facilitated our moral upbringing through their selflessness, friendly disposition, and hard work. People from villages, who knew or could do little, came to this construction site. Later, the cadres graduated by 'the Russian school' were snapped up in Egypt."

(A. Halil) himself spent 15 years at the dam. He admits that when he came here he did not know how to handle any tools except a shovel. At the end of the 1970's he left as an experienced technician. Now he has a good, highly-paid job in Cairo.

Several days later, an agreement was signed which sort of marks the continuation of the Aswan story. This is about the construction of a thermal power station with a target capacity of 1,200 MW on the Sinai Peninsula. The Aswan Dam became a peculiar "fulcrum" which has aided in overturning the old, colonial Egypt, whereas the thermal power plant at Uyun Musa (this is the name of the locality where it is to be built) should awaken to active economic life the boundless wilderness of the hitherto deserted Sinai Peninsula.

"In this project, the Soviet side appears as the general contractor," the All-Union Foreign Trade Association Tekhnopromeksport Chairman A. Postovalov told me. "We will provide equipment for the machine room of the station, carry out its assembly and adjustment. In addition, Italian and French companies, together with whom we will form a consortium, will deliver the boiler, thermal automatic devices, and some of the remaining of equipment. However, Soviet organizations are going to lead the project. The Soviet Union is giving the Arab Republic of Egypt a major state loan on what at present are quite preferential terms: repayment over 12 years, at the annual rate of interest of only 3.5 percent."

"Another loan? We ourselves have one hole after the other, and here we are handing out loans," our readers might think. However, this is a special situation. First, Egypt has punctually paid us back all that was due on old loans (only a portion of the military debt remains, but this also will be paid back within the time frame set). Second, as a rule, the Egyptians pay us back in consumer goods, that is, in what we so acutely lack at present.

It must be said that trade with Egypt is developed in such a way that the Soviet Union spends not a cent of hard currency for it. Here is how. Since both countries experience an acute shortage of freely convertible currency, trade between them is organized as follows. For example, the Egyptians eagerly buy from us machine tools, tractors, spare parts. They are not as abundantly stuffed with electronics as, say, the American or the Japanese ones, but they are also not as expensive, simple to handle, and reliable. These features are highly appreciated here. It is no accident that machines and equipment account for more than 50 percent of Soviet exports to the Arab Republic of Egypt.

In return, we take from Egypt goods which began to be produced here recently, as a rule under Western licenses. Deputy Commercial Attache L. Stolyarov quoted to me numbers from the recently signed trade protocol for the coming year. Perfumes and cosmetics worth millions of rubles will be delivered to the USSR; they are made with Egyptian aromatic oils which are famous in the world market. It is no accident that "the nectar of the Nile Valley" is present in virtually all French perfumes. One hundred and fifty thousand men's suits, 2 million shirts, 100,000 pairs of jeans, and 40,000 denim outfits will be purchased. For women, there will be 3 million units of garments, and 200,000 units of clothing for children. All of these will be made from high-quality Egyptian fabric on the basis of modern Western patterns.

It is impossible to enumerate everything. However, we cannot fail to mention soap and detergents. Of course, contracts for the delivery of oranges remain in force.

Certainly, these deliveries will alleviate the problems of short supply in our country to some degree. Besides, the Egyptians stand ready to increase exports to the USSR. Many local entrepreneurs told me that. All we need is to find an opportunity to increase the deliveries of goods in which they are interested in Egypt. Thus far, we have not been too successful at that. Could be that now, following the creation of an intergovernmental Soviet-Egyptian economic cooperation commission, things will pick up? However, commissions do not produce merchandise. Therefore, the faster our industry manages to restructure itself, the easier it will be to combat shortages.

Minister of Economics and Foreign Trade of the Arab Republic of Egypt Doctor Youssri Moustafa talked with me about the same thing, the mutual advantages of the contacts expanding again.

"We are quite satisfied with the development of commercial and economic relations with the Soviet Union. If exports from the USSR become more varied and extensive, there will not be any problems at all!"

Economic, Social Changes in Oman

18070315b Moscow AZIYA I AFRIKA SEGODNYA
in Russian No 4, Apr 89 pp 30-32

[Article by V. Isayev, candidate of history: "A Difficult Parting with the Past"]

[Text] The sultanate of Oman, with whom the Soviet Union established diplomatic ties at the end of 1985, for the majority of us remains for the time being still a country so unknown and even mysterious as if it were located, not several hours flying time from Moscow, but somewhere infinitely far away, on some geographic map with a system of coordinates from "A Thousand and One Nights." The little about which one sometimes has the occasion to hear reduces itself, as a rule, to one and the same—the legend about the forsaken piece of desert at the edge of the Arabian peninsula, through which bedouins roam and where there are rich oil deposits. That such conceptions became extremely widely disseminated is not surprising; indeed, until recently, the "doors" to Oman were tightly closed, moreover not only by the English colonialists, but also their proteges among the local elite. The Sultan Sa'id ibn Taymur, who since 1958 lived as a recluse in his palace in Salalah, became especially famous in this regard. Being an absolute ruler, he undertook the unsuccessful attempt to transform his country into a recluse as well, maintaining relations only with Great Britain, which represented the interests of the sultanate in the international arena. But if the foreign relations were at least implemented somehow, the internal life of the country clearly bore the imprint of the extreme conservatism conservatism of its ruler. The sultanate lived without electricity, radio, newspapers and journals, telephones, televisions, and cars, the import of which was prohibited. For the construction of a house or the purchase of a radio receiver, the personal permission of the sultan was required. Even bicycles, glasses, umbrellas, European clothing and footwear, as well as other "up-to-date" things, which were already extremely widespread by this time in the oil monarchies adjacent to Oman, were prohibited on pain of imprisonment. Local inhabitants were subjected to the same penalty for loud singing, trips abroad, smoking in public places, the study of poetry, and playing musical instruments. At sunset the gates of the capital were closed, and the inhabitants hurried to their homes. In case of the necessity to go out into the street during nighttime, there was the prescription of the ruler according to which it was required to light up the face with a large kerosene lantern since "an honest man has no reason to hide his face." Prison without a trial and investigation awaited violators.

For the entire country, there were only three schools for boys, one American missionary school (in it studied the daughters of Indians, Iranians, and Pakistanis who lived in Oman), and one trade school of an oil company, where clerks and accountants were trained for the needs of the company itself. Almost the only sign of the 20th century were seven kilometers of road paved with asphalt. True, there was oil, which was discovered by the Shell Company in 1964. There was too little of it to make it possible for Oman to be seized by the megalomania of a big exporter, but there was enough for the transformation of the country (considering the meager needs for imported goods) in only a few years into a "box with treasures", being carefully protected from envious persons, thieves, and other potential disturbers of the peace.

If we add here the absence of a budget and precise plans for the development of the economy, culture and education, the prohibition of the activity of any political parties and trade unions, and the accumulation of ethnic and social problems, then it becomes clear that such a state of affairs in the country left it in the fetters of the past.

In 1970, a bloodless "palace revolution" was carried out, and Sultan Qabus ibn Sa'id, who had received an education in the English military academy in Sandhurst, but had for a few years lived in the palace of his father in the position of a prisoner.

Having received as his inheritance an extremely peculiar "enclave of the Middle Ages" and having become its absolute ruler, Sultan Qabus began to modernize the state. For this, not stopping at expenditures, he "imported" specialists in macadam road construction from the FRG, physicians from Sweden, archaeologists from Italy, architects from Cyprus, gardeners from the Philippines, etc. Once he even invited the London Symphony Orchestra in full force in order to stimulate the development of national music. Abroad was purchased almost everything that civilization has to offer to man in the sphere of technology.

Now clean, asphalt-covered roads with accurate indicators and the latest traffic lights cut through the vadi [not further identified] (dried-up channels of rivers and streams) and the desert; oleander frame the carriageway in the cities. Any litter thrown from houses is immediately cleaned up—you see, a heavy penalty is imposed for dirtying the roads. In the cities, in place of the old wattle and daub buildings, new blocks of housing have been put up, business centers, movie theaters, banks, supermarkets, and ministries. All of these buildings are kept in the spirit of post-modernist Islamicized architecture with elements of Gothic style. In accordance with a decree of the sultan, windows are adorned with decorative lattice. Even air-conditioners and water cisterns are framed with them. The monarch even pays attention to the color in which houses are painted. Everything that does not accord with his taste is immediately repainted.

In general, the role of the monarch in the life of the country is traditionally great. For example, for the conduct of the festivities on the occasion of the 15th anniversary of his being in power, which coincided with the meeting of the heads of state and the heads of government of the Persian Gulf countries, on the order of the sultan, the Hotel Al Bustan—a palace of marble, adorned with mosaic pictures, which cost the treasury 250 million dollars, was built on the shore of a bay closed by mountains. To secure access to the bay from the side of the capital, it was necessary to carve a tunnel through the rocks and at the same time to transfer a fishing village to another place. True, the fishermen, having received new, well-equipped homes did not complain, and the sultan obtained the possibility to show to the most august personages whom he receives in this hotel—one of the most luxurious in the entire Near East—the new appearance of Oman.

As a matter of fact, by comparison with the year 1970, striking advances have taken place. A copper mine, cement and oil-refining plants, an enterprise for the production of asbestos pipes, water-desalinating plants, and a large international airport capable of handling modern jet aircraft, have been introduced, and a large industrial complex is being created in Rusaylah. They encircled the country with power transmission lines, automobiles successfully supplanted camels, and the local fishing crafts gave way to modern trawlers. Radio and television, a press, telephone and postal communications came into existence. Schools were built in which at present more than 200,000 children are studying, and in 1986 a university was opened. In a practically empty place, a public health service was created, which includes 45 hospitals (gospitali), 76 hospitals (bolnitsy), and 73 medical centers. The appearance of stable sources of financing socio-economic development—receipts from the export of oil—made it possible for the country to plan state incomes and expenditures, and at the present time Oman is engaged in the realization of the third five-year plan already (for 1986-1990), according to which the total allocations for economic needs will amount to 26.8 billion dollars as compared to 21.3 billion for the preceding plan—extremely impressive figures for a country with a population of about 1.5 million people.

Apart from the great and natural attention to the oil industry—the foundation of the sultanate's economy—measures are being taken for the development of other branches of the national economy—light industry, food, agriculture and fishing—with the authorities stimulating the private sector in every conceivable way.

If until recently Oman was a country of emigration—in 1970 there were more than 100,000 Omani who, by fair means or foul, trickled abroad (primarily to Saudi Arabia, Kuwait, and Bahrain), in 1975 their number declined to 38,000, and in 1980, by contrast, already up to 200,000 immigrants worked in Oman (basically from India, Pakistan, and Bangladesh). However, as in the

other oil-producing monarchies of the Persian Gulf, this phenomenon was connected, with the stormy development of the oil industry, which began to produce no less than 60 percent of the domestic gross product of the country.

The foreign policy of the sultanate underwent appreciable changes. Oman established diplomatic relations with many developed capitalist and developing states, is a member of the League of Arab States, the Council of Cooperation of the Persian Gulf States, the United Nations and some of its specialized organizations, and participates in the non-alignment movement. Although Sultan Qabus refuses to grant military bases to foreigners on Omani territory, nevertheless American military personnel has access to a number of airports. The United States has modernized the old base of the British airforce on the Island of Masirah and from time to time uses it for landing its military aircraft, as well as has constructed an airstrip at El Hasab, near the Strait of Hormuz. Omani military sub-units have repeatedly taken part in joint maneuvers with American troops. The Western powers attach special significance to their political, military, and economic relations with Oman in connection with its important strategic location on the shore of the Strait of Hormuz, which connects the Persian Gulf with the Indian Ocean.

Of course, the accelerated path of Oman's development from the Middle Ages to modernity in general differs little from the evolution of the other monarchies of Arabia, which during the 1970's completed an analogous transformation, for which the impressive incomes from the sale of oil abroad became the basis. However, there is a fundamental difference. If the society, let us say, in Kuwait or the United Arab Emirates during these years became more "open" in the sense of the expansion of contacts with the representatives of other countries, this cannot be said about Oman.

Thus, as before, old laws are in force: Nobody has the right to visit Oman without a special invitation, which can be sent only by a citizen of the sultanate, who has taken upon himself the role of guarantor. In practice this signifies that the guarantor may find himself in prison because of possible improper actions of his ward (foreign workers come to Oman strictly on the basis of contracts, and the guarantor in this case is the employer—the state or a private entrepreneur. Hence there is no basis for the development of tourism in the country, where history was so closely interlaced with legends. Moreover, in the opinion of the sultan, tourism may create a threat to the "religious-cultural identity" of the Omani. This statement put an end to the hopes of some local businessmen for the development of tourism and led to an exhausting struggle of the owners of the 11 existing hotels in the country for the separate accommodation of the shift crews of foreign airline companies staying with them. As a result, the prices fell so much that the authorities issued an official order in regard to the establishment of a minimum price for a room.

The local inhabitants, who can now use automobiles, air-conditioners, and other blessings of technological progress, as in previous times, wear, in accordance with the instructions of the sultan, a full, long white shirt with wide sleeves ("dishdash") and a turban, and the women cover their face with a veil and usually do not show themselves in the presence of others. The conclusion of marriage with a foreigner is punished with the deprivation of Omani citizenship. In the daily newspapers, there are no reports of automobile accidents, but death notices and expressions of sympathy are published. In the photographs in foreign magazines, which are sold in numerous kiosks, the open places of the female body right up to the chin are neatly effaced with black ink, but articles of any content, even concerning sex, are not subjected to censorship, which may be regarded as the manifestation of a certain tolerance by the authorities.

However, with the sharp fall of oil prices at the beginning of the 1980's, the carefully guarded, almost "laboratory-like" conditions of isolationism, in which, in the opinion of the authorities, the new Omani society had to take shape, proved to be threatened. In spite of all the attempts to diversify the sources of foreign exchange income, which serve as the basis of the comparative economic prosperity of the country, the economic successes of Oman continue, to a decisive degree, to depend on the incomes from oil. The reduction in its prices and the weakness of the American dollar have already made themselves felt. The local rial was devaluated, for the first time in the history of modern Oman, a shortage of capital began to be experienced, the volumes of foreign trade decreased, the government was forced to relinquish the implementation of a number of previously planned projects, and, in order to cover the budget deficit, to borrow funds from the state reserve fund.

In 1986, about 50,000 foreign workers were deported from the country, almost as many—in the following year. In order to protect local industry from foreign competition, protectionist duties on some commodities were introduced, for example, cement and detergents. All of this once more demonstrated the shakiness of the hopes for "a spurt into modernity", based on one, even if the most important strategic raw material product, viz., oil. This, however, does not pertain only to Oman.

In the second half of the 1980's, the economic situation of Oman became more stable—thanks to the efforts of the OPEC member countries in regard to the correction of the situation on the world market for liquid fuel, financial assistance on the part of neighboring monarchies, the reduction of government expenditures, the deportation of foreign workers, and the increase in receipts from foreign investors. However, the question of whether Oman will succeed in preserving its isolation and distinctive character in the conditions of the growth of the worldwide trend toward the expansion of links between states remains open.

COPYRIGHT: "Aziya i Afrika segodnya", No 4 (382) 1989

Pakistani Opposition Leader on Afghanistan, Party Plans

18070303 Moscow KOMSOMOLSKAYA PRAVDA
in Russian 25 May 89 p 3

[Interview with Omar Ashgar Khan by L. Chernoshkur: "War—A Senseless Business"]

[Text] For the first time in a decade, a Pakistani youth group is visiting our country. Our correspondent met with its leader, Omar Ashgar Khan, president of the Tehrik-e Istiqlal Party Youth League (The Movement for Stability).

[Chernoshkur] Omar, first of all, please introduce your youth group to us.

[Khan] With great pleasure. All the more so since I am convinced that little is known about it in your country. The Tehrik-e Istiqlal Party Youth League has been in existence since 1975. It has 85,000 active members. Besides them, there are just as many sympathizers or, as we call them, supporters. They are young people who do not have membership cards but who participate in many of our events: meetings, discussions, and demonstrations... Student federations also exist which operate under our guidance.

[Chernoshkur] What problems are you trying to resolve?

[Khan] Unfortunately, there are so many unresolved problems that it is difficult even to enumerate them. I will pick out the main thrusts of our activities. We are struggling against military dominance in the political structure of society. We need to once and for all put an end to military dictators who bring nothing to the people besides suffering. Our society needs democratic reform. We are coming out against internal reaction, landlord dominance, widespread corruption, and abuses of power at all levels.

In foreign policy, we are active advocates of the principle of nonintervention in the internal affairs of other countries and peaceful resolution of our region's problems, including the problem of solving the internal conflict in Afghanistan. Pakistan must have normal relations with all of its neighbors as well as with other countries. I want to emphasize that we are sharply against the mindless, bloody conflict in Afghanistan.

[Chernoshkur] Omar, a rule exists which was formed over the centuries. To know how your neighbor lives, you need to visit his home. And when you were in Afghanistan, did you see how events are transpiring there?

[Khan] Yes, I was in the ancient, peace-loving, but in our times, restless country as a member of a delegation in 1987 and 1988. We met with the republic's leadership, talked with various ministries, including the Ministry on Nationality Affairs, and mixed with representatives of the clergy, businessmen, simple Afghans, and youth—not only in Kabul but also in Nangarkhar Province.

I will tell you frankly: Prior to my trip to Afghanistan, I had a very poor perception of what was actually occurring in that country. Like the majority of my countrymen, I was to some degree under the influence of a massive anti-Afghan propaganda campaign unleashed both in our mass media and in that of many Western countries.

During my trip to Afghanistan, I came to the firm conclusion that the central government completely controls the situation in that country. It is senseless to continue the conflict. There is no plausible excuse for Moslems to kill Moslems.

[Chernoshkur] Nevertheless, the clash with the "irreconcilables" is continuing. The Pakistani government is also increasing its activity and obviously thinks that the Afghan problem can only be resolved by force of arms.

[Khan] That is a serious delusion. We can provide a multitude of evidence but let us dwell on one [issue]. The anti-government forces attack on Jalalabad has been widely publicized both in the Pakistani and in the Western press. The leaders of the irreconcilable opposition have boasted: Give us two to three weeks and we will take the city. Government troops will be defeated or will run from the field of battle... All hotels in the Pakistani city of Peshawar were literally jammed with Western journalists. Peshawar, as they say, is a stone's throw from the Afghan-Pakistani border but the journalists were not eager to enter Jalalabad with the extremists. The offensive began on 5 March... More than two months have already passed and the city has not fallen... Western journalists have long since dispersed.

We consider it to be a great error of the Pakistani government that it is allowing itself to become increasingly drawn into this bloody conflict. This is a direct violation of the Geneva Accords on Afghanistan which was also signed by Pakistan.

[Chernoshkur] Then there are certain circles in Pakistan that consider an armed conflict in Afghanistan to be beneficial to them?

[Khan] Unfortunately, yes... However, I am quite certain that the majority of Pakistanis do not need this conflict. Really the issue of the Afghan refugees, whom we need to feed, provide shoes for, and clothe, is becoming more and more acute in our country. The socio-economic situation in the country is worsening. Wounded "irreconcilables" have filled all of the hospitals in the border areas and local residents have been left without elementary medical assistance. Besides, an uncontrollable flow of weapons and ammunition has poured into Pakistan. Crime and drug addiction are growing among young people.

[Chernoshkur] The Tehrik-e Istiqlal Party Youth League is advocating a peaceful resolution of the Afghan problem. What are you doing so that the government hears you?

[Khan] We are conducting press conferences, making official statements to the press, and organizing meetings and demonstrations.... In short, we are attempting to form proper public opinion on Afghanistan to exert pressure on the government to force it to change its attitude toward events in this neighboring country.

For example, after my return from Afghanistan, we traveled throughout the whole country, made many speeches to the people, and told the truth about our neighbors. Of course, the government did not like this. Persecution was organized against the party which was undoubtedly tied to U.S. CIA aid. As a result, we were rejected during the last elections.

Nevertheless, we achieved certain results. In March 1989, a decision to strictly abide by the Geneva Accords on Afghanistan was adopted at a conference of the political parties of Pakistan.

[Chernoshkur] Omar, you undoubtedly know that a group of Soviet servicemen are prisoners of the Mujahedin. Has your organization done anything to free them?

[Khan] Unfortunately, no. The issue of Soviet prisoners of war is practically not discussed in our press. Isolated fragments of information very rarely trickle [into the press], therefore Pakistanis know almost nothing about this.

Our visit to the Soviet Union and the numerous conversations with young people showed us the enormous attention being devoted to the return of your lads to their native land from prison. And I want to assure the readers of KOMSOMOLSKAYA PRAVDA that the Tehrik-e Istiqlal Party Youth League will do everything possible to assist you in resolving this problem. This is our humanitarian duty.

22161

62

NTIS

ATTN: PROCESS 103

5285 PORT ROYAL RD

SPRINGFIELD, VA

22161

This is a U.S. Government publication. Its contents in no way represent the policies, views, or attitudes of the U.S. Government. Users of this publication may cite FBIS or JPRS provided they do so in a manner clearly identifying them as the secondary source.

Foreign Broadcast Information Service (FBIS) and Joint Publications Research Service (JPRS) publications contain political, economic, military, and sociological news, commentary, and other information, as well as scientific and technical data and reports. All information has been obtained from foreign radio and television broadcasts, news agency transmissions, newspapers, books, and periodicals. Items generally are processed from the first or best available source; it should not be inferred that they have been disseminated only in the medium, in the language, or to the area indicated. Items from foreign language sources are translated; those from English-language sources are transcribed, with personal and place names rendered in accordance with FBIS transliteration style.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by FBIS/JPRS. Processing indicators such as [Text] or [Excerpts] in the first line of each item indicate how the information was processed from the original. Unfamiliar names rendered phonetically are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear from the original source but have been supplied as appropriate to the context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by the source. Passages in boldface or italics are as published.

SUBSCRIPTION/PROCUREMENT INFORMATION

The FBIS DAILY REPORT contains current news and information and is published Monday through Friday in eight volumes: China, East Europe, Soviet Union, East Asia, Near East & South Asia, Sub-Saharan Africa, Latin America, and West Europe. Supplements to the DAILY REPORTs may also be available periodically and will be distributed to regular DAILY REPORT subscribers. JPRS publications, which include approximately 50 regional, worldwide, and topical reports, generally contain less time-sensitive information and are published periodically.

Current DAILY REPORTs and JPRS publications are listed in *Government Reports Announcements* issued semimonthly by the National Technical Information Service (NTIS), 5285 Port Royal Road, Springfield, Virginia 22161 and the *Monthly Catalog of U.S. Government Publications* issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

The public may subscribe to either hardcover or microfiche versions of the DAILY REPORTs and JPRS publications through NTIS at the above address or by calling (703) 487-4630. Subscription rates will be

provided by NTIS upon request. Subscriptions are available outside the United States from NTIS or appointed foreign dealers. New subscribers should expect a 30-day delay in receipt of the first issue.

U.S. Government offices may obtain subscriptions to the DAILY REPORTs or JPRS publications (hardcover or microfiche) at no charge through their sponsoring organizations. For additional information or assistance, call FBIS, (202) 338-6735, or write to P.O. Box 2604, Washington, D.C. 20013. Department of Defense consumers are required to submit requests through appropriate command validation channels to DIA, RTS-2C, Washington, D.C. 20301. (Telephone: (202) 373-3771, Autovon: 243-3771.)

Back issues or single copies of the DAILY REPORTs and JPRS publications are not available. Both the DAILY REPORTs and the JPRS publications are on file for public reference at the Library of Congress and at many Federal Depository Libraries. Reference copies may also be seen at many public and university libraries throughout the United States.