

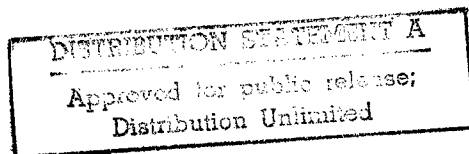
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26 MARCH 1987

USSR Report

INTERNATIONAL AFFAIRS



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WORLDWIDE TOPICS

BELGIUM'S TINDEMANS TO DISCUSS U.S.-EEC TRADE SITUATION

LD050029 Moscow TASS in English 2355 GMT 4 Feb 87

[Text] Brussels February 5 TASS--TASS correspondent Albert Balebanov reports:

Leo Tindemans, Belgium's external relations minister, who is currently chairman of the EEC Council of Ministers, left in the morning today on a two-day working visit to the USA. He is to meet and talk with the U.S. Secretary of State George Shultz, Secretary of Commerce Malcolm Baldrige and other leaders of the Washington administration. The talks will center on the consequences of the agreement concerning the settlement of the trade conflict in connection with the admission of Spain and Portugal to the EEC. The agreement has been recently forced on the Common Market by the United States under the threat of severe trade sanctions. Washington has gained the right for additional export to the EEC member countries of a large consignment of wheat, maize and sorghum for a period of four years.

That deal has touched off a wave of protests among farmers in the EEC countries, who fear the inevitable adverse consequences--a toughening of competition and a decline in their earnings.

Meanwhile, the agreement by no means puts an end to the transatlantic trade conflicts. Washington is now preparing a fresh offensive against the community. This time it has aimed its strike at the West European aerobuses. White House emissaries are currently staying in Bonn to demand from their partners in the consortium--the aircraft building companies of France, Britain and the FRG--that they give up state subsidies on the construction of these air liners and raise their prices up to the level practised by the U.S. monopolies. The USA has been forced to take these actions since aerobuses are highly competitive and began gaining positions from the leading U.S. corporations in the world market.

According to the BELGA news agency, Leo Tindemans intends to express on behalf of the EEC "regret" over the actions taken by the Reagan administration against Western Europe, which are viewed here as a breach of the norms and rules of international trade placed on record in the General Agreement on Tariffs and Trade (GATT).

The political part of the talks to be held by Leo Tindemans in Washington, as is pointed out at the External Relations Ministry, will concern questions pertaining to the situation in the Middle East and in Central America.

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CSO: 1825/111

WORLDWIDE TOPICS

UNESCO CONFERENCE ENDS IN KIEV

AU061132 Kiev RADYANSKA UKRAINA in Ukrainian 1 Feb 87 p 3

[RATAU report: "A Conference of UNESCO Experts"]

[Text] A UNESCO experts conference on teaching foreign languages and belles lettres in the interests of international mutual understanding and peace, which continued for several days in the T.G. Shevchenko State University in Kiev, ended with the signing of a concluding document.

The document, which has been named the Kiev Declaration, emphasized the importance of the work performed by UNESCO in line with the Final Act of the CSCE conference. The declaration calls on all teachers of foreign languages and belles lettres in UNESCO member-countries to help foster mutual understanding, respect, and confidence among peoples, and develop their peaceful cooperation. To attain the aforesaid goals, it is necessary to widen exchanges of textbooks and curricula, as well as contacts among libraries, and to organize international competitions for the best textbooks and reading books for learning foreign languages and belles lettres. It also recommends other systematic measures to make peoples more familiar with each other's lives and traditions, to mutually enrich their cultures.

The conference participants--representatives of 16 countries and of the UNESCO Secretariat--familiarized themselves with the cultural life of the Soviet Ukraine, and with the architectural and historical monuments of its capital city.

/8309

CSO: 1807/170

WORLDWIDE TOPICS

SOCIALIST COUNTRIES DISCUSS 1988 OLYMPICS VENUE

LD292338 Moscow TASS in English 1449 GMT 29 Jan 87

[Text] Havana, 29 Jan (TASS)--A conference held here by executives of the international divisions of sports organizations of the socialist countries voiced support for joint holding of the 1988 Olympic Games in People's Korea and South Korea. It is attended by representatives of Bulgaria, Hungary, Vietnam, the GDR, People's Korea, Cuba, Mongolia, Poland, the USSR, and Czechoslovakia.

In his speech Conrado Martinez Corona, chairman of the Cuban Institute of Sports, Physical Education, and Recreation, declared, on behalf of conference participants, support for holding in Lausanne the fourth round of the negotiations of the National Olympic Committees of People's Korea and South Korea. "The drive for holding the 1988 Olympic Games in Pyongyang and Seoul," he noted, "is not only a sport but also political question, it is a principled question of justice."

The institute's chairman censured the activities of the International Olympic Committee (IOC) with respect to measures permitting participation of professionals in the Olympic Games, which is a violation of the Olympic Charter. He also resolutely denounced growing commercialization of the games, leading to increased commercial exploitation of sportsmen by trade firms and TV companies.

/9599

CSO: 1807/157

WORLDWIDE TOPICS

USSR OLYMPIC COMMITTEE SUPPORTS TWO-KOREA GAMES

LD072310 Moscow TASS in English 2143 GMT 7 Feb 87

[Text] Moscow February 7 TASS--The national Olympic Committee of the USSR decided at an extended meeting of its Presidium today to promote democratism and public openness and to increase the role of the public in the development of sports and in international contacts. The meeting was attended by all the heads of the national sports federations, the Soviet representatives to international sports associations, leading coaches, sportsmen and journalists.

The report delivered by Marat Gramov, chairman of the National Olympic Committee of the USSR, reflected the process of reorganisation going on in the Soviet Union and the resolutions of the recent January plenary meeting of the CPSU Central Committee.

He stressed the need to increase the role of the National Olympic Committee in the development of physical culture and sport and in the education of young people. The decision was taken to establish a Soviet Olympic Academy and to reorganize the recently opened Museum of Olympic Glory.

The meeting discussed the new charter of sports federations. A council of Sports Federation Chairmen was established at the Presidium of the National Olympic Committee. The bureau of the council will be chaired by Soviet pilot-cosmonaut Vitaliy Sevastyanov, honorary chairman of the Soviet Chess Federation.

The meeting discussed many questions which would be included in the agenda of the plenary meeting of the National Olympic Committee scheduled for this May. Vyacheslav Gavrilin was nominated for the post of first deputy chairman of the National Olympic Committee.

Today's meeting showed that the National Olympic Committee has a firm stand on the basic issues of the Olympic movement, primarily support for the Olympic traditions and ideals and the principles of the Olympic Charter.

The national Olympic Committee believes that sportsmen from all continents should step up their contribution to the peace efforts.

The National Olympic Committee of the USSR supports the proposal of the National Olympic Committee of People's Korea for the holding of the 1988 Summer Olympic Games in both parts of the Korean Peninsula and expresses the hope that the International Olympic Committee will find a constructive solution to this problem in talks with the sports officials of the DPRK and South Korea.

WORLDWIDE TOPICS

SPORTS PAPER URGES COHOSTING SUMMER OLYMPICS

PM291251 [Editorial Report] Moscow SOVETSKIY SPORT in Russian 26 December 1986 carries on page 4 under the headline "What Would Coubertin Say?" a 1,200-word "Observer's Opinion" by TASS observer I. Bezrukavnikov written for SOVETSKIY SPORT.

The author reviews the sports events of 1986, with special emphasis on the Moscow Goodwill Games and their importance for "friendship and the strengthening of mutual understanding among peoples." He expresses "regret" that the International Olympic Committee (IOC) "does not give sufficient attention to the antiwar movement among athletes," and writes about the IOC's Lausanne session and the speech delivered at it by IOC President Samaranch.

Bezrukavnikov goes on:

"The Summer Games-88 in Seoul are yet another 'headache' for the IOC. The 'apolitical nature' of sport has long disappeared from the vocabulary of international sports movement personalities. If the games were to be held only in Seoul, as planned, they could only inflict irreparable damage on a country which is artificially divided by a demarcation line. The objectives of the dictatorship propped up by U.S. bayonets are to generate publicity, gain international recognition, and use the Olympics to roll back the wave of class demonstrations. This is precisely why the Summer Games-88 must be held in both Pyongyang and Seoul, so that they could ultimately help the Korean people's reunification. Talks on this question have advanced, but the final dot on the 'i' must be put by next year's fourth meeting of representatives from North and South.

"In any event, Samaranch is in an optimistic mood, having noted the IOC's numerous efforts in this sphere. True enough, he makes no mention of the fact that the IOC has been forced to correct its own mistakes. That became clear back in 1981, when an IOC session named Seoul the capital of the 1988 Summer Olympics."

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CSO: 1807/154

WORLDWIDE TOPICS

IZVESTIYA CARRIES TRAVELER'S COMPLAINT AT CONSULAR SERVICES

PM051253 [Editorial Report] Moscow IZVESTIYA in Russian 4 February 1987 Morning Edition carries on page 6 a 2,500-word article by Nataliya Ilina under the heading "Train From Paris," in which she relates her experiences in France during the rail strike. Due to leave Paris to return to Moscow on 27 December, she turns to the Soviet consulate for assistance, only to be informed that the consulate "does not give advice." She continues:

"More and more Soviet people are traveling and will be traveling abroad--on business trips and tourist visits and by invitation. Fine. But this means that the role played by our consulates abroad will become even more responsible. Are they ready for this? It was with this question, on my return to Moscow, that I telephoned a comrade from the USSR Ministry of Foreign Affairs Consular Section, telling him about my experiences in Paris. He was indignant. This must have been an exception! You were dealing with a commissionaire on duty, not a diplomat! (I had actually realized this. But, after all, a commissionaire on duty is still a member of the consulate). Consular workers abroad usually provide assistance for Soviet citizens! They give them a roof over their heads for the night if need be. Several people once found themselves in this position in Marseilles and the consulate gave them beds....

"'And if someone needs money? Will they lend him some?'

"'This is more complicated. We have to ask permission from Moscow and wait for a reply. The appropriate funds would have to be allocated for consular workers to be able to give immediate pecuniary assistance. We are actually trying for this at present!'

"Trying. They may even succeed. It sounded comforting and so, thanking him for his trouble, I hung up. But I soon got to thinking. I suddenly imagined the camp beds--where? In the consular offices? Men, women, possibly even children.... Like something out of wartime! But what are the alternatives if there is no money, nothing to lend people to make it possible for them to spend the night with dignity in a hotel? At the moment you have to ask permission from Moscow and wait for an answer.... And as far as the Paris episode is concerned, our diplomats are not really to be blamed. It was not they who said: 'What do you want? We do not give advice,' and so forth. It was the commissionaire expressing himself as he would on any other occasion.

"However.... The events in France in December were well known to everyone. One could easily have surmised that a number of Soviet citizens would find themselves in a difficult situation. I understand that Saturday is a day off and that consular workers have a right to some rest, but there is such a thing as an emergency! It was hardly reasonable to spend the time at home, leaving the consulate to the mercy of the commissionaire on duty who is not trained in diplomacy and has no rights whatsoever. After all, what happened as a result? The gates barred and bolted, and any Soviet citizen who hopefully approached his own consulate found himself confronted with a person who, let us be honest, had one task alone: not to let anyone in!

"This can hardly be considered an attempt to respect the dignity of the Soviet citizen!

"Why hide it? For years and years we have lived under conditions that have hardly been conducive to encouraging respect for ourselves or those close to us.

"But now things are different. Now people are having to alter their mentality, their way of thinking, their outlook. One of the most important tasks of the restructuring process is to greatly increase 'respect for human worth and dignity.'"

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CSO: 1807/176

EAST-WEST RELATIONS

KASHLEV DISCUSSES HUMANITARIAN TIES, HUMAN RIGHTS

LD232300 Moscow Domestic Service in Russian 1735 GMT 23 Jan 87

[Scheduled discussion entitled "Humanitarian Cooperation and Human Rights: Two Positions" conducted by All-Union radio commentator Igor Pavlovich Charikov, with Dr of Historical Sciences Yuriy Borisovich Kashlev, head of USSR Foreign Ministry Directorate of Humanitarian and Cultural Ties]

[Text] [Charikov] Hello, comrades. With us today is Dr of Historical Sciences Professor Yuriy Borisovich Kashlev, head of the Directorate of Humanitarian and Cultural Ties of the USSR Ministry of Foreign Affairs.

We invited you to the studio, Yuriy Borisovich, to talk about what is at present a very important problem: The role and place of humanitarian ties and of the theme of human rights in contemporary international relations; and about the ways in which both our country and the Western powers approach this problem. Over to you, Yuriy Borisovich.

[Kashlev] A good way to begin this conversation would be as follows: When the 27 CPSU Congress put forward, along with other important proposals, the concept of a comprehensive system of international security, worldwide attention was attracted to the fact that one of the four foundations of such a system that were named, along with military, political and economic measures, was humanitarian cooperation. Many observers wrote at the time that our congress had broadened the traditional picture of world politics being based on, as it were, three pillars, three components: military, political and economic. For the first time, the humanitarian factor was placed on a par with those. And this is not just a mechanical augmentation of the points of support, to make the system of international relations more stable, but also a reflection of the fact that in our time, humanitarian ties between peoples are on such a scale and occupy so great a place that one cannot form a correct picture of the world situation without taking them into account.

Of course, in the foreign policy of the Soviet Union, its humanistic content is not confined to areas of so-called humanitarian concern. The idea of setting up a comprehensive system of international security itself has an exclusively humanistic content, directed toward, as it were, enabling mankind to survive and ensuring the very first of human rights, the right to live in peace and freedom. And the concrete actions of the Soviet Union in the international arena are also imbued with this humanistic content, whether we're talking about our program put forward by Mikhail Sergeyevich Gorbachev a year ago, for

abolishing nuclear weapons by the year 2000, or whether we're talking about the Soviet Union's unilateral moratorium for a lengthy period; and all this is, of course, imbued with precisely the humanistic content of concern for mankind. But the 27th congress broadened this content, this tendency of our foreign policy, by stressing the supreme importance of humanitarian affairs in the general complex of international relations, and put forward a number of proposals on how that cooperation could be developed. And this has not been done from any desire to fall in tactically with the situation as we find it today.

This approach, the new approach of the Soviet Union to humanitarian matters in the international arena, arises organically from the salutary processes that have been taking place in our country since the April 1985 plenum of the CPSU Central Committee and as a result of the 27th Party Congress, of the widening of the arsenal of socio-political and personal rights and freedoms of Soviet citizens, the growing frankness [otkrytost], democratization, openness [glasnost] and the increasing role of the human factor at the present stage of communist construction.

Also directly connected with this is the fact that, in the international arena, socialism, as the legitimate successor and continuer of the most advanced democratic, communist traditions and ideals of mankind, has every reason to act still more vigorously than hitherto as the initiator of global social and humanitarian problems, as the initiator of the establishment of international cooperation in the spiritual sphere and as the standard-bearer of human rights.

As far as the general complex of international relations is concerned, we also acknowledge the, as it were, independent significance of the humanitarian sphere within that complex and its feedback relationship, as it were, with military-political and other processes and its effect upon the general character of interstate relations. The state of affairs in this humanitarian sphere and the solution of the various problems that have accrued here and which constantly arise directly determine the establishment of truly civilized, correct norms of international intercourse and the level of trust among states.

We consider that, if we do not try to create an artificially complicated situation in the humanitarian sphere, and approach it from construction, rather than confrontational, positions, freeing it from the inertia of cold war, then this could become a sphere for the revival and deepening of detente and one of the foundations of durable peace and international mutual understanding. It is in this context that one ought to view the program of international humanitarian cooperation put forward by the 27th CPSU Congress. It is very extensive, dealing with questions of mass information, culture and science; the interaction of states in implementing human rights; and the development of contacts among people and organizations. It envisages a joint struggle against gross and massive violations of human rights, such as genocide and apartheid, the preaching of fascism, and so on. And of course human rights problems occupy a fairly large and substantial place in this system.

[Charikov] You have said that human rights problems form part of our concept of humanitarian cooperation, is that not so? Well, I would like to ask you this question: Could you talk in greater detail about this particular aspect of humanitarian cooperation?

[Kashlev] Yes, throughout the whole world attention has been drawn to the new, open approach to human rights problems which was proclaimed by the 27th Congress of the party and which has in fact been confirmed repeatedly by all subsequent actions by the Soviet Union. Our country attaches the most serious importance to the human rights problem as a substantial factor of peace and it stands for international cooperation in this area. For this, however, it is essential first of all to free it from hypocrisy and speculation, from attempts to interfere in other people's affairs; and second to determine a framework for possible cooperation, to find the points where the positions and the interests of the different states and even of the different systems come together. The situation in this field is currently paradoxical in that it is precisely those who are ruthlessly violating the rights and freedoms of their own citizens and of entire peoples who are declaring themselves to be the main upholders of what is right. Here are some well-known examples: In the United States there are more than 10 million unemployed; about 30 million people live below the poverty line; more than 2 million are homeless.

[Charikov] It's more than that, Yuriy Borisovich, there are more than 3 million.

[Kashlev] Yes, indeed, this is what we have been discussing and we argued about this question at the Vienna meeting. The U.S. representative tried to give the figure of 350,000 as the number of homeless in America as a whole, but we cited U.S. documentary evidence showing that this figure is closer to 3 million. And other examples can be given. According to U.S. figures in U.S. Government departments there are 15 files on average for every citizen. Persecution of those who are struggling for civil and political human rights is being intensified. Racism flourishes in that country, political killings take place and so on. And at all international forums where these problems are discussed the United States invariably dons the mantle of prosecutor, approaches these topics from sharply confrontationalist positions and tries to condemn other countries. And this happens at a time when that same country--the United States--is ignoring virtually all the basic international documents which deal with the subject of human rights.

[Charikov] Clearly you are thinking about international pacts.

[Kashlev] Yes, quite recently in December we celebrated the 20th anniversary of the adoption of two UN international pacts on human rights. Of course they have been ratified by the Soviet Union, by the majority of countries, though the United States among the leading Western countries has not yet ratified them and does not intend to ratify them. Why? Because these pacts envisage whole categories of important social and economic rights which are undermined by capitalism, which are not observed, and so on.

[Charikov] Yuriy Borisovich, they put forward the following thesis as their counter-argument, that the U.S. Constitution itself guarantees these rights which are set out and backed up in the two international pacts. Therefore, they say, there is no need for the United States to ratify what has already been adopted. Moreover, this year they are going to be celebrating the 200th anniversary of their constitution and they will again be resorting to this argument, and all the more so, in order to avoid signing and joining in these two international pacts.

[Kashlev] This demagogic trick, you know, is a well known one and we have encountered it repeatedly. How was it possible for a constitution which is 200 years old to envisage rights which have arisen now, during the second half of the 20th century, rights which cover a large number of aspects of human life which simply could not be imagined 200 years ago? So this is not what it's about, of course it's not to do with something having been provided for in the U.S. Constitution. Capitalism is by its nature incapable of providing for--it is incapable even of providing for, let alone ensuring--the most important social and economic human rights.

[Charikov] I would add that even those rights and freedoms which are guaranteed by the 200-year old constitution, that even those which are provided for, are curdely violated every day.

[Kashlev] Of course, of course. And if we are going to talk about the Constitution, I can recall an instance when a public opinion institute questioned Americans in the street and in their homes, showing them the text of the...

[Charikov, interrupts] ...the Declaration of Independence.

[Kashlev] The Declaration of Independence, and a majority refused to agree with it, fearing that it was communist propaganda. That shows how forgotten these rights are. But it's not just a question of facts. Overall there are about 40 major international documents in the world dealing with human rights. As a rule these are documents within the UN system. And two-thirds of these, more than two-thirds of them, have not been ratified by the United States. They include the convention against genocide, against apartheid, on equal rights for women, and so on and so forth. And this is the country which takes upon itself the right to teach others about human rights, to call upon everyone to follow its examples, and so on. Of course, all of these questions have arisen more than once at the all-European meeting in Vienna.

[Charikov] Since we have touched upon the position of the West on the human rights question, I would like to ask you to talk in greater detail, Yuriy Borisovich, about the way the all-European meeting on security and cooperation is proceeding in Vienna. We know, and our listeners know, that you are the head of the Soviet delegation there, so please could you talk in greater detail about the way in which this problem is being raised at the Vienna meeting, about how discussions are going, and about the Western countries position?

[Kashlev] Yes, the all-European meeting in Vienna is of course devoted not just to humanitarian problems, not just to human rights: Its proceedings are taking place on the basis of the Final Act, adopted in 1975 and signed by the heads of 35 states. It is a very wide-ranging document covering virtually all spheres of the life of the European peoples--military, political, economic, scientific, technical, environmental and of course humanitarian. All these spheres are the subject of debate at the Helsinki meeting. It is the third meeting since Helsinki. Earlier, there had been two all-European meetings--in Belgrade and then Madrid, and now Vienna.

The USSR takes as broad an approach to this meeting and its tasks as the Final Act requires. That is, we are actively putting forward and discussing questions related to military and political detente, trade and economic cooperation, and so on, but we do not of course try to evade humanitarian topics or human rights. Immediately on our arrival in Vienna--the meeting, as one knows, opened on the level of ministers of foreign affairs, and there was a very interesting speech by Comrade Shevardnadze--we declared straight away that we were prepared to discuss all the questions which form the package of issues in the all-European process, and that we advocated headway in all areas--as they sometimes say there, in all three baskets: the military-political sphere, the first basket; secondly, the trade and economic basket; and thirdly, the humanitarian basket. We favor a balanced advancement of European cooperation in all these areas. As for the Western countries--and this applies above all to the United States, in harness with whom were Britain and Canada, with France frequently joining them, although the majority of other countries, even of Western Europe, did not support this confrontational approach--attempted to bring to the fore the problems of human rights and contacts between people, and to set themselves up as arbiter, or counsel of the prosecution, or even prosecutor in these matters, giving marks to other countries, including the USSR, for their good or bad behavior in this sphere.

They did not succeed in this because not just our delegation, but also the delegations of the other socialist countries showed in a very well-argued way, drawing on the facts, that these states had no grounds for adopting this sort of moralizing posture. We talked about the fact that in recent years, following the previous all-European meeting in Madrid, U.S. representatives, [as heard] had committed flagrant acts of downright aggression which breached the spirit and letter of Helsinki. They committed acts of direct aggression against Libya, Grenada and Nicaragua. They refused to accept the rulings of the International Court on many issues. They systematically breached human rights in their own country. I'm not just talking about the United States, but also about Britain, Canada and some others. The United States, for instance, finances bandits opposing legitimate governments in many regions--in Afghanistan, Angola, and so on, including Nicaragua: Nicaragua was mentioned on many occasions. And the U.S. representatives at the Vienna meeting were particularly loquacious about so called political prisoners in the USSR, about our prisons, dissidents, and so on.

In reply, we cited the following simple fact. The United States is unrivalled in the West when it comes to the number of people in prison: There are 723,000 prisoners in U.S. jails. Moreover, strenuous efforts are naturally made to conceal the reasons why these people are in jail.

[Charikov] Frequently the reasons are simply camouflaged: For instance, political dissent is passed off as a criminal offence.

[Kashlev] Quite so. And we even cited names. In the United States--as far as is known from the U.S. press--1,600 people have been sentenced to death and are awaiting execution. And this country lectures others on how to observe human rights in their countries. We adduced the following example. Quite recently, in connection with the continuing U.S. blasts in Nevada, a group of religious figures tried to hold a demonstration near the test ranges and to

prevent these nuclear balsts from taking place. The whole group of religious figures was jailed for staggering terms--from 8 to 18 years. Are these not political prisoners? They have done nothing except to express their political will.

[Charikov] Yuriy Borisovich, it seems to me that these long jail terms for this sort of demonstration of political dissent shows that the official authorities are very much afraid of these people; they want to put them behind bars for as long as possible and keep them as much out of the way as they can, depriving them of the right to address the public and reveal the real goals of U.S. foreign policy.

[Kashlev] That is undoubtedly so. Of course, they are very much afraid, since the United States for so long now has been exploding nuclear bombs, carrying out tests, and so on, and a very large category of people, even in the United States, condemns this. Thus, the people who are campaigning, who are attempting to interfere, are dangerous. They are taken away and given longer prison terms than for drug trafficking, despite the fact that America prides itself on its supposedly energetic fight against drugs, although there are around 40 million drug addicts there.

But it was not just the United States. It was a coordinated policy on the part of the main NATO countries aimed at putting pressure on the socialist countries, to demonstrate that our words about a new approach to human rights and humanitarian cooperation are not backed up by the true facts, that there have not been any substantial changes in our country in this sphere. It was a whole policy, a policy aimed at causing some kind of mistrust toward the Soviet Union and the other socialist countries. Perhaps an even more important reason lurking behind this was their desire to prevent the growth of the prestige of the USSR's new policy in international affairs, the growth of the prestige of--to put it plainly--our leadership.

The processes that are taking place in this field scare them very much. Take, for example, opinion polls in West Germany and some other countries. Who is named as the most popular politician of the past few years, and of last year in particular? Mikhail Sergeyevich Gorbachev. Surely, this means that our foreign policy and what is happening inside our country are enjoying greater authority. They are afraid of this very much.

They have found therefore a convenient pretext, it seems, in the all-European forum in Vienna in order to cast a shadow over what we are doing. But then again, I repeat, they are failing. Take an example. The head of the British delegation enjoyed very much lecturing on human rights, bragging about British democracy and so on and so forth. We asked him one concrete question: Mr Ambassador, could you tell us how many people have been killed in Ulster? He said 2,521 people. Two thousand five hundred and twenty-one people have been killed in Ulster! This means that they have been killed in those skirmishes, which are occurring regularly as part of a fight for some sort of independence and social rights and religious rights, etc. Everything is mixex up there. Two and a half thousand people!

We said to them: Can you imagine if something, not even like this, but something hundreds of times less significant, happened in the Soviet Union? What would you do? What howling would be raised by Western propaganda. How you would howl here in Vienna, if one or two people were killed in the street during such actions for social and economic rights. Whereas in your country hundreds and thousands of people are being killed and no one among your closest allies, neither the Americans nor the French, who are sitting next to you, even raise an eyebrow, as if this is happening on Mars.

This example showed particularly clearly this double standard. One set of regulations exists for them and another set of regulations exists for socialist countries and for the Soviet Union. They do not see the beam in their eyes but they see a mote in other people's eyes. These tactics are, of course, very unpleasant, and we are exposing it as much as we can, of course. In general much is being done lately in our information services, and foreign policy information services, in order to show to the Western reader or listener too that these tactics of double standards and dual approaches simply hide the fact that they are not interested in human rights. This subject is needed as a weapon for a psychological war and ideological pressure. This is the situation.

[Charikov] Yes, we would not like to overlook another very important question in concluding our conversation: our active, open, and vigorous policy in the area of human rights, which is noticed everywhere, found its concrete manifestation particularly at the Vienna meeting, when our foreign minister put forward an official proposal to conduct in Moscow a representative conference of the participant countries of the all-European process on the whole range of humanitarian problems. The meeting would discuss, in the context of the implementation of political, social, economic, and other human rights, the state of affairs in the area of contacts between people, and in the areas of information, culture, and education as it was defined by the Helsinki Final Act.

Admittedly this proposal, which proceeds from our consistent policy on these questions, caused at first a certain state of shock in the West. But now an increasing number of official figures are taking a closer look at showing interest in such a conference. The time has indeed come to sort out humanitarian matters seriously and without demagoguery. What can be resolved ought to be resolved, and this sphere ought to be cleared of all, so to speak, extraneous accretions and converted into a sphere of cooperation rather than a sphere of confrontation, as it has been for many years. This proposal of ours is, so to speak, one of the central ones at the Vienna meeting at this stage. The Vienna meeting is going to resume its proceedings on 27 January after the New Year break. This proposal will be one of the central ones and we will be actively defending it as an expressing of the new, open, flexible approach of the Soviet Union.

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CSO: 1807/159

EAST-WEST RELATIONS

COMMENTARY ON PROSPECTS FOR RESUMED CSCE IN VIENNA

OW040345 Moscow Television Service in Russian 0430 GMT 3 Feb 87

[From the Novosti newscast; Sergey Alekseyev commentary]

[Text] As already reported, the CSCE conference resumed in Vienna. Our commentary.

[Alekseyev] Hello, comrades. Let me remind you that, on 18 December 1986, the first stage of the Vienna meeting came to an end--that stage of general discussion by the participating states of the process which began in Helsinki on strengthening security, trade, economic relations, and humanitarian cooperation in Europe. Now, the most responsible phase of work begins--the preparation for weighty agreements--the reason for the all-European meeting.

The 35 participating states have to reach agreement on the convocation, in Moscow, of a conference on humanitarian cooperation issues; an economic conference in Prague dedicated to the examination of promising trends and economic cooperation in Europe; a forum on scientific and technological cooperation; organizing a meeting to discuss the problems of ecology; and the ratification of the human rights agreement by all the participating countries.

All these initiatives were proposed by the delegations from the socialist countries. The agenda is full, but ample time remains before 31 July 1987. The question remains: How will this time be used? By no means an unnecessary question, since a number of the participating countries belong to NATO.

During the early stages in Vienna, enthusiasm was lukewarm. As an example, the U.S. delegation arrived in Vienna bringing with them only two initiatives. One, to appoint three prominent citizens from each of the participating countries to tour Europe with the aim of checking that the Helsinki agreement is adhered to. The second initiative demands the end to jamming of foreign radio broadcasts.

Such initiatives, especially against the background of truly large and vitally important issues for the European peoples, put forward by the Socialist countries, look, to say the least, trivial. The impression one got during the initial stages of the meeting in Vienna was that Washington, together with some of its allies, would have liked to leave the military-political, trade,

and economic issues in the recesses of European life, at the same time, turning the Vienna meeting into a trial of the socialist countries, which supposedly infringe on human rights.

But now, with the beginning of the second stage in Vienna, a time for specific decisions and concrete agreements has arrived. This will show who is who and what is what, and what are the true intentions of all participants regarding the strengthening of peace and goodneighborly relations on the European continent.

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CSO: 1807/169

EAST-WEST RELATIONS

EAST EUROPEAN STATES URGE ECONOMIC FORUM AT CSCE

LD152314 Moscow TASS in English 1918 GMT 15 Dec 86

[Text] Vienna, December 15 TASS--A proposal by Czechoslovakia, Hungary, Poland and the German Democratic Republic for convening an economic forum in Prague was tabled at the plenary session of the All-European Conference in Vienna today.

The goal of the forum should be the discussion of promising directions, new opportunities and forms of developing trade, industrial cooperation and the related exchange in technologies, primarily cooperation in production and setting up of joint enterprises.

It is supposed that the forum should discuss among concrete issues the participation of small- and medium-sized firms in trade and economic cooperation, marketing, financial and credit aspects related to such cooperation.

It is likewise proposed that the forum involve along with representatives of governments also leading figures in trade, industry, finance, science and technology.

The proposal on the economic forum was supported by the delegation of the USSR and representatives of a number of other countries.

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CSO: 1825/100

SOCIALIST COMMUNITY AND CEMA AFFAIRS

CONVENTION ON CEMA CAPACITIES, PRIVILEGES, IMMUNITIES

[Editorial report] Moscow VEDOMOSTI VERKHOVNOGO SOVETA SOYUZA SOVETSKIKH SOTSIALISTICHESKIKH RESPUBLIK in Russian No 3, 21 January 1987 published on pages 39-49 the text of the Convention on the Legal Capacities, Privileges, and Immunities of the Council of Economic Mutual Assistance.

Article 1 defines the terms used in the convention. Article 2 sets forth the Council's capacity to sign international agreements, to acquire, rent, and transfer property, and to appear in court and at arbitration.

Articles 3-8 guarantee the inviolability of Council premises, property and personnel in whatever country they are located, immunity from prosecution and taxation, inviolability of archives and documents, and freedom from customs limitations and local financial control.

Articles 9-11 deal with communications, courier service, and access to the press.

Articles 12-15 set forth the privileges and immunities of representatives, including permanent representatives, administrative and technical personnel, and visiting high-ranking officials.

Article 16 provides for withdrawal of immunity.

Further privileges and immunities for Council officials are elaborated in Article 17.

Article 18 grants privileges and immunities to representatives of non-member countries who participate in the work of Council organs at its invitation.

Articles 19-23 treat details of implementing the convention.

This convention took effect in the USSR on 12 December 1986.

CS0:1807/179-P

SOCIALIST COMMUNITY AND CEMA AFFAIRS

ROLE OF DIRECT TIES IN STRENGTHENING CEMA INTEGRATION

Importance to Poland

Moscow EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 9, 1986
pp 35-40

[Article by Jan Ptashek of Poland under the rubric "The Effect of Direct Ties": "The Division of Labor and Direct Contacts"]

[Text] Currently the broad international division of labor in the machining industry, especially based on specialization and cooperative production, is becoming a most important factor in the intensification of the economic development of the Polish Peoples' Republic.

Polish industry participates in almost all of the agreements on specialization and cooperation signed within the framework of CEMA, producing on that basis more than 2,700 types of machinery and equipment. A number of its sectors have achieved a high level of specialization. This relates first and foremost to shipbuilding, the production of railroad transportation equipment, road and construction machinery, equipment for the textile industry, loading cranes, rolling bearings, medical equipment, paints and varnishes, dyestuffs etc. The share of export of these products to the socialist countries totals from 50 to 98 percent of their overall production volume.

Deliveries of products encompassed by specialization are increasing steadily. They went from 1.2 billion rubles in 1980 to about 1.5 billion rubles in 1984. Their share of the total exports to socialist countries exceeded 16 percent.

Participation in the international division of labor permits each country to utilize economically material resources and manpower both in the creation and the expansion of productive capacity, as well in the preparation of production and its intensification and raising efficiency. Although there are undoubted achievements in this sector, much remains to be done. In many cases international specialization and cooperation has an insufficient influence on the rational division of labor in machine building among the CEMA member countries. The majority of the agreements signed only passively reflect the extant situation in machine building.

Up until now, the efforts of Council organs have been concentrated chiefly on the specialization of machine-building production by item. At the same time, multilateral cooperation on the basis of assembly and part specialization has played an insignificant role.

The most important agreements on cooperation signed by Poland recently relate to the manufacture of several parts for motor vehicles produced in the Soviet Union, the tractor industry, the production of color-television picture tubes, nuclear power plant equipment, machine tools, industrial robots and specialized machining lines and maritime vessels, as well as construction and road machinery.

It is becoming more and more obvious that the intra-sector division of labor, meeting the needs and capabilities of the CEMA member countries, can be accomplished only when close technological, organizational and economic ties of the directly collaborating enterprises and other interested economic and scientific-and-technical organizations are established. These ties among enterprises are still not yet fully developed.

Today 104 enterprises and about 50 scientific research institutes of Poland and the USSR are implementing interaction of this type. An agreement was recently signed with Bulgaria on the development of the collaboration of roughly 40 enterprises. Such ties, although they are not based on intergovernmental agreements, have been arranged by our enterprises and scientific research organizations with their partners from the GDR, Czechoslovakia and Hungary.

In order to raise the effectiveness of this form of collaboration in the fraternal countries and organs of CEMA, considerable attention should be devoted to the development of its legal, organizational and financial foundations. This activity should be aimed at expanding the independence of enterprises in international economic collaboration and raising their role in planning it and have as its goal the development of flexible principles of commodity exchange, as well as the corresponding forms and channels for the exchange of information on the capabilities, nature and scale of interaction. All of this would create the preconditions for entering a qualitatively new stage in the development of direct ties among the business entities of the countries of the socialist economic community. It should be noted that in Poland, according to a series of laws adopted by the Sejm, state enterprises are deemed to be capable, independent, self-managing and self-financing entities.

A state enterprise enjoys full authority with regard to the property allocated to and acquired by it, being a part of nationwide property: it answers for its obligations, functions according to the principles of self-financing and profit-and-loss accounting, establishes so-called regulated and contract prices for articles produced and constructs its activity on the basis of its own prospective and yearly plans, which are approved by a meeting of enterprise workers or the Workers' Council. The enterprises are also granted, where necessary, broad powers in foreign-trade activity, as well as in the creation of joint enterprises with foreign partners. The system of these

powers is constantly being improved so as to make the establishment of direct contacts easier for the enterprises.

The most important purpose of direct contacts is accelerating technical progress and raising production efficiency.

In the beginning period of collaboration, the enterprises can exchange progressive production and technological experience, select and jointly utilize the best technical and technological developments and more quickly resolve the tasks that arise in the technical level, quality, regularity and service maintenance of the articles supplied.

The collaboration of the majority of Polish enterprises (and first and foremost machine-building, chemical and light-industry ones) with Soviet partners is at this stage. Consolidating what has been achieved, they should soon set about the development and realization of coordinated technical policies for the development of the production of individual products or groups of them along with the division of labor, especially based on cooperation and specialization.

It is possible to cite a number of interesting initiatives in Polish-Soviet collaboration in machine building. The Zamet Mechanical Plant, for example, has coordinated an assortment of production items and their exchange with the Novokramatorsk Machine-Building Plant Production Association and the cooperative output of chassis for mobile drilling rigs using Soviet documentation the Kommunist Mining-Equipment Plant (in Krivoy Rog in the Ukraine). The manufacture of about 180 rigs over five years is envisaged.

According to an agreement concluded with the Yerevan Motor-Vehicle Works, the Truck Plant imeni B. Berut in the city of Lublin prepared the design prototypes for a number of assemblies (rear axle, seats, brake pump and control mechanism) which upon their positive evaluation after the conclusion of research will be placed in series production and will be supplied by the Poles for installation at the Soviet enterprise.

One of the most important themes of collaboration between the Motor-Vehicle Industrial Institute (Poland) and the Central Motor-Vehicle Scientific Research Institute (USSR) is the development of of a truck model (3.5 tons) and its future joint production. An engine has been created in Poland, of which 15,000 will be exported annually to the Soviet Union.

These examples vividly demonstrate the possibility of direct production links with their correct organization and a regard for the general interests of the countries. So that the direct contacts of operational economic entities are approved and can have an even greater effect, they should be based on the foundation of planning.

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The collaboration of sectors, coordinated over two or three five-year plans, should become the basis for the intensification of international specialization and cooperative production, as has already been reflected in

agreements on the manufacture of nuclear power plant equipment, computers and power devices. In the course of this cooperation, there exists the opportunity to coordinate the high-priority directions, problems and themes of scientific and technical collaboration; to select articles for international specialization and cooperation, taking into account, on one hand, the strategic directions of the development of certain spheres (sectors) of production and, on the other, the level of equipment and technology; and to determine the forms and methods of concluding the necessary agreements, as well as ensure the stability of the obligations adopted.

It is also possible to utilize such a form of planning contacts as joint planning, as advanced in the Comprehensive Program for Further Expanding and Improving the Collaboration and Development of the Socialist Economic Integration of the CEMA Member Countries. For a long time, it was not widely employed in collaboration. The direct ties create objective economic and legal foundations for its universal utilization.

The expansion of direct contacts among cooperative and specialized production and scientific research organizations can become an effective means of raising the quality and technical level of the items they produce. This is the only cooperation that makes sense, not that which reinforces technical backwardness. This cannot help but cause agitation. Although the obligations of the supplier in the manufacture of high-quality specialized products are currently defined in agreements on production specialization along with raising their technical level and quality with a regard for the latest achievements of world science and technology, in practice this is not always fulfilled.

Active steps are needed that would ensure continuous improvement in the technical parameters of the equipment produced along with a reduction of its material- and power-intensiveness.

Supplying each other with obsolete machinery and equipment, we will not advance along the path of the intensification of economic operation. It is therefore important that the efforts undertaken by every sector of the country be reinforced by the energetic joint actions of CEMA.

The main conditions for raising the technical level and quality of specialized and cooperative production are undoubtedly great concentration on the priority areas of scientific and technical research, a rise in its efficiency and the achievement of a close coordination of scientific and technical collaboration with international specialization and productive cooperation (i.e. all links of the science--planning and design development--production chain) as well as the development, which is most important, of a method of establishing prices that would stimulate the production of modern and high-quality cooperative products.

The technical reconstruction of industrial and other sectors of the economy is topical both for Poland and to an equal extent for the other countries of the community. Consequently, a key problem is activating the joint efforts of the fraternal countries in the decisive acceleration of technical progress in all spheres of the national economy. Our countries have all the conditions for

this--both the personnel and the scientific and technical base. In Poland, for example, some 93,000 scientific employees and engineers are employed in scientific research and planning and design work, as are about 1,100 scientific research institutions, of which 670 are participating in international competition within CEMA. More than 1/3 of world scientific and technical potential is concentrated in the fraternal countries (this relates first and foremost to the apparatus and the number of scientific personnel).

The joint design bureau of the Ponar enterprise and the ENIMS Scientific Production Association in the city of Ostsheshuvo is an example of such collaboration. The bureau has developed documentation for a fundamentally new coupling design that is characterized by good technical-operational and quality parameters. It will be delivered to the Soviet Union after a number of years.

* * *

The realization of the Comprehensive Program of Scientific and Technical Progress of the CEMA Member Countries to the Year 2000, as well as a number of international agreements associated with its fulfillment, is acquiring fundamental significance. This will make it possible to concentrate resources more rapidly in the key sectors of the economy that will ensure growth in labor productivity, the maximum economy of raw materials and the steady improvement of product quality.

The collaborating plants, combines and associations should devote particular attention to cooperation in the production of equipment for general industrial application: hydraulic and pneumatic elements, semiconductors and integrated circuits, radio parts, microprocessors, bearings and the like. This is all the more important as the dependence of our countries on capitalist markets for the supply of many of these assemblies and parts is quite considerable.

There remains the as yet not fully resolved problem of the division of labor in assimilating the output of machinery and equipment that is not yet produced in the CEMA member countries. Speaking of Poland in particular, for example, this has facilitated the rapid increase of a negative trade balance with the capitalist states in the last 10 years.

The dependence of the fraternal countries on deliveries of machinery and equipment, as well as materials, from the capitalist states is declining at an insufficient rate.

The development of measures for strengthening the technical and economic independence of the CEMA countries should become an integral part of plan coordination, as well as the activity of the collaborating business entities. Work in this area is already being done in our country. Interaction with the USSR has aided Poland in solving the problem of importing a number of assemblies that in many cases were acquired through converted foreign currency, for example for shipbuilding needs, the varnish and paint industries and the production of communications equipment and trucks. Contacts with the Berliot firm, for example, have ceded to cooperation with Icarus.

The principal difficulty in developing this type of collaboration on a broad scale is the need for considerable capital investment for organizing the output of items in short supply. It seems to us that it would be possible to study the opportunity of developing a system of joint measures aimed at the maximum utilization of existing state potential in this regard through direct contacts, the creation of joint enterprises and the like. This problem has especial significance for the Polish economy.

The industry of Poland has considerable productive potential at its disposal. Many sectors and enterprises are distinguished by a progressive technical level and are equipped with modern equipment. We do not, however, have the capability of fully utilizing this potential, first and foremost due to difficulties with the supply of parts and assemblies that are imported from the capitalist countries. Thanks to the procurement of raw and other types of materials of the type needed for production in 1980-1983, as well as the aid of the CEMA countries and first of all the Soviet Union, we have been able to a certain extent to weaken the sharpness of the problems of industrial supply.

Taking today's economic situation into account, as well as the prospects for economic development in the near future under conditions of ever increasing supply difficulties, the necessity of limiting the growth of capital investment and the restructuring of its patterns, our country has come forward with an initiative to organize the collaboration of all socialist countries with Polish industry in this area.

The agreements related to the production of coke-oven batteries and equipment for the heat treatment of rails, as well as the manufacture of roll-formed sections, that have been reached with the Soviets are deserving of especial attention. The two latter types of production have been functioning since the beginning of 1986. The planned future volume of annual production for the rail heat-treatment shop at the Gute Katowice will total 250,000 tons, while the roll-formed shop at Gute Pokuy will be 100,000 tons. Their organization is the beginning of structural changes in Polish ferrous metallurgy whose purpose is to raise the quality of finished products, as well as to improve working conditions in the sector.

The Soviet Union will in the near future take part in 11 measures with the goal of reconstructing or modernizing Polish plants. This relates to repair wharves, self-propelled loading cranes, chemical apparatus, synthetic materials and the arrangement of series production of new-type transmissions for construction and road machinery, as well as the expansion of production of parts for excavators and other equipment.

Agreement on this type of collaboration has also been achieved with other fraternal countries. An agreement has been signed with Czechoslovakia on the production of vacuum tubes for lamps, and with Hungary for color-television picture tubes, in Poland.

* * *

The development of cooperation and specialization, as well as scientific and technical ties, should be facilitated by a whole set of economic controls. If

the division of labor, and especially cooperation, leads to losses and a rise in product cost, then there is no need for such collaboration whatsoever.

Price formation for cooperatively produced products should first of all be improved, since prices are the basis of material vested interest. The standard clause approved by the Permanent CEMA Commission on Foreign Trade for agreements on cooperation can be considered only a starting point for the coordination of prices. The technical and economic parameters of the items being exchanged, as well as the benefits arising from their series production and the steadiness of their supply, should be taken into account when establishing prices. The risk associated with creating new capacity for the output of products needed by trading partners should also be taken into account, and guaranteed minimum prices should be employed. Mutual guarantees of the payback nature of production for both the exporter and importer should take shape in the same manner. This system would ease the corresponding processes of mutual adaptation for the collaborating partners.

The active inclusion of producers in the establishment of contract prices, as well as the creation of conditions for the direct granting of credit by the international banks formed by our countries, as well as the collaborating organizations, would have a positive effect as well.

Various types of measures on a national level have great significance in the development of cooperation and specialization. They are being carried out on a broad scale in the Polish economy. The producer-exporters enjoy benefits in the payment of income taxes, as well as wage incentives. The development of contacts with trade partners from the socialist countries is also facilitated by special bonuses of the Ministry of Foreign Trade, as well as the priority of these enterprises in material and technical supply. A deduction account in converted rubles has been formed as an experiment since 1986 which should assist the development of foreign trade and cooperative contacts with partners from the CEMA member countries.

The state-enterprise law envisages the direct obligation of enterprises to produce items that are the object of international agreements. In practice, this tool of directive-administrative management turns out to be attractive for producers, as it guarantees the satisfaction of material-resource needs, as well as the necessary sums of freely translated foreign currency, for enterprises producing export products and entering into cooperation.

It would be possible today to consider the possibility of a more flexible approach to product deliveries with the retention of principles of a bilateral balance of commodity exchange over a single year or several years. Cooperative items could be delineated in long-term trade agreements and annual protocols for which quantitative (and consequently cost) quotas are not set. Only the scale of cooperative supply would be rigidly fixed, i.e. the overall volume of exports and imports.

The next step could be a transition to the coordination of a single cooperative trade balance between two countries taking into account the state of their balance of payments. Certain efforts in this area exist. Thus, various export and import quotas have been allocated for the direct

collaboration of enterprises and associations according to the annual protocols on commodity exchange between Poland and the USSR. They can be utilized for the realization of so-called general contracts and deliveries according to quoted deductions in translated rubles.

The direct contacts of operational economic organizations also take on (and especially will take on) such improved forms as combined enterprises. The advantages that they can obtain from the concentration of productive and scientific-and-technical potential, as well as the financial resources for the manufacture of individual goods (ensuring an approximation of the optimal series production of their output) for the satisfaction of common needs, as well as exports to third countries, testify to the need for their organization in the machining industry of the CEMA member countries. This can also assist the more efficient utilization of licenses that have already been acquired, the widespread application of the latest technological processes, the substitution of the import of many assemblies and parts from capitalist countries with deliveries from fraternal countries and the more complete utilization of the production apparatus and labor resources in the interests of both individual CEMA countries and the whole socialist community.

As for the functioning of the joint enterprises of the fraternal states, as well as enterprises with the participation of other foreign firms, our countries already have certain experience related to the employment of various financial and economic controls. The joint Polish-Hungarian Haldex enterprise or the cotton-spinning plant in the city of Zawiercie can serve as an example. Agreements have been signed on the creation of five joint Polish-Soviet enterprises that will produce screw transmissions, electromagnetic clutches, braking devices, cosmetic and domestic chemicals, cotton yarn and products for potato processing.

Regardless of the legal status of the joint enterprises, there exists the persistent necessity for the comprehensive regulation of the financial and legal problems of the functioning of the enterprises created with the participation of combined capital.

* * *

At the current stage of development of socialist economic integration, direct contacts of operational economic and scientific-and-technical organizations are undoubtedly a considerable reserve for intensifying the contacts among the CEMA countries. The expansion of these contacts has been assisted by the objective general laws of the development of international productive forces under socialism, as well as by the socio-economic preconditions. It is becoming an important area in the improvement of the mechanism of socialist economic integration. The task today consists of using the possibility of these contacts as fully and efficiently as possible, first and foremost for deepening the division of labor in material production and stimulating technical progress.

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Sekretariat

Czechoslovak View

Moscow EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 9, 1986
pp 41-45

[Article by engineer Jaromir Matejka of the CSSR: "An Important Path to Deepening Integration"]

[Text] The significance of direct contacts among the business organizations of the CEMA member countries, as is well known, was emphasized once again in the Comprehensive Program of Socialist Economic Integration. Since then a number of measures for developing this form of economic collaboration have been developed and agreed to in the fraternal states. It is becoming apparent in recent times that their widespread and comprehensive application is acquiring extreme topicality. It seems to us that direct contacts between the business organizations of our countries must be considered one of the main paths for raising socialist integration to a qualitatively higher level that meets the requirements made today of the current process of intensification of the economies. The modern state of direct ties, however, still does not correspond to the capabilities and needs of the socialist community.

The progressivity of direct contacts is determined by a number of circumstances. These are first and foremost the irreplaceable means of transition from traditional forms, in which commodity exchange predominates, to modern integrated collaboration that affects all areas of the economic and social activity of the organizations. This interaction can encompass not only foreign-trade activity, but scientific research and planning and design work, the exchange of technologies, the pooling of funds, the construction and utilization of capacity, the joint determination of rational routes of supply and sales, the creation of a standards base for the collection, processing and use of information and the like, including the socio-cultural sphere. In practice collaboration encompasses all stages and aspects of the reproduction process.

The chief distinguishing feature of direct contacts between business organizations of the CEMA countries arises from their substance and goals. This is the liberation from any sort of intermediary activity by any organs or organizations. This direct nature of the contact is objectively essential, since it is a precondition for the development of integrated initiative at the level of the business entities that are producing and selling the material assets. The point is that direct contacts are in essence the sole form of collaboration that permits organizations to carry out their tasks in a specific, detailed and current fashion and to react in a timely manner to the changing situation.

The right of organizations to use immediate contacts should, however, be organically tied within the framework of the whole national economy with the appropriate economically accountable responsibility for the effectiveness of the measures of international collaboration and the fulfillment of obligations arising from business contracts and the like.

Direct contacts among business organizations can be reflected in the following specific forms:

--agreements and contracts on international specialization and cooperation, the results of which are, as a rule, a deepening of the division of labor and structural changes in the economies of the CEMA countries that raise the social productivity of labor and the economy of time;

--the pooling of funds for joint purposes (in production, research, technical development, supply, sales and the like) with the preservation of the organizational forms and structures of the parties in the contract;

--the formation of new organizational entities (for example, joint centers, institutes, workplaces and the like) that are subordinate to the parties in the contract, i.e. to the corresponding business and scientific research organizations, or the construction of facilities through joint efforts or the creation of international business organizations (joint enterprises, associations and societies).

All of these forms of direct contract ties cannot be sharply limited, since in the course of realization they may be interwoven, combined or transferred from one to the other. Their common feature should be the relatively prolonged economic effect obtained from international cooperation and specialization in various spheres of economic, scientific and technical activity. Various organizations (production and transport enterprises, financial, scientific research and planning organizations etc.) can be independent legal parties to contract relations therein.

In connection with the fact that direct contacts are implemented among the business organizations of the CEMA countries, which have centralized planning of the national economy, it is extremely important to define their place in the national or coordinated management systems, their correspondence to the tasks and goals of state plans and intergovernmental agreements, the results of the coordination of plans etc.

At the same time it is essential to create conditions wherein these ties could be realized in specific cases in direct and immediate relations between business organizations. This does not rule out informing central organs about such contacts and their sanctioning, especially when new international business entities are being created.

For the Czechoslovak economy, all of these progressive forms for deepening collaboration among organizations at the current stage of transition toward an intensive path of development are acquiring extreme significance. Their utilization is one of the principal conditions of the effectiveness of structural policy and the associated development of mutually complementary productive structures in the collaborating countries. This is very important for the formation of the structure of machine building, electrical equipment and metallurgy, especially for the structural policy related to intrasector (assembly, part etc.) specialization in machine building, which cannot be objectively arranged without the direct contact of business organizations at their initiative and with their responsibility.

Direct ties can play an important role in reducing the dependence of the economies of the countries of the community on imports from capitalist countries and creating conditions for the more rapid realization of the results of scientific and technical progress. A number of current and extremely topical requirements for the development of such priority areas of the national economy as robotization and computerization, biochemistry and genetic engineering, as well as raising the mass production of consumer durables and others, can, as a rule, be satisfied only through a combination of the efforts and resources of several CEMA countries and their business organizations. This process is extremely important for the CSSR due to the very broad assortment of products produced in the country, which cannot currently be supported by the necessary scientific research base, the insufficient level of work efficiency of a number of sectors, caused by small-series production or an insufficient degree of mass production and the like.

The many years of experience in the ever greater participation of the Czechoslovak economy in socialist integration testify to the fact that the resolution of the problems cited is possible only through collaboration at the level of the central organs, and broad comprehensive direct ties among business organizations are essential.

Currently the use of broad direct contacts among business organizations is only beginning. The fraternal countries are seeking joint approaches to understanding direct contacts, their organizational forms, their role in the integration process and the business and systemic conditions for the mutual openness of economies essential for their broader utilization. Even the most widespread form of collaboration, which today is called specialization and cooperation, passes through many stages. Frequently it does not progress beyond the bounds of traditional commodity exchange and is limited just to production, and sometimes it does not even lead to its growth or the specialization that would create a foundation for the desired structural changes.

In mass production (for example, motor vehicles, televisions etc.), direct contacts are not used at all in practice, notwithstanding the fact that we are not reaching the world level of labor productivity and technical and economic parameters in these areas. The majority of joint organizations arise under conditions of extremely complex mediation, especially on the part of higher central organs, which must surmount the barriers of the internal management mechanism or the distinctions between CEMA countries. Joint organizations in many cases therein are not economically accountable, which reduces the responsibility of business organizations for the effective realization of agreements. Furthermore, their vested interest is weakened by a lack of confidence in the functional conditions of these forms of direct contacts.

This situation can be explained by a number of reasons. First, it is the distinctions in the national management systems of the CEMA countries, which leads to the fact that in the organization of direct collaboration the business entities (analogously to the central organs) proceed from non-identical economic criteria and parameters. The discussion concerns first and foremost criteria for efficiency, the compulsory indicators of the state plan,

prices, foreign-currency exchange rates, the thrust of material incentives, the conditions for obtaining credit etc. Hence the varying comprehensions of the degree of business independence of organizations, especially in the realm of capital construction, in the implementation of foreign-trade activity etc. That is why the broader and closer the economic collaboration among organizations is envisaged (for example, cooperation not only in production, but in research, capital investment, foreign-trade activity and the like, or even in the creation of joint organizational entities), the greater the distinctions that must be overcome and the greater the number of decisions that must be made by the central organs with jurisdiction.

As a result, the immediacy of contacts is lost. This testifies to the fact that up to the present time, the convergence of the structures of business mechanisms has been inadequately implemented in the area of direct contacts. In essence, the matter concerns two mutually supportive aspects of one and the same process--the further systematic development of socialist economic integration. The convergence of the structures of business mechanisms is not only a fundamental precondition for the complete development of direct contacts (at the level of the central organs and organizations) but also its objectively essential result. Direct contacts will in turn stimulate the convergence of structures (common management tools, coordinated on a central level, are essential largely so that the business subjects "speak in the same language" and at the same time be in accordance with the social interests of both the individual economies and the community overall). The convergence and improvement of national management tools can thus be realized, apparently, only in joint fashion.

Second, the management systems themselves consist of several elements that are a brake on the establishment of the direct contacts of business organizations. In the Czechoslovak economy, for example, efficiency indicators (profit and loss) of foreign trade with CEMA countries are still not having the requisite effect on the ultimate results of economically accountable organizations (associations, enterprises), especially in regulating wages. In the same manner, the essential economic pressure on the effective development of direct contacts is not even created.

A number of subsidies and redistribution processes that level a considerable portion of the distinctions among wholesale and contract prices, first and foremost in export, or create various ratios of these prices in exporting and importing, are also delaying integration and direct contacts. In the realm of retail prices, for example, higher taxes can be established for imported consumer goods than for analogous domestic items. This practice to a certain extent isolates internal and contract prices and reduces their role in systematic structural changes (by way of cooperation, specialization and other types of direct contacts). Furthermore, the significance of imports from socialist countries as a tool of economic competition on the internal market is reduced.

Fourth, problems exist in the integration mechanism itself. This relates chiefly to the lack or non-utilization of actual exchange rates among national currencies (among the levels of internal wholesale prices of the CEMA countries) and the associated mutual inconvertibility of national currencies

and the transfer ruble. Moreover, these rates are an irreplaceable condition for the mutual comparability of the results of the activity of national commodities producers of any economic values, and consequently, for the resolution of a whole set of economic tasks through direct ties.

Hence the inadequate role of the coordination of balance of payments within the framework of the coordination of the plans of the CEMA countries, the unilateral quantitative approach to the balancing of bilateral payments and the inflexible management of mutual trade through cost quotas, in which there exists a considerable amount of mutual deliveries in-kind.

As a result of specialization and cooperation using direct contacts, the need to equate the cost of import and export products, as well as the lack of authority of the collaborating organizations to dispose freely of limited items, is being restrained. Low flexibility and inadequate supply within the framework of these limits and quotas (and sometimes the obligation to sell them only through foreign-trade organizations) weaken the opportunities for collaboration in places where conditions change rapidly under the influence of scientific and technical development, the pattern of consumer demand and other factors.

Another restraining influence on the deepening of direct contacts is the large imbalance in resources and requirements in various spheres of the economies of several countries, which weakens the position of customers and consumers in direct contacts, while the national economy in the same manner experiences a shortage of the essential general stimulus for the efficient activity of innovative trends, i.e. the integration of the activity of business organizations for the purpose of the all-round satisfaction of the needs of society (for planned products it is known in advance that it will be in short supply and will be sold even with poor technical and economic parameters or higher prices than on the market of developed socialist or capitalist countries).

In the same manner, from the point of view of the business subjects, the further development of direct contacts is becoming less important and essential than from the statewide point of view. This can be surmounted only partially by the compulsory targets of the state plan. But those sometimes turn out to be in contradiction with the interests of the economically accountable organizations.

Thus, the shortage of mobile reserves in all spheres at once, for example the opportunity for joint investments and the combination and utilization of various sources, including foreign currencies, for the purpose of technical development, as well as mutual deliveries, is becoming a barrier to the joint activity of business organizations in a number of countries. All of this, along with the strict limiting of material, financial and labor resources and the compulsory territorial system, the method of realizing a monopoly in foreign trade and other factors, is limiting the direct economic collaboration of the organizations of the socialist community.

The creation of a unified set of preconditions for the evolution of direct contacts of business organizations of the CEMA countries is undoubtedly a

prolonged and exceptionally complex process. The convergence of the management systems of the CEMA countries therein and the deepening of the mechanism of their mutual collaboration do not assume the presence of these preconditions alone. A unified mechanism is essential that includes all forms of interaction of the countries of the socialist community, including direct contacts both on the level of the central organs (joint planning activity, the coordination of economic policy etc.) and among the business organizations of the fraternal countries.

A comprehensive approach to creating the systemic preconditions for the all-round development of direct contacts among the business organizations of the CEMA countries requires, it seems to us, the coordinated resolution of the following problems:

--the improvement of national plan management systems and their clear integrative thrust. Here should be included, for example, the mutual coordination of internal and external conditions (especially contract, world and internal wholesale prices); accounting for the efficiency of foreign economic contacts in plan criteria and planning processes, as well as in tools of economic accountability; granting organizations the right to enter the world socialist market themselves; excluding elements that weaken or slow integration (subsidies, deductions, differentiated taxes from the sale of domestic and foreign items); creating flexible structures and forms for collaboration and the like;

--the convergence of the structures of business mechanisms of the CEMA countries, especially in areas that have a decisive influence on mutual collaboration. This includes the convergence of approaches to the criteria of efficiency and tools of economic stimulation of foreign contacts, the degree of business independence of organizations (especially in the realm of capital investment and foreign-trade activity), the system of deductions, taxes and prices, the terms for the granting of credit etc.;

--the improvement of the mechanism of integration, first of all raising the role of the transfer ruble, exchange rates of national currencies and their reciprocity, the coordination of balance of payments and the policy of exchange rates associated with it, the versatility of accounts, credit functions and percentage rates of the international CEMA banks and their material coverage, the legal aspects of international economic contacts and the like;

--the creation of preconditions for the all-round development of the integration of the fraternal economies, especially conditions for a greater degree of mutual openness through the observance of that internal and external equilibrium that will permit the elimination of shortages in various spheres of production and mutual exchange and the creation of reserves for the growth of commodity supply on the world socialist market. The excessive amount of limitations on mutual trade composed of intrastate limits and quantitative and cost quotas in mutual trade, as well as the use of mutual trade for economic competition among the business organizations of the CEMA countries, should also be gradually reduced.

The formation of general conditions for the establishment of direct contacts among business organizations and their successful development are an integral part and one of the most important directions for improving and bringing closer the economic mechanisms of the CEMA countries and deepening the mechanism of socialist integration.

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CSO: 1825/76

SOCIALIST COMMUNITY AND CEMA AFFAIRS

INTERKOSMOS PROGRAM PARTICIPANTS MEET IN SOFIA

Moscow EKONOMICHESKAYA GAZETA in Russian No 47, Nov 86 p 23

[Tass article: "On the 'Interkosmos' Program"]

[Text] The 19th annual conference of leaders of the national coordinating organs of countries participating in the Intercosmos Program took place in Sofia. The delegations from Bulgaria, Hungary, Vietman, GDR, Cuba, Mongolia, Poland, Romania, USSR, and Czechoslovakia participated in the conference.

The results of the joint research and experiments carried out within the framework of the Intercosmos Program for the past year in the sphere of space physics, meteorology, biology and medicine, communications, and remote sensing of the Earth were discussed. One of the most significant achievements of the program of collaboration was the successful implementation of the International Venus - Halley's comet Project. The Vega-1 and Vega-2 unmanned interplanetary stations made direct studies of Halley's comet. Unique scientific results were received and the form, size, core, and structure were determined during the course of the experiment.

The international aerospace experiment "Geocks-86" was conducted in the GDR, with the goal of the studying the dynamics of different types of geosystems by remote sensing methods. The experiment "Internal Reservoirs", with participation of specialists from socialist countries, was devoted to creating methods of observation from space to reservoirs using the Rybinsk reservoir in the USSR as an example.

Much attention was devoted to the development of space communications and television broadcasting, as well as meteorological questions. Joint work for the preparation of new space research and experiments, as well as processing and analysis of scientific data received was continued. The participants at the meeting examined questions of further increases of efficiency and improvement of the form of the collaboration, and the utilization of joint scientific results in the national economy of the countries participating in the "Intercosmos" Program.

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GENERAL ECONOMIC AFFAIRS

COUNCIL OF MINISTERS RESOLUTION ON JOINT ENTERPRISES

PM291121 Moscow PRAVDA in Russian 27 Jan 87 First Edition pp 2, 3

[Unattributed report: "At the USSR Council of Ministers"]

[Text] On 13 January 1987 the USSR Council of Ministers adopted the resolution "On the Procedure for Creating Joint Enterprises on Soviet Territory With the Participation of Soviet Organizations and Firms From Capitalist and Developing Countries."

This resolution is aimed at further developing trade, economic, scientific, and technical cooperation with capitalist and developing countries on a stable and mutually advantageous basis.

It is laid down that joint enterprises with the participation of Soviet organizations and firms from the capitalist and developing countries will be created on Soviet territory with the permission of the USSR Council of Ministers on the basis of agreements concluded by the participants in these enterprises.

The joint enterprises are to be guided in their activity by the USSR Supreme Soviet Presidium Directive of 13 January 1987 "On Questions Linked With the Creation on Soviet Territory and the Activity of Joint Enterprises, International Associations, and Organizations With the Participation of Soviet and Foreign Organizations, Firms, and Management Organs," the present resolution, and other acts of legislation brought in by the USSR and the union republics with exceptions laid down by the USSR's interstate and intergovernmental agreements.

Proposals to set up joint enterprises together with technical and economic substantiation and draft incorporation [uchreditelnyy] documents are submitted by interested Soviet organizations to the ministries and departments to whose system they belong. Republic ministries and departments submit such proposals to the Councils of Ministers of the corresponding union republics.

The proposals are coordinated by the aforesaid USSR ministries and departments and union republic Councils of Ministers with the USSR Gosplan, the USSR Ministry of Finance, and other interested ministries and departments.

Coordinated proposals on the creation of joint enterprises are submitted to the USSR Council of Ministers.

In setting up joint enterprises ministries and departments whose systems include the Soviet participants in such enterprises have as their objective more fully satisfying the country's need for certain types of industrial output, raw materials, and foodstuffs, attracting advanced foreign equipment, technology, managerial experience, and additional material and financial resources to the USSR's national economy, developing the country's export base, and reducing irrational imports.

Joint Enterprises' Participants, Property, and Rights

Soviet enterprises individually or severally (associations and other organizations) which are corporate bodies, and foreign firms individually or severally (companies, corporations, and other organizations) which are corporate bodies may be participants in joint enterprises.

The Soviet side's share of a joint enterprise's statutory capital must not be less than 51 percent.

Joint enterprises are corporate bodies under Soviet law. They may on their own behalf conclude contracts, acquire property and personal nonproperty rights, be made liable, and be plaintiffs and defendants in court and in arbitration. Joint enterprises have independent budgets and operate on the basis of complete financial autonomy, self-financing, and self-capitalization.

Joint enterprises must have articles of incorporation [ustav] ratified by their participants. These articles of incorporation define the subject and aim of the enterprise's activity, its location, the makeup of its participants, the size of its statutory capital, the procedure for establishing the statutory capital (including in foreign currency), the structure, composition, and powers of the enterprise's management organs, the decisionmaking procedure, the range of issues on which unanimity is required, and the procedure for liquidating the enterprise. The articles of incorporation may also include other provisions, not in contravention of Soviet law, relating to aspects of the joint enterprise's activity.

The term of a joint enterprise's activity is agreed by the parties to the agreement on the establishment of the enterprise or in its articles of incorporation (the "incorporation documents").

After their incorporation documents come into force joint enterprises set up on Soviet territory shall be registered at the USSR Ministry of Finance and, upon registration, shall acquire the rights of corporate bodies. Reports on the creation of joint enterprises shall be published in the press.

A joint enterprise's statutory capital shall be made up of investments from the participants in the enterprise. This capital may be replenished by profits from the enterprise's economic activity and also, if necessary, from additional investment by the participants.

Investment in a joint enterprise's statutory capital may take the form of buildings, installations, equipment and other material assets; rights to the use of land, water, other natural resources, buildings, installations, and equipment; other property rights (including the use of inventions and know-how; and funds denominated in the currencies of the participants in the joint enterprise or in convertible currencies.

The investment made by the Soviet participant in the joint enterprise's statutory capital shall be evaluated in rubles on the basis of agreed prices taking account of world market prices. The investment made by the foreign participant shall be evaluated in the same way with the value of the investment being recalculated in rubles on the basis of the official USSR Gosbank exchange rate prevailing on the day the agreement to set up the joint enterprise was signed or another date agreed by the participants. In the absence of world market prices the value of the property being invested shall be determined by agreement between the participants.

Equipment, materials, and other property imported into the USSR by the foreign participants in a joint enterprise by way of investment in the enterprise's statutory capital shall be free of duty.

A joint enterprise's property shall be subject to compulsory insurance by USSR insurance organs.

In line with Soviet law joint enterprises may own, use, and dispose of their property in accordance with the aims of their activity and the function of the property. Their property may not be requisitioned or confiscated by administrative order.

Joint enterprises' property rights shall be protected in accordance with the provisions of Soviet law established for Soviet state organizations. The removal of [vzyskaniye na] joint enterprises' property can be affected only on the basis of a judgment by organs which, in accordance with Soviet law, may hear disputes involving joint enterprises.

Participants in joint enterprises are entitled by mutual agreement to transfer their shares in the joint enterprise either in whole or in part to third parties. In each individual case the transfer of this share shall take place with the permission of the USSR Council of Ministers State Foreign Economic Commission. Soviet participants have a preferential right to the acquisition of foreign participants' shares.

When a joint enterprise is reorganized its rights and commitments shall be transferred to the legal successors.

Rights to industrial property owned by joint enterprises shall be protected in accordance with Soviet law, including in the form of patents. The procedure for the transfer of industrial property rights to joint enterprises by their participants and to their participants by joint enterprises; and also the procedure for the commercial utilization of those rights and their protection abroad shall be determined by the incorporation documents.

The liability of joint enterprises shall extend to all its property.

The Soviet state and participants in joint enterprises shall not be responsible for the liabilities of joint enterprises, and joint enterprises shall not be responsible for the liabilities of the Soviet state and the participants in joint enterprises.

Joint enterprise subsidiaries set up on Soviet territory which are corporate bodies shall not be responsible for the liabilities of joint enterprises, and joint enterprises shall not be responsible for the liabilities of these subsidiaries.

Joint enterprises created on Soviet territory may set up subsidiaries and offices [predstavitelstva] if that right is accorded them by the incorporation documents.

Subsidiaries of joint enterprises created with the participation of Soviet organizations on the territory of other countries may be set up on Soviet territory following the procedure laid down for the creation of joint enterprises.

Disputes arising between joint enterprises and Soviet state, cooperative, or other social organizations, disputes between joint enterprises themselves, and disputes between the participants in joint enterprises on questions linked with their activity shall be examined in Soviet courts in accordance with Soviet law or, if the sides agree, be taken to arbitration.

Procedure for Joint Enterprise Activity

A joint enterprise's supreme organ shall be its board composed of members appointed by the participants. The board's decisionmaking procedure shall be laid down by the incorporation documents.

Direction of joint enterprises' day-to-day activity shall be carried out by management composed of Soviet and foreign citizens.

The chairman of the board and director general of the enterprise shall be Soviet citizens.

Joint enterprises may enter into a relationship with USSR and union republic central state management organs through the organs superior to the Soviet participant in the enterprise; they may enter into a relationship with local management organs and other Soviet organizations directly.

Joint enterprises shall develop and ratify their economic activity program independently [samostoyatelno]. USSR state organs shall not impose compulsory plan targets on joint enterprises and shall not guarantee sales of their output.

Joint enterprises shall be accorded the right of independently handling the export and import operations needed for their economic activity, including operations in CEMA country markets.

The aforesaid export and import operations may also be carried out via Soviet foreign trade organizations or the foreign participants' sales network on the basis of corresponding agreements.

Joint enterprises may arrange imports to and exports from the USSR of goods and other property on the basis of permits issued under the procedure laid down under Soviet law.

Joint enterprises have the right to correspond and enter into telegraph, teletype, or telephone communications with organizations in other countries.

All foreign currency expenditure incurred by joint enterprises, including payment of profits and other sums accruing to the foreign participants and their specialists, must be effected by joint enterprises out of revenue earned from sales in foreign markets.

Sales of joint enterprise output on the Soviet market and deliveries of equipment, raw and other materials, components, fuel, energy, and other output to the joint enterprise from that market shall be paid for in rubles via the relevant Soviet foreign trade organizations on the basis of agreed prices taking account of world market prices.

If necessary joint enterprises may make use of credit obtained on a commercial basis:

in foreign currency--from the USSR Foreign Trade Bank or, by agreement with the USSR Foreign Trade Bank, from foreign banks and firms;

in rubles--from the USSR Gosbank or the USSR Foreign Trade Bank.

The USSR Gosbank and the USSR Foreign Trade Bank are entitled to monitor the intended use of credit, the security provided, and the timely repayment of credit issued to joint enterprises.

Joint enterprises' cash funds shall be credited to their ruble or foreign currency accounts with the USSR Gosbank and USSR Foreign Trade Bank respectively and spent on purposes linked with the enterprises' activity. Interest shall be paid on the sums held in joint enterprise accounts:

in foreign currency--on the basis of world money market rates;

in rubles--on the basis of the terms and procedure laid down by the USSR Gosbank.

Exchange fluctuations in joint enterprises' foreign currency accounts and in their operations denominated in foreign currency shall be included in their balance sheets.

Joint enterprises shall set up reserve funds and other funds needed for their activity and the collective's social development.

Sums derived from profits may be credited to the reserve fund until it amounts to 25 percent of the enterprise's statutory capital. The size of these annual payments shall be determined by the procedure laid down by the incorporation documents.

The list of other funds and the procedure for their formation and expenditure shall be laid down in the incorporation documents.

Joint enterprises' profits, after deduction of sums to [po vzaimootnosheniyam c] the USSR State Budget and of sums channeled into the creation and replenishment of funds, shall be distributed among their partners in proportion to their share of the statutory capital.

Foreign participants in joint enterprises shall be guaranteed the right to transfer abroad in foreign currency the sums accruing to them as a result of the distribution of profits produced by the enterprises' activity.

Joint enterprises will set aside sums to cover depreciation in accordance with the statutes in force for Soviet state organizations, unless the incorporation documents provide otherwise. These extra sums will remain at the disposal of joint enterprises.

The planning and capital construction of installations for joint enterprises, including installations of a social nature, shall be carried out under contract on the basis of joint enterprises' own funds and loans. Before their ratification such projects shall have to be agreed under the procedure laid down by the USSR Gosstroy. The amounts of construction and installation work carried out by Soviet construction and installation organizations and the material resources needed for construction shall be allocated to joint enterprise orders on a priority basis.

Shipments of joint enterprise freight shall be carried out under the procedure laid down for Soviet organizations.

Taxation of Joint Enterprises

Joint enterprises shall pay tax of 30 percent on the profits retained after deductions to the reserve fund or other joint enterprise funds intended for developing production, science, and technology. The tax will form part of all-union budget revenue.

Joint enterprises shall be exempt from tax on profits during the first 2 years of their activity.

The USSR Ministry of Finance is entitled to reduce the tax levied.

The profits tax payable shall be calculated by the joint enterprises.

The advance tax payment for the current year shall be determined by the enterprise on the basis of its financial plan for the current year.

Financial organs are entitled to check the accuracy of joint enterprises' tax calculations.

Any overpayment of tax in the previous year may be put toward current tax payments or returned to the taxpayer on request.

Joint enterprises are entitled to appeal against action taken by financial organs in connection with tax collection. The appeal should be lodged with the financial organ checking the tax calculation. A decision shall be given within 1 month of receipt of the application.

An appeal against a decision may be made to a superior financial organ within 1 month.

The lodging of an appeal shall not halt payment of tax.

Profits accruing to the foreign participant in a joint enterprise shall be subject to 20 percent taxation on transfer abroad, unless an agreement between the USSR and the corresponding foreign state provides otherwise.

The aforesaid system of taxation shall extend to income received from activities on Soviet territory, on the Soviet continental shelf, in the USSR's economic zone, and on the territories of other countries by joint enterprises set up on Soviet territory and by subsidiaries located in the USSR of joint enterprises created in other countries with the participation of Soviet organizations.

A directive on the taxation of joint enterprises will be issued by the USSR Ministry of Finance.

Control of Joint Enterprises' Activity

In accordance with the procedure laid down by the incorporation documents participants in joint enterprises shall be granted information concerning the enterprise's activity and the state of its property, profits, or losses in order to exercise their right of control.

Joint enterprises may have their own auditing commissions formed in accordance with the procedure laid down by the incorporation documents.

Joint enterprises shall maintain operational, bookkeeping, and statistical records following the procedure in force in the USSR for Soviet state enterprises. The forms of such records and statistical reports shall be sanctioned by the USSR Ministry of Finance and the USSR Central Statistical Administration.

In accordance with Soviet law joint enterprises shall be responsible for complying with the procedure for maintaining records and reports and for their accuracy.

Joint enterprises may not provide state or other organs in foreign states with any report or information.

A Soviet financially autonomous auditing organization shall be paid to audit [proverka] joint enterprises' financial, economic, and commercial activity.

Joint Enterprises' Personnel

Joint enterprises shall be staffed mainly with Soviet citizens. The management of joint enterprises is obliged to conclude collective agreements with the trade union organization set up at the enterprise. The content of these agreements, including provisions on the collective's social development, shall be determined by Soviet law and the incorporation documents.

Wage conditions and the rules governing the work and leisure of Soviet citizens working at joint enterprises, their social welfare, and their social insurance shall be regulated by the norms of Soviet law. These norms extend to foreign citizens working at joint enterprises, with the exception of questions of pay and the granting of holiday and pension rights, which are to be decided by agreement with each foreign citizen.

The USSR State Committee for Labor and Social Problems and the AUCCTU are entitled to determine the aspects of Soviet legislation on social insurance to be applied to foreign citizens working at joint enterprises.

Joint enterprises shall make payments to the USSR State Budget to cover the state social insurance of Soviet and foreign workers and payments to provide for Soviet workers' pensions at the rates laid down for Soviet state organizations. Joint enterprises shall transfer payments (in the relevant foreign currency) to the relevant funds in foreign workers' countries of permanent residence to provide for foreign workers' pensions.

Wages earned by foreign workers at joint enterprises shall be subject to income tax in accordance with and to the extent laid down by the 12 May 1978 USSR Supreme Soviet Presidium decree "On the Levying of Income Tax From Foreign Corporate Bodies and Natural Persons." Unspent wages may be transferred abroad in the form of foreign currency.

Liquidation of Joint Enterprises

Joint enterprises may go into liquidation in circumstances and following the procedure laid down by the incorporation documents, or at the decision of the USSR Council of Ministers, if their activity does not accord with the aims and tasks laid down in the documents. Notification of a joint enterprise's liquidation will be published in the press.

On liquidation of or withdrawal from a joint enterprise the foreign participant shall be entitled to the return in money or goods of the amount of its investment remaining at the time of liquidation after the enterprise has discharged its debts to the Soviet participants and third parties.

The liquidation of a joint enterprise shall be recorded by the USSR Ministry of Finance.

FOREIGN ECONOMY SPECIALIST INTERVIEW ON JOINT VENTURES

Moscow MOSCOW NEWS in English No 3, 25 Jan-1 Feb 87 p 7

[Article by Natalya Izyumova]

[Text]

Joint ventures are one of the main forms of business cooperation among different countries. They have already been organized in socialist states, too. How many and where?

Most of them – about 2,000, with the total capital investment worth about two billion dollars – have been set up in China. There are over 200 joint ventures in Yugoslavia.

There are about 730 joint ventures in the CMEA member-countries, mostly in Poland, where 670 joint ventures have been set up with the assistance of the so-called Polonian capital, provided by the Poles permanently residing abroad. Their scope of activities include trade, public catering, services industry, small-scale manufacture, etc.

More than 50 joint ventures operate in Hungary, eight in Bulgaria and five in Romania. The total foreign investments in the CMEA member-countries are no more than 200 million dollars, i.e., about 0.1 per cent of the basic production assets. Therefore, one can hardly call the role of joint ventures in the CMEA economy great.

Nevertheless, economists in the socialist countries believe this form of cooperation with Western partners to be very promising. Experience has shown that joint ventures help improve the quality of consumer goods and services, promote new technologies, and are instrumental in reducing imports and diversifying exports. Most socialist countries have adopted special laws to regulate the activities of joint ventures.

In what areas are joint ventures going to operate in the USSR and how?

The main principles of their activities have already been defined. It is obvious that joint ventures are to be governed by Soviet law. The

Soviet share in the joint-stock companies is to be at least 51 per cent. Yet it is equally evident that our Western partners will have all necessary guarantees, including the right to remit their share of hard currency profits (after tax) into foreign banks, the right to reinvest profits in production expansion, to have a weighty share in management, and enjoy the legal protection of their property on Soviet territory, plus the right to tax reliefs.

The initiative for establishing joint ventures may come either from Soviet or foreign companies. Every Soviet enterprise, with or without direct access to the foreign market, can take part in joint ventures.

Priority areas for this form of cooperation are certain types of machine-building, the chemical, paper and pulp, light, food and other industries. Organization of joint ventures in other areas is also possible.

The top managerial body of a joint venture is its Board of representatives from both sides (proportionally to their share in the authorized capital stock). The Board is supposed to develop and pursue long-term production policies, while the managerial functions are to be entrusted to the Directorate formed from the representatives of both sides. Chairman of the Board, and Director-General will be appointed from among Soviet citizens.

Many concrete aspects of the joint ventures' activities are left to the partners' discretion. Thus, they do not have to meet any planned work quotas. Partners are free to set themselves production targets and trade on the world market. At the same time, joint ventures are expected to pay for all their hard-currency outlays from the profits made on exports, that is to say, they follow the self-recoupment principle as far as hard currency is concerned. Such companies have the right to get funds on credit not only in roubles from Soviet banks, but also in foreign currency, both in the USSR and abroad.

What do the assets of a joint venture consist of?

A joint venture sets up and authorizes capital stock, consisting of share-holders' investments (both monetary, in roubles and foreign currency, and material – premises, machinery and equipment, technological know-how, patents and licences).

It should be pointed out that the property imported to the USSR as part of the investment in joint ventures will be exempt from customs duties.

Land, water, forests and other natural resources will be provided for joint ventures at fixed rates.

The joint ventures' property cannot be confiscated by government decision. It can only be penalized by court action.

Who is going to sell the joint ventures' products, and where?

Sales are to be regulated by the enterprise management independently. It can go out into the international market either on its own or through Soviet foreign trade organizations. Inside the country, its supply and sales are to be organized through Soviet foreign trade organizations with payments made in roubles at contractual prices set with due regard to international market prices.

Taxation will, most probably, be the key point for foreign partners. What are the tax rates for the joint ventures like?

During the first two years of operation, joint ventures will be exempt from taxes. In the subsequent years, they will be taxed at the 30 per cent rate. You will note that the part of the foreign partner's profit which is reinvested in

the USSR is exempt from taxes. The profits transferred to foreign banks will be liable to a 20 per cent duty. Additional tax reductions may be offered to enterprises, depending on their concrete financial and technical policies.

Who is going to be employed by shared-stock companies?

For the most part, Soviet citizens. They will be employed on terms of Soviet payment rates and labour regulations. However, the management may choose to introduce additional work stimulation schemes and techniques. When necessary, foreign experts might be invited. Their terms of employment and pay will be fixed by contract. Foreign experts will have the right to transfer the unspent part of their hard currency salaries to foreign banks, after paying the income tax.

How are economic disputes to be settled?

The disputes connected with the activities of joint ventures can be settled either in Soviet courts or by arbitration:

Time will show what the concrete results of the joint ventures' activities will be. I hope and trust that this form of business cooperation, which is new to us, will prove itself. ■

/12828

CSO: 1812/53

GENERAL ECONOMIC AFFAIRS

CUTS IN GOODS IMPORTS EXPLAINED

PM230941 Moscow IZVESTIYA in Russian 17 Jan 87 Morning Edition p 2

[V. Tolstov "Commercial Review": "Where Are the Imports?"]

[Text] This question is now being asked by many consumers, and since discussion of it gives rise to all sorts of rumors we decided to use this review to discuss what the situation concerning deliveries of imported consumer goods is like this year.

As often happens in such cases, there proved to be little truth in the rumors. Indeed, foreign exchange revenue to the country's budget has recently fallen. Most likely everyone knows the reason: Last year the price of oil fell on the international market. As a result our country, which is one of the world's largest exporters of fuels, also suffered certain losses. Did this affect our state's purchasing power on the international market? Of course, it could not fail to. However, the system of the USSR's trade relations with its Western partners is stable enough not to be shaken even by such an unfavorable process as a sharp price fluctuation on the world market.

Let us start with the fact that 83 percent of imported consumer goods--clothes, footwear, fancy goods, and other goods--reach our market from the fraternal socialist countries. The change in the oil price had no effect on this proportion of imports. As the USSR Ministry of Foreign Trade's "Raznoimport" Association reported, this year goods shipments from the socialist countries will increase. Trade cooperation with Vietnam, the DPRK, Mongolia, and Cuba will become more active. They will supply the USSR with various items of clothing in greater volumes than before.

Goods imports from the CEMA countries are typified by their stability. I think that our women readers will be interested to learn that recently Hungarian, GDR, Polish, and Czechoslovak enterprises received orders to produce additional amounts of tights, which are currently in short supply. Several million of these products over and above what was previously planned will soon reach trading organizations.

We have not touched upon the changes to imports of Yugoslav goods. Clothes, footwear, furniture, and other products from the enterprises of people's

Yugoslavia will be shipped to the USSR in volumes stipulated by previously concluded agreements.

Thus, most foreign shipments of consumer goods to the domestic market remain unchanged. But imports from the developed capitalist countries will probably change partially. I say partially because most contacts with trading firms will be maintained. Thus, for instance, goods shipments from Finland will not decrease. If one takes into consideration the fact that Finland accounts for 5 of the 10 percent of consumer goods imported from Western countries, it becomes clear how insignificant the scale of the reductions in our foreign trade turnover will be.

However, although the proportion of Western goods on our domestic market is traditionally small, one can understand the worries of consumers, who are interested in many of them. High-quality razor blades from the Netherlands, French perfume, tape cassettes from the FRG, and other things are deservedly popular. However, habits in this area will not have to be changed. Those goods which Western partners supply on the basis of long-term trade agreements will, as before, arrive stably on store shelves in 1987. This applies to razor blades, cosmetics, ballpoint pens, and many other items. Footwear deliveries from Austria will remain virtually at their former levels.

Now let us turn to perfume. Those attractive and very expensive bottles with French names are sold to us not from France but from the countries of the Arabian East. I by no means wish to belittle the value of these goods and disappoint the women who were given such perfume as a New Year present. As a rule, these articles are extremely high in quality, since they are manufactured on license from French firms. The procedure for purchasing them from Arab countries remains the same. That is, high-quality perfume will continue to be on sale.

We are not discussing good imports, but one type of imported foodstuff should probably be mentioned. Indian tea has been in short supply for the last few years not because purchases of it have fallen off (they have actually been growing steadily), but because homegrown tea--primarily Georgian tea--has become very bad. Its quality has been falling for many years, and as a result consumers have been forced by preference to turn to imported varieties. We will devote a future review to the problem of the quality of homegrown tea.

Readers rightly ask why Indian tea is a rarity if so much of it is purchased. The fact is that it is often not sold under its own name. Most imported tea is used for blending. That is the operation whereby Indian tea is mixed with other varieties. Up to 50 percent of the tea contained in the packs bearing the proud name "Ekstra," for instance, is by no means grown on the hills of Georgia.

Reacting to changing demand, foreign trade associations constantly seek opportunities for concluding new trade deals with foreign partners. These opportunities are today very, very considerable.

/9599

CSO: 1825/103

UNITED STATES AND CANADA

COMMENTARY ON SHULTZ TV INTERVIEW ON IRANGATE

PM041615 [Editorial Report] Moscow ZA RUBEZHOM in Russian No 5, 30 January-5 February 1987 (signed to press 29 January 1987) carries on pages 8-9 under rubric "Interview on a Topical Subject" and the headline "The U.S. Secretary of State Squirmed as Though in a Frying Pan, Seeking To Prove What Cannot Be Proved in Connection With the 'Irangate' Scandal and the Aggressiveness of Washington's Course" a 3,800-word account of the "Meet the Press" interview with Secretary of State Shultz by NBC's Marvin Kalb. It is prefaced with the following ZA RUBEZHOM introduction:

"Understatement and juggling the facts, overt lies and shameless slander are the present U.S. Administration's characteristic tools of diplomacy, which Washington uses to try to substantiate and justify its aggressive imperialist policy. The rape of little Grenada, the aggression against Nicaragua, the bandit-like raids on Libya, the 'Iran-contras' weapons deal that resulted in a noisy political scandal--these are examples of that policy which is being implemented by dishonest hands with the help of unworthy propaganda methods. When the 'Irangate' affair surfaced, U.S. statesmen began to disown it, trying to prove that it was nothing to do with them and blaming everything on 'minor people.' Particularly zealous in this respect was G. Shultz, head of the diplomatic department, who by virtue of his rank is supposed to know both the aims and the methods of foreign policy. Seeking to whitewash himself, for facts had emerged that he too had 'had a hand' in the illegal deal, G. Shultz risked appearing on the popular television program 'Meet the Press,' a transcript of which we reproduce practically in full. The program was chaired by NBC-TV commentator Marvin Kalb."

The transcript of the interview is followed by a G. Kuznetsov commentary entitled "When an Unjust Cause Is Defended":

"Familiarization with the transcript of the 'Meet the Press' television program permits this conclusion to be drawn: U.S. Secretary of State George Shultz plainly failed the test of honesty. He failed because, contrary to the obvious facts, he endeavored to defend an unjust cause, the policy of neoglobalism and the arms race. Nor did he manage to prove his noninvolvement in the illegal 'Irangate' affair. This is shown not only by the fact that Shultz did not give a direct answer to many point-blank questions but fidgeted and engaged in

verbal forgery, so to speak, but also by the testimony of McFarlane, the President's former assistant for national security affairs. He declared in Congress that he had 'repeatedly and frequently informed Shultz about every aspect of that undertaking.' It is also known that the secretary of state was present at a conference in the White House in August 1985, when the deal received the President's approval.

"Not that it is any concern of ours which of the administration figures are sullied by the mud of 'Irangate' and to what extent. These are just strokes on their moral portrait. Here I would like just to draw attention to the following. During his trip to West Europe, at a time when aircraft were flying to Tehran with weapons, the secretary of state was publicly opposing any deals with Iran, and while he was in the Near East he was assuring the Arab League that the United States does not support Iran in its war against Iraq. As people in the United States now admit, it was precisely American arms deliveries that helped Iran to launch the present offensive in the Basra region, that is, they have led to needless bloodshed and prolonged the war.

"Why, then, while calling Iran a country which supports and directs terrorism (and even possessing information, so the American press maintained, that Tehran supposedly financed the preparations to blow up the U.S. Marines barracks in Beirut, where 241 soldiers died), did Washington decide to supply weapons? Shultz attributes the desire to 'establish contacts with Iran' to a geographic factor--its common border with the USSR. But it would be more correct to speak of a STRATEGIC [capitalized word printed in boldface] factor. The United States dreams of establishing a foothold in Iran so as to turn it into its military base directed against the Soviet Union. On the other hand, using the fact that it neighbors on Afghanistan, it would like jointly with Tehran to supply the dushmans with weapons in the name of endlessly continuing the war.

"Attempts to camouflage the American diplomatic department's involvement in arms deliveries to the Nicaraguan 'contras' are naive. This is what is noteworthy in this connection: Although Shultz seeks to prove that it is nothing to do with the State Department, he does not condemn the very fact of killers' being supplied with weapons contrary to a congressional legislative ban. His position that American ambassadors did not know of the aircraft chartered by the CIA, onto which 'illegal aid' was loaded in addition to 'legal,' 'humanitarian' aid, can hardly mislead anyone. It is sufficient to refer to L. Tambs, ambassador to Costa Rica, who participated personally, and very actively, in giving the 'contras' secret aid and even directed the construction of a landing strip in a remote region of that country for saboteur aircraft.

"The deliberately manifested 'unawareness' contrasts sharply with the Reagan administration's aims, which the secretary of state unconstrainedly defends. And these boil down to overthrowing the popularly elected legitimate government of a sovereign country. And so the No 1 American diplomat permits slanderous attacks on it, extolling as a model of 'democracy' the regime in El Salvador, where approximately 40,000 people have died at the hands of the army and the 'death squadrons.' The moral fraternization with 'contra' bandits

who slyly attack peaceful settlements, burn schools and cooperative buildings, destroy crops, and spare neither women, nor old people, nor children is significant. Shultz, who is considered a 'moderate' in Washington, calls them 'freedom fighters'!

"The ploy of intimidating with the 'red danger,' which supposedly proceeds from Nicaragua to everyone--from Mexico to the United States--is standard and primitive. But why, then, do Mexico and the majority of Latin American countries--Argentina, Brazil, Venezuela, Peru, Colombia, Panama, and others--belong either to the Contadora Group or to its support group, and why have they just sent a peace mission to Central America under the leadership of the UN secretary general? And none other than Washington endeavored to frustrate its efforts with the help of its assistants. The reason is that the Reagan administration has another 'solution' to the problem, which has been mentioned frankly by Assistant Secretary of State E. Abrams--the U.S. Marines. It is not for nothing that maneuvers are taking place all the time on the border with Nicaragua, in which 14,000 soldiers of the U.S. 'special forces' and 42,000 soldiers of the National Guard, not counting regular troops, have participated since 1982. The following fact also attests to the methods of 'solving the problem American-style': During the recent flareup of tension on the Nicaraguan-Honduran border caused by 'contra' provocations Honduran President Jose Simeon Azcona telephoned Nicaraguan President Daniel Ortega and warned that Washington was putting strong pressure on him to issue an order to bomb Sandinista positions from the air. Two days later nine U.S. Air Force helicopters transferred Honduran troops to the front, and 'unidentified' aircraft made bombing strikes against two Nicaraguan settlements.

"In conclusion--about the topic of most concern to us: the Soviet-American talks on nuclear and space arms in Geneva.

"Speaking on Soviet television 22 October 1986, M.S. Gorbachev pointed out that after its initial imprecations against Reykjavik Washington quickly and abruptly went into raptures. "A bustling campaign to appropriate another's proposals began." It was in just this spirit that the secretary of state spoke in the television broadcast, claiming that the United States is trying to secure the USSR's consent to 'consolidate the tremendous achievements' of Reykjavik. But had Shultz really not been informed that President Reagan had backed down from the positions agreed there on practically all questions relating to nuclear arms reduction? Had Shultz himself not made a speech in Chicago, demanding that a certain number of offensive strategic missiles be left?

"We also see juggling, to put it mildly, when the secretary of state claims that the USSR has not submitted proposals at the Geneva talks since Reykjavik. Perhaps he has forgotten the document 'Key Provisions of Agreements Between the USSR and the United States in the Nuclear Disarmament Sphere Subject to Further Preparation for Signing,' which E.A. Shevardnadze handed to him in Vienna? Or does he not know of the USSR's proposals placed on the negotiating

table 7 November? Then let him turn to the 'State Department Information on U.S.-Soviet Arms Control Talks,' published literally a few days ago. It contains these words: 'On 7 November the Soviet Union took a number of new steps, submitting proposals that partly reflect the progress made in Reykjavik.' 'Partly' because Washington does not like the USSR's stand on SDI. But we have grounds for opposing the 'star wars' plans, if we proceed, for example, from the report to Congress in connection with the publication of the draft budget, which was sent by Shultz' colleague, Defense Secretary C. Weinberger: '...However the practical feasibility of creating [sozdaniye] an American strategic defense is assessed, the chances of its being efficient would be considerably greater if the almost 10,000 warheads of Soviet strategic missiles were reduced very radically.' But is this not an admission of the true aims of U.S. diplomacy: to achieve, in point of fact, the USSR's unilateral disarmament while accelerating the plans for 'star wars,' which would give the United States a one-sided advantage--a first-strike potential? This is why Weinberger and company are pushing through plans for the speediest deployment of SDI, 'as they become ready,' undermining the ABM Treaty.

"The question might arise: Why, having no chance of refuting facts which expose the lies of the administration and of himself, did G. Shultz agree to the interview? Obviously, in order to din into the television viewers' heads the 'big lie' about the Soviet Union's policy."

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CSO: 1807/188

UNITED STATES AND CANADA

PRAVDA VIEWS CASEY, GATES, REAGAN DOCTRINE

PM121637 Moscow PRAVDA in Russian 11 Feb 87 First Edition p 5

[A. Lyutyy article under the report "Reporting the Details": "Gone, But Nothing Changes"]

[Text] CIA director William Casey has resigned. The U.S. mass media are still commenting keenly on this fact. The reason for the resignation is given as illness: The 73-year-old Casey has undergone a difficult operation. He had had a malignant brain tumor removed.

It is no exaggeration to say that Casey's departure marks the end of an era in the U.S. espionage department's history. As we know, even before Casey the CIA would resort to any method--assassination, plots against foreign governments, and military sabotage--for the sake of what America calls its "national security interests." But the fundamental difference between the Casey era and that of his predecessors is perhaps that in the past 6 years the CIA has become virtually the main exponent of U.S. foreign policy, and an impudent one, confident that it is acting with impunity. Bob Woodward, the WASHINGTON POST commentator, who has long studied the CIA's activity, writes that "Casey was utterly convinced that the intelligence service could be used to change the world and he intended to prove that." Senator Patrick Leahy rightly noted "Casey's passion for replacing foreign policy with covert operations." In the past 6 years the CIA budget has almost tripled and there has been a considerable expansion of staff, particularly in those subsections which practice espionage and subversion against the socialist developing countries. There was even a demand for extra premises to be built in the vast CIA complex hidden in the woods near Washington.

Of course, this was not Casey's doing alone. It is also part of the present administration's foreign policy strategy, which is built on the thesis of "might is right."

President Reagan and his immediate entourage are now praising the former CIA director to the skies. Not only because the president is on very close terms with Casey, who conducted Reagan's election campaign in 1980. The reason is their ideological kinship and complete mutual understanding. "Casey," Woodward writes, "helped to formulate what later came to be known as the

Reagan doctrine." It is also known as the doctrine of neoglobalism and it preaches America's "right" to interfere shamelessly in other countries' internal affairs, to use military force against them, to inflame centers of local conflicts, and to try to recarve the world political map to suit itself. The CIA has undoubtedly become the main instrument of that doctrine. Suffice it to recall the "covert wars" that it launched against such countries as Angola, Nicaragua, Afghanistan, and Cambodia. The CIA and Casey himself spared no effort in raising whole armies of terrorists, equipping them with modern weapons, and sending them to other states' territory. The formal restrictions imposed on CIA activity by Congress in the seventies have been lifted. When the legislators ventured to ask how Casey's department was using the American taxpayers' money they were often simply told lies.

For example, what about the episode involving the mining of Nicaraguan ports when in Congress the CIA said one thing but did something quite different. Even Senator Barry Goldwater, always sympathetic to Casey, was distraught when he found out that he had been duped. However, the CIA continued lying.

In general it must be said that the spy operations department has nothing to fear from the Reagan administration. It has a strong lobby in the present administration. Frank Carlucci, who recently became the president's national security adviser, is a former deputy director of the CIA, Vice President George Bush himself once headed this department, and President Reagan calls CIA agents nothing less than "heroes."

Who is Casey's successor? He is Robert Gates, and he is 43. If his appointment is approved by the Senate--and people here believe that there will be no great problems there--Gates will be the youngest director in the history of the U.S. intelligence department. He is a Soviet Union "specialist." He made a thorough study of Russian history at the University of Indiana and afterward studied problems of USSR-Chinese relations at Georgetown University in Washington. He has been working for the CIA since 1966, although not continuously, and still specializes in the USSR. He has also worked for the National Security Council under Presidents Nixon, Ford and Carter. He has inside knowledge of the Washington political scene. In recent years he was Casey's deputy and the latter groomed him for the job. "It is well known that Casey treated Gates almost like a son," THE WASHINGTON POST notes. The White House has clearly decided to place the baton of responsibility for waging "covert wars," espionage operations, and economic and political subversion in reliable hands. Former national security adviser Zbigniew Brzezinski, on whose staff Gates once worked, characterized him as a "man with the right views." The recommendation of Brzezinski, one of the most bellicose anticommunists in the United States, speaks volumes.

William Casey has gone. He has gone, but nothing changes.

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CSO: 1807/167

UNITED STATES AND CANADA

NIXON, FORD CITED ON U.S.-USSR TIES

OW300623 Moscow Television Service in Russian 1115 GMT 29 Dec 86

[From "The World Today" program presented by Igor Fesunenکو]

[Text] The interviews with former U.S. Presidents Richard Nixon and Gerald Ford published in the newspaper USA TODAY attract attention among the numerous New Year, year's end, and Christmas commentaries presently being published by the Western press. I think the pronouncements of these experienced politicians are of some interest.

Richard Nixon, for instance, considers the main problem for the United States now and in the future to lie in establishing new relations with the Soviet Union, as he put it, relations that will permit the superpowers to coexist despite existing difference and not to be destroyed as a result of them. Without these new relations, Nixon said, the world will continue to face a deadly threat. The idea Nixon expressed when answering the question: Do you think that things are better this Christmas for the United States than a year ago? Was also interesting and not devoid of grounds. The ex-president said: We Americans have many strong points, but one of our weak points is impatience. The Russians think in terms of decades, the Chinese in ages, whereas the Americans think in terms of years, months, and even days. But if in the search for a realistic and durable peace we count on instant success and on an instant gratification of our desires, we are invariably going to be disappointed. Construction of the edifice of peace on our planet began long before President Reagan took office and this work will continue after he leaves the Presidency, Nixon said.

I would like to highlight Gerald Ford's response to the question in a similar interview: What do you think is the best way to establish peace throughout the world? Ford believes that to achieve this it is necessary to improve mutual understanding and honesty in relations between the United States and the USSR, which, as he put it, could lead to responsible talks on questions of arms and political problems. The Russians and Americans should show mutual respect for each others' lawful rights and a desire to solve problems they face, said Ford.

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CSO: 1807/153

UNITED STATES AND CANADA

WAYS TO OVERCOME U.S.-USSR DISTRUST EXAMINED

PM311421 Moscow SOTSIALISTICHESKAYA INDUSTRIYA in Russian 30 Jan 87 p 3

[International commentator G. Dadyants article under the rubric "Replying to Readers' Questions": "Overcoming the Barrier of Distrust"--first paragraph is reader's question; second paragraph is editorial note]

[Text] The present tension in the world is due not least to the presence of distrust between the USSR and the United States, between the socialist world and the capitalist world. A certain level of trust is a necessary condition for the conclusion of any international treaty, mechanic F. Materikin writes. It is all the more necessary when talking about an important agreement such as the implementation of mutual nuclear disarmament and the ending of the arms race. In your view, what measures could the USSR and the United States now take in addition to those already existing to more rapidly overcome the barrier of mutual suspicion?

F. Materikin's questions are answered by SOTSIALISTICHESKAYA INDUSTRIYA international commentator G. Dadyants.

The question of how to overcome distrust is not an easy one. It is not just words that are necessary here but above all concrete actions. The USSR's policy is based on the need to strengthen trust between states with different social systems precisely by means of concrete actions. We, for example, assumed a commitment not to be first to use nuclear weapons, proposed to the NATO countries the conclusion of a treaty on the reciprocal nonuse of force and the maintenance of relations of peace, the considerable reduction of military spending, the elimination of chemical weapons, the creation of nuclear-free zones in various parts of the world, and so on. Important confidence-building measures, specifically in the military sphere, were formulated last year at the Stockholm conference.

A year ago, on 15 January 1986, the Soviet Union put forward an initiative of unprecedented scale in the form of a program for a nonnuclear world and the elimination of all types of weapons of mass destruction including chemical weapons by the end of this century. Even before the Soviet-U.S. summit in Geneva the USSR imposed a unilateral moratorium on nuclear explosions which remains in force to this day--until the first U.S. nuclear explosion this year. Were the United States to follow the USSR's example and abandon nuclear explosions mutual trust would undoubtedly be strengthened.

Unfortunately, though, the U.S. Administration is doing its utmost to undermine confidence among states. It is undermining confidence in its own policy, too. Last year the United States not only continued its nuclear tests and refused talks on their complete banning but also wrecked the most important strategic arms limitation agreement (SALT II). Furthermore, it states that it is also prepared to wreck the unlimited duration ABM treaty if it considers it advantageous for itself during the implementation of the SDI program.

Nevertheless, the question of creating the necessary atmosphere of trust is still on the agenda since, as you quite rightly observed, there can be no agreements without a certain level of trust. What can be done in the conditions that have been created? Clearly, we can continue dialogue and seek new points of contact on the basis of what was achieved in Reykjavik.

When replying to J. Kingsbury-Smith's questions, M.S. Gorbachev stressed that the USSR advocates that the Geneva talks continue, that they emerge from the state of unproductivity and inertia, that they acquire true dynamism, in short, that they become genuine talks on nuclear arms reduction and the prevention of an arms race in space. "We worked for that in Reykjavik," M.S. Gorbachev noted. "And we will go on working for it even more energetically in 1987."

Truthful information about one another is of the greatest significance for strengthening mutual trust. After all, many Americans judge the Soviet Union from the cinema and television movies such as "Red Dawn" and "Amerika" which depict cock-and-bull stories about the United States after being "occupied by the Russians." To trust one another we must first of all know one another better. Political contacts, cultural and scientific ties, the exchange of delegations, and trips by scientists, journalists, and ordinary people help to overcome the barrier of distrust. Just think of the significance for the establishment of mutual understanding between the Soviet and American peoples that the trip to the USSR by the American Samantha Smith and the trip to the United States by the Soviet girl Katya Lycheva had.

The broadening of economic ties plays a significant role. Sessions of the 10th annual meeting of the American-Soviet Trade and Economic Council were held in New York recently. They were held in a businesslike and friendly atmosphere and included representatives of hundreds of American firms. New opportunities were revealed for mutually beneficial cooperation. "Soviet-U.S. trade and economic ties," the resolution adopted there says, "are an important factor for the stabilization of relations between our two countries, which in turn is the most important condition for ensuring peace on earth."

There are many ways to strengthen mutual trust and they must all be used to overcome the barrier of distrust.

[Question] It is well known that at the Reykjavik talks, President Reagan could not oppose the will of the military-industrial complex, which rejects the ending of the arms race. In your view, is it possible to convince or compel the U.S. military-industrial complex to change its position? After all, the reckless pursuit of the huge profits may end in catastrophe for many peoples, including the U.S. people themselves.

[Dadyants] In the first place, the U.S. military-industrial complex is powerful, but not omnipotent. In the United States there are quite a few corporations oriented toward the production of nonmilitary output, and they cannot be disregarded when the U.S. foreign policy course is determined. Second, the military-industrial complex is by no means as homogeneous as it may seem at first glance. Boeing, Lockheed, and other firms belonging to the military-industrial complex also produce nonmilitary output. A number of firms engaged, for example, in the implementation of the SDI program are working not for "star wars" as such but for the huge profits derived from the Pentagon's orders. If the orders are reduced, those firms will place greater emphasis on the production of nonmilitary output.

In other words, the military-industrial complex' opposition to nuclear disarmament could be overcome. But for that there must be the political will, and that is precisely what the present administration lacks.

[Question] What is the role of summit meetings in the strengthening of trust between states? It is expedient to continue holding meetings between the top leaders of the USSR and the United States in view of the experience of Geneva and Reykjavik?

[Dadyants] The experience of summit meetings has shown that they do much to aid mutual understanding and strengthen mutual trust. The summit meeting between M.S. Gorbachev and R. Reagan in Geneva was of very great significance. The Reykjavik meeting was also useful, despite the fact that at the last moment the historic accords fell through.

The main demands made of summit meetings is that they should be productive and held in the kind of atmosphere which enables them to take crucial decisions in the interests of peace and international security.

You know that M.S. Gorbachev's planned visit to the United States last year could not take place. This was the result of the destructive policy of the U.S. Administration, which chose the course of revising Reykjavik, eroding the principled accords reached there, destroying the treaty-based system of arms race limitation, undermining strategic stability, and fueling tension in various parts of the world.

Let us look at the situation taking shape in 1987.

The peace initiatives of the Soviet Union and the other socialist community countries have created the preconditions for organizing an all-embracing system of international security in all its aspects--military, political, economic, and humanitarian--and for launching a constructive dialogue on the essence of the new philosophy of security in the nuclear space era, practically restructuring international relations on that basis, and freeing mankind from the threat of nuclear war. M.S. Gorbachev stressed in his message to UN Secretary General J. Perez de Cuellar that "we intend to work toward attaining that goal--from the point reached in Reykjavik--in an atmosphere of openness and democracy so as to make peace permanent.

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CSO: 1807/167

UNITED STATES AND CANADA

U.S. RESTRICTIONS ON EXPORTS TO EAST

PM151247 Moscow PRAVDA in Russian 14 Jan 87 First Edition p 5

[L. Chausov "Rejoinder": "They Unmasked...themselves"]

[Text] what do you think: What is the U.S. Department of Commerce supposed to engage in? Commerce? By no means! This department has taken on the "mission" of uncovering...plots.

This amazing change of role has been reported in THE WALL STREET JOURNAL, the newspaper of the U.S. business circles. It appears that the aforementioned department valiantly "exposed a plot to secretly export U.S. electronic equipment to Bulgaria."

Do you see how sinister this is? The department said so in so many words adding the information that the export privileges of a Californian firm have been suspended. Allegedly as a lesson to others.

"It is possible that other firms were involved in the plot which are yet to be identified," the vigilant bureaucrats are warning from the pages of THE WALL STREET JOURNAL. Incidentally, they failed to offer any intelligible information as to the nature of the offense committed. Insinuations, innuendos, double talk...

Meanwhile the head of the company in question has said outright "Absolutely nothing which in any way infringes the rules of the Department of Commerce" was done. It is a question of ordinary equipment deliveries. However, as is evident from the article in THE WALL STREET JOURNAL itself, no one wanted to listen to the businessman.

"We want to make sure that nothing else gets through" (they mean to any of the Warsaw Pact countries--L.CH.)--the would-be investigators admonish, wagging their finger.

In other words, be careful, all of you who would like to trade with the East!

The "witch hunt" in the United States is assuming increasingly ugly forms. Well, apparently it cannot be otherwise in a state whose administration supplants the principle "trade rather than war" with something very different.

Whatever the case, one thing is abundantly clear: The opponents of international cooperation in the United States have yet again unmasked themselves.

UNITED STATES AND CANADA

U.S.-USSR JOINT FISHING COMPANY MAKES PROFIT

LD310054 Moscow TASS in English 1839 GMT 30 Jan 87

[Text] Nakhodka January 30 TASS--Soviet and U.S. fishermen started the first series of joint catching operations this year in the area of the Aleutian Islands.

The crews of 8 Soviet and 19 American trawlers plan to land 20,000 tons of cod and make a wide choice of fish products to be sold at home and in Pacific countries.

The catches have been organized by the Soviet-U.S. Marine Resource Company, the first and so far the only joint Soviet-U.S. venture, setting a good example of mutually beneficial cooperation.

After starting with 900 tons of fish ten years ago, the partnership took in more than 220,000 tons of fish last year.

There was not a single year which the joint venture would have completed in the red. On the contrary, it has continuously showed profits which have run into millions of dollars. The profits have been divided equally between the partners.

/8309

CSO: 1825/108

UNITED STATES AND CANADA

U.S., USSR SIGN SPORTS COOPERATION ACCORD

LD092311 Moscow TASS in English 2246 GMT 9 Feb 87

[Text] Washington February 9 TASS--A Soviet-American agreement on cooperation in the field of mass physical culture and sports has been signed in an official ceremony in Washington today. The signature under the agreement from the Soviet side has been put by Marat Gramov, chairman of the USSR State Committee for Physical Culture and Sports, from the American side--by George Allen, chairman of the Presidential Council for Physical Fitness and Sports. The agreement provides for joint participation in programmes of mass physical culture and in conducting tests on physical fitness of young people according to the standards of the USSR and the USA, an exchange of school sports instructors, the holding of seminars and exchange of books on sports.

As the signing ceremony was told by Marat Gramov, the agreement opens possibilities for a broad participation of the two countries in the field of physical education. On his part George Allen said that the programme would (?help) towards a better understanding between the two nations.

It was pointed out at the ceremony that the agreement signed today will be implemented in accordance with the agreement between the USSR and the USA on contacts and exchanges in the field of science, education and culture and the programme for cooperation between the USSR and the USA signed in Geneva on November 21, 1985.

/8309

CSO: 1807/167

UNITED STATES AND CANADA

PENTAGON'S CASUALTY COUNTING COMPUTER VIEWED

LD050220 Moscow in English to North America 2300 GMT 4 Feb 87

[Text] The Pentagon is checking a computer system for counting the losses of Americans in planned wars in order to decide whether it's reasonable for the United States to start one in a definite part of the globe or not. Vladislav Kozyakov makes these comments:

The computer system was made at Pentagon's orders at a NASA laboratory. The inventor, (Mike Degirsky), has reported the details. During special war games involving thousands of servicemen, command posts, means of communication, and military aircraft computers immediately report the number of people killed and wounded. If such a game and account of losses show that the war plan is senseless, the inventor says the military might tell the president to forget about war.

The question arises: What should the size of losses be for Americans to term them as senseless? What number of killed and wounded is considered acceptable? Not so long ago the United States conducted military operations in Lebanon. Then it was forced to withdraw; 264 Americans were killed and 137 wounded. Is that little or a lot? Was there any sense in this venture?

One more curious thing: The computerized wargames will not be held to defend America. No, computers are supposed to calculate how much a war started according to a certain Pentagon plan might cost. Someone might say that these are only games played by the military. However, the matter is much more serious. It took 4 years to build this system. Gigantic sums have been spent on it. Each war game will cost \$25 million.

The system has already been tested. Colonel (Dick Hall) has reported that the system is used now by the European Command of the United States force in West Germany, and in several weeks American military commands in other parts of the world will get it also. This way the United States will see if there is sense in beginning a war there. But computers can make mistakes, too.

And one more thing. As the inventor of the system engineer (Degirsky) has said, it is one thing to speak of nuclear weapons, and another to have a computer reporting how many people will be affected. As if it were not clear without calculations that there is no sense for anyone in starting a nuclear war.

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CSO: 1807/167

UNITED STATES AND CANADA

WEAK INFLUENCE OF U.S. COMMUNIST PARTY EXPLAINED

Moscow ARGUMENTY I FAKTY in Russian No 52, 23-29 Dec 86 p 8

[Untitled letter to the editor on the Question and Answer page]

[Text] Question: What role does the Communist Party of the U.S. play in its country? Why is its influence weak and why is it so small? Perhaps some national trait is holding it back?

A. Yerzin, Saransk
V. Shipulina, Chelyabinsk
and others

Answer: The U.S. Communist Party operates under exceptionally difficult conditions where the mass media have whipped up anticommunist hysteria for decades.

The Communist Party possesses limited opportunities to appeal to a nationwide audience. The limitation on financial resources and absence of access to nationwide radio and television make it difficult for communists even to participate in election campaigns.

From 15 to 20 million persons participate in mass democratic, anti-war organizations. However, the danger of being accused of "sympathies" toward communism (you must not forget that in the U.S. the laws passed in the years of McCarthyism which actually outlawed the Communist Party have not been repealed) prompts many of these organizations to refrain from cooperating with the Communist Party, even if the goals they espouse follow the same line as the communists' proposals.

The increase in communists' influence is hindered by the fact that the consciousness of many Americans is poisoned by chauvinistic propaganda (for example, up to 70 percent of those polled supported the actions against Grenada and Lebanon), and orientation toward achieving individual success within the framework of the existing system is widespread among the masses. However, one can hardly raise the question of the existence of any traits of national character which exclude the development of an interest in Marxism and the goals of communists. Rather one can say here that the limitation of bourgeois democracy in the presentday U.S. is manifest to a greater degree than in other capitalist countries.

N. Zagladin
Doctor of Historical Sciences

[Volovets] Prof Mack, speaking at the round table session you said in connection with the forthcoming screening of the serial "Amerika" that restrictions must be imposed on such propaganda products which insult another country. What did you have in mind, some kind of an international law agreement, or the passing of a law like, for example, our present law banning the propaganda of war?

J. Mack: No. For me, the freedom of mass news media is sacred. What I have in mind is the need for internal restrictions within a television company or a press organ. If someone shouts "Fire!" in an American movie house without a reason, he would be punished. The fanning of hatred should also be punishable, morally at least.

The purging of false stereotypes from the awareness of our peoples cannot be a matter for people in a particular profession, like journalists or scientists. It is a matter for all who value peace on earth. We can end on this appeal.

/8309

CSO: 1807/167

UNITED STATES AND CANADA

U.S. POLICY ON MICRONESIA CRITICIZED

LD221734 Moscow TASS in English 1443 GMT 22 Jan 87

[Text] Moscow, 22 Jan (TASS)--The United States is actually forcing a colonial regime on Micronesia, a U.N. trust territory. As a result the population of these Pacific islands is deprived of the opportunity to choose independently ways of its own development and gain true independence, a briefing for Soviet and foreign newsmen has been told here today by a spokesman for the USSR Foreign Ministry.

The United States of America runs to extremes in order to turn the whole territory of Micronesia into its military base in the Asian-Pacific region and deploy nuclear weapons there. Washington pursues this policy by detour [as received] of the United Nations Organization and the Security Council which are directly responsible for Micronesia's territory. Such actions can be described as the crudest violation of the U.N. Charter and of the U.N. declaration on the granting of independence to colonial countries and peoples.

The U.S. State Department, the spokesman for the USSR Foreign Ministry recalled, has sent out a circular note to the embassies of a number of countries in Washington claiming that the three island parts of Micronesia--the Marshall Islands, the Federated States of Micronesia and the Northern Mariana Islands had allegedly been given a new political status, and that the United States of America remained responsible for the security and defense of those entities. Thus an attempt has been once again made to legalise in a way the U.S. annexation of those parts of Micronesia.

A few days ago the State Department received a reply note from the USSR saying that the actions undertaken by the United States towards the U.N. trust territory of Micronesia were arbitrary and legally invalid. In conformity with the U.N. Charter nobody, with the exception of the Security Council, has the right to take decisions on terminating the agreements on U.N. Trusteeship. There is no doubt that the U.N. continues to be responsible for the whole trust territory of the Pacific Islands until the Security Council takes a different decision to that effect, the spokesman for the USSR Foreign Ministry stressed.

/9599

CSO: 1807/158

UNITED STATES AND CANADA

CANADIAN PEACE GROUP VISITS KIEV

Kiev PRAVDA UKRAINY in Russian 6 Feb 87 p 3

[RATAU article: "Canadian Peace Supporters Guests of Kiev"]

[Text] A delegation of the Quebec (Canada) Peace Council, which is visiting our country at the invitation of the Soviet Committee for the Defense of Peace, spent two days becoming acquainted with the capital of the Ukraine. The guests had a discussion at the Kiev City Executive Committee. During a visit to the Ukrainian Republic Committee for the Defense of Peace they discussed the participation of the Ukrainian public in the peace movement, the antiwar actions which were born in the Ukraine and disseminated throughout the country, and ties supported by the committee with public organizations of many foreign countries.

The Canadian peace supporters visited the Darnitskiy Railroad Car Repair Plant and participated in a meeting of workers which discussed the actions of the U.S. administration, which is ignoring the peaceful Soviet initiatives and continuing to test nuclear weapons. The guests toured the exposition of the memorial complex entitled "The Ukrainian State Museum of the History of the Great Patriotic War 1941-1945."

"We had an opportunity to become convinced of how actively the Soviet people are defending peace," said delegation leader J. Saint-Dennis, secretary of the Quebec Peace Council. "The extensive program of antiwar measures which, they told us, all the residents of the country are participating in implementing bears witness to this. We understand the striving of the Soviet people for peace. You see, the USSR and its people lived through a terrible war and suffered tremendous losses in it.

"The people of Canada," continued the guest, "are also concerned about questions of war and peace. The movement of the peace supporters is widespread in the country. The U.S. has already attempted to test its missiles on our very territory. We condemned this and organized protest demonstrations. The peace-loving Canadian public is demanding that the U.S. join the Soviet moratorium on all testing of nuclear weapons. We understand and support the peace-loving initiatives of your country."

UNITED STATES AND CANADA

BRIEFS

COCA-COLA PRODUCTION TO BEGIN--Yet another drink, Coca-cola will be added to Fanta and Pepsi Cola drinks which are produced in our country. Its production will be set up in a number of towns. It is envisaged by the general agreement between the whole number of Soviet foreign trade associations on the one hand and the Coca-Cola company from the United States of America and the (Ladacars) firm on the other hand. The agreement envisages cooperation in the sphere of widening the exports of Soviet cars and the setting up in our country with the help of Coca-Cola company of apple juice concentrates as well as the widening of output of soft drinks with the use of the technology and products of this company. The first Coca-Cola batch will be put on sale in May this year. [Text] [Moscow Domestic Service in Russian 1715 GMT 11 Feb 87 LD] /8309

PEPSICO CHAIRMAN RECEIVED--Moscow February 10 TASS--Vsevolod Murakhovskiy, first deputy chairman of the USSR Council of Ministers and chairman of the State Agro-Industrial Committee of the USSR (Gosagroprom), today received Donald Kendall, chairman of Pepsico Inc. They discussed some issues of economic, scientific and technological cooperation between Gosagroprom and Pepsico. [Text] [Moscow TASS in English 1624 GMT 10 Feb 87] /8309

SPORTS PROTOCOL WITH CANADA--A program for cooperation in sports between the USSR and Canada for this year has been officially signed in Ottawa. Envisaged are exchanges of delegations in hockey, swimming, artistic gymnastics, figure-skating, tennis, shooting, and other sports that have become widespread in both countries. The participation of Soviet and Canadian athletes is planned for major international events that are to take place this year both in the USSR and Canada. [Text] [Moscow Domestic Service in Russian 1030 GMT 12 Feb 87 LD] /12624

CSO: 1807/180

WESTERN EUROPE

PERLE 'LECTURES' NATO ALLIES AT MUNICH CONFERENCE

PM041237 Moscow PRAVDA in Russian 4 Feb 87 First Edition p 5

[Own correspondent Yu. Yakhontov dispatch: "'Reprimand' for Allies"; last two paragraphs are TASS report]

[Text] Bonn, 3 Feb--The annual conference of the "Wehrkunde" military-scientific society which has ended in Munich (in which, in addition to West German politicians, lawyers, and journalists, their colleagues from NATO countries, including the United States, also participated) demonstrated the growing disagreements between Washington and its European allies.

At yesterday's concluding session U.S. Assistant Defense Secretary R. Perle reprimanded the allies like subordinates, "in an unusually abrupt way," as newspapers point out. He lectured them that they must not strive for a world without nuclear weapons--which is "dangerous nonsense"--or for the ending of nuclear tests, because that will "affect the effectiveness of the nuclear deterrent."

To make the allies more pliant Perle, R. Burt, U.S. ambassador to the FRG, and other "guests" from the United States intimidated the allies with the possibility of a partial recall of American troops from West Europe. The Pentagon spokesman also expressed his bosses' displeasure at the allies' attempts to induce the United States to observe the provisions of the SALT II Treaty.

Perle found F.J. Strauss, leader of the Bavarian rightists, and FRG Defense Minister M. Woerner to be loyal advocates who addressed similar rebukes to the European allies and defended Washington's position. However, G. Younger, British defense secretary; M. Alexander, London's ambassador to NATO; and, in particular, E. Bahr, Bundestag deputy for the Social Democratic Party of Germany, were sharply reproving of Perle's attempts to order the European allies about. Thus, E. Bahr declared: Let the United States not expect the West Europeans' opinion to change depending on which administration is in Washington. Previous U.S. administrations supported the SALT II Treaty, which Washington is now disputing. Moreover, Bahr said in conclusion, we still do not know what to expect from the next U.S. President.

The newspaper FRANKFURTER RUNDSCHAU writes indignantly today about the tone and content of Perle's speech: "Wherever this 'iron horseman' turns up he leaves shards after himself everywhere, convinced that the china itself is to blame if it smashes to smithereens.... The European NATO allies must learn from Perle's example and inform the U.S. Administration that they will no longer accept that man as an official partner in talks. The time has come to tell our American friends that they themselves do worse when they let such people set the tone in the alliance."

Washington, 3 Feb TASS--An official White House spokesman declared at a press conference that Perle "in this instance was speaking in his own name and his views do not reflect the administration's opinions."

Such an unconvincing explanation provoked frank bewilderment in the journalists present. How can a high-ranking administration spokesman, they inquired, address an international forum and not express the U.S. Administration's positions? An intelligent reply was not forthcoming.

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CSO: 1807/168

WESTERN EUROPE

BELGIANS IN KIEV TO EXPAND CULTURAL TIES

Kiev PRAVDA UKRAINY in Russian 12 Feb 87 p 3

[RATAU article: "USSR-Belgium: Friendly Ties Are Being Expanded"]

[Text] Measures being taken through friendship societies are playing an important role in strengthening friendship and expanding cultural cooperation between the peoples of the Soviet Union and Belgium. USSR Days in Belgium, which will take place in December with the participation of the Ukrainian SSR, will be one of the main events this year.

The program of the Days was discussed at a meeting at the Ukrainian Society of Friendship and Cultural Relations with Foreign Countries with a delegation from the Belgium-USSR Society headed by society General Secretary M. Shubert.

The guests held discussions at the Kiev and Kharkov city executive committees, became acquainted with the work of one of the training centers for vocational and technical education in Kharkov, visited a number of cultural institutions, and attended concerts by creative collectives.

USSR Days, with the participation of the Ukrainian USSR, will be held in Luxemburg in the fall of this year.

CSO:18 07/184

WESTERN EUROPE

LUXEMBOURG CP CHIEF IN BAKU

[Editorial Report] Baku KOMMUNIST in Azeri 4 November 1986 carries on page 2 a 500-word Azerinform report on a press conference held by Rene Urbani, chairman of the Luxembourg CP, at the conclusion of his visit to Azerbaijan, where he toured local museums and visited the Spiritual Administration for Muslims of the Transcaucasus. He said: "'I have come from a country under an evil capitalist system which has resulted in economic crises, unemployment and the lack of a future for youths. In Azerbaijan there is a feeling of spiritual uplift among the youths I have met--they have a future. We greet all this with a great feeling of satisfaction. This will help us in our work.'"

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CSO: 1831/404

EASTERN EUROPE

SLOVAK CITIZENS DESCRIBE PROBLEMS IN ECONOMIC TIES WITH USSR

Moscow SOVETSKAYA ROSSIYA in Russian 4 Jan 87 p 1

[Article by Yuriy Nikolayev under the rubric "Our Dialogue": "Calculating Brotherhood"; passages in capitals published in boldface]

[Text] On the very eve of the New Year I returned from a trip through Slovakia, and now, no matter who I meet, I have to tell what I saw, what I found out, what delighted or disappointed me. And each time I begin my story by saying the same thing. The commonplace does not usually hold the greatest interest, but that is precisely where we find the key to understanding the main conclusion from my familiarization with the Slovak Socialist Republic, and not just with it...

Here is what happened. On account of a snowstorm the plane from Moscow to Bratislava had to land in Prague instead. As we did so, the stewardess announced that the airport in the Slovak capital was going to be closed for a while, and that we should continue our journey by train or bus. Thereupon followed a ticklish moment. We, several passengers from Moscow, were unable to locate the Aeroflot representatives, and we jokingly replied to the Slovaks' uncomprehending questions by saying that when things were being organized on the ground, the airlines must have been up in the air somewhere... But the attempt at humor did not make us feel much better. Especially when we looked at the snack bar, where a noisy multinational crowd had already assembled... Our rubles were already useless here, but we had not yet had a chance to exchange the foreign currency checks which we carried for korunas. However, the awkwardness only lasted a few minutes. Soon I, not without some surprise, discovered that almost all the passengers had been "taken in hand" by their Slovak fellow travelers and were sitting with them at little tables on which tall frothy glasses of Coca-Cola, mango juice or sparkling Pilsener beer already stood. Our seatmate on the plane, Jan [Zamechnik], a captain in the Czechoslovakian militia, also invited Vladislav Mikhaylovich Derzhavin (an expert from the International Institute for Economic Problems) and myself to join him. Our attempts to refuse the proffered refreshments appeared to seriously pain the officer. Especially since up until then the conversation had been extremely frank and serious.

"I was fortunate," said Jan, "in that I was sent to Moscow to study, to the USSR MVD Academy, and my colleagues are envious of me. The only thing that bothers me is that maybe my four years of study cost our states too much."

We asked him to clarify that, and he proceeded to explain. During the course of his studies he had had classes in over 50 disciplines, i.e. "about everything, but not a lot about anything"; a great deal of time had been devoted to historical background. And would it not have been better to send him abroad for the purpose of highly detailed study of the field in which he was to specialize?

Derzhavin retorted: "The Academy provides higher education, a broad overview... And is it necessary to calculate the cost so carefully in relationships between two socialist states...?"

"I, too, am in favor of brotherhood, but thrifty brotherhood in any event!" exclaimed Jan.

Then I recalled another encounter, this one in the German Democratic Republic. Five years ago in Halle, Dr. Rudolf Frost, then deputy secretary of the SED committee at the Bitterfeld Combine, just as ardently attempted to convince us, a group of Soviet journalists, of the need for "thrifty friendship."

At that time this had a startling sound to it: thrifty friendship? For each one of us had above all else since early childhood regarded nobility of spirit and generosity as sacred concepts... Then suddenly here was -- calculation! And it required a great deal of effort on the part of the party functionaries and specialists who were hosting our group to explain their views; they had to present a mass of examples testifying to the mutual advantage of fraternal yet also COMPLETELY BUSINESSLIKE RELATIONS between various organizations in the GDR and the USSR.

But since that time five years have passed, and what years they have been! In any event all of us Soviets seem to have learned that it is not enough to be indifferent, to be content with the little which we have, else the symptoms of stagnation are inevitable. If we are serious about competing successfully with the West in all areas of life, then we must first and foremost learn how to consider soberly and critically each step we make and then take the appropriate actions on that basis. The problem of how to make swift and efficient use of progressive experience has arisen in a timely, acute and far-reaching manner; it is fortunate that the socialist commonwealth has opened up a wealth of opportunities for doing so... Yet here I had not even set foot in Slovakia and I was already hearing reproaches on account of unjustified wastefulness, reproaches which, as it turned out, were not without cause. Here is what the Slovaks with whom I spoke had to say:

Emil [Guttya], director of the Bratislava Poultry Breeding Sovkhoz: "Recently we were in Kokchetav Oblast, where we visited one of your poultry farms. We were not even shown the production area, although we had expected an in-depth familiarization with their work and a frank exchange of opinions."

Julius Varga, Slovak Socialist Republic minister of agriculture and the food industry: "We face very difficult tasks during the five-year plan which is currently getting under way. We must achieve a high level of profits in the food industry at a time when the domestic market is already saturated with food products and selling, for instance, milk or other dairy products abroad, and that includes in the USSR, is not to our advantage. At the current level of prices our kolkhozes and sovkhoses will be unable to cover their production costs for the aforementioned dairy products and for certain other products. And on this issue, I feel, both sides should demonstrate a highly businesslike approach."

Perhaps I should focus particular attention on the views of Emil Sedlak, member of the Slovak CP Central Committee, member of the Agricultural Academy and chairman of the Pokrok (Progress) Kolkhoz in West Slovakia Region. Speaking frankly, he declared: "We must, we are obligated to, enter into direct relations with Russian kolkhozes -- the benefit will be mutual. But in order to do so we have to overcome a mass of bureaucratic obstacles which have been erected by both sides."

I listened with particular interest to the chairman because he was not only recommending a NEW QUALITY of cooperation, but was also capable of opposing routine and overcoming the obstacles which lay in the path of swift and efficient introduction of progressive experience into production. It was there, at Pokrok Kolkhoz, that harvests of 106 hundredweights of "Mironovka" wheat per hectare were achieved and he, Emil Sedlak, was embraced by a teary-eyed Ademician Remeslo because Sedlak had realized under practical conditions the full potential of the strain cultivated by Remeslo. And last year the indefatigable chairman initiated a new major project. At his proposal a joint experiment involving Pokrok Kolkhoz and Pobeda Kolkhoz in Saratov Oblast was conducted. The Slovak comrades proposed to assist the Saratov kolkhoz' members in achieving corn yields of five metric tons per hectare. With that in mind a team of specialists from Pokrok Kolkhoz traveled to the banks of the Volga...

SOVETSKAYA ROSSIYA published an account of this successful experiment. However, one highly deplorable detail came to light. Whereas it was possible to bring the needed equipment across the border, there was a hitch when it came to the seed corn. Both sides soon realized that obtaining permission for the shipments through the proper channels would take months. So they had to resort to a trick. The hybrid strains of corn were loaded into the rollers used for packing earth, which were then painted to look "like new"... Upon hearing this admission, [Arnosht Bak], deputy editor-in-chief of the Bratislava newspaper PRAVDA, smiled sadly and said:

"I recall how we shipped the famous 'Mironovka' wheat, which started a revolution in our agriculture, the very same way: semi-legally, in our correspondents' briefcases. How many years have passed since then? Can it be that we have learned nothing with the passing of time?"

That is the way it seems. Otherwise how can one explain the excessive slowness with which the new and well-proven experience of our friends is sometimes introduced into production here? During that trip through the GDR

five years ago I observed on more than one occasion how our Soviet specialists were interested ad nauseum, for example, in the devices which the German agricultural cooperatives had developed to collect and return for processing the used oil from motor vehicles and tractors. Through these measures alone their republic was able to save 150,000 metric tons of oil each year! Imagine if something similar were put into operation throughout our country!

Thus far I have been discussing merely the economic utilization of certain technological innovations. However, during our meetings questions of how to improve the entire system of administration and planning of agricultural production were posed with equal urgency. Our Slovak friends excitedly questioned me about how our new administrative organs were working out, and told me about some very attractive steps which have been taken in that direction in their republic. Since 1986 kolkhozes and sovkhozes there have been obligated to plan only two indices: the amount of sales of grain and meat. Those plans must be strictly adhered to. But as to WHAT, HOW, WHEN or HOW MUCH to sow or harvest, that is decided upon by the farms themselves. True, this innovation is still meeting with resistance, as Comrade Varga noted, on the part of those who head up district and regional administrations. "But that is understandable. They have gotten in the habit of writing directives, and this measures is doing away with their favorite job."

More and more careful attention in the republic is being paid to the work of Emil Sedlak. Eight years ago he established a very unusual organ "for the levelling of differences in yield and productivity" -- a council made up of the chairman of 10 adjoining farms. This council set up special commissions to deal with the cultivation of corn and other grains, swine breeding, livestock breeding to produce dairy and meat products, and mechanization of agricultural processes; these commissions were headed by the most experienced agronomists, animal specialists and engineers from the various farms. On the council and its commissions there is only one full-time staff member, the technical secretary, yet the organism is functioning successfully.

"So does that mean that it would be possible to do without the cumbersome administrative apparatus altogether?" I asked Emil.

"Ask yourself in which families children become independent sooner: in those where their parents dote on them until they become senior citizens, or in those where they are given only just being created, a weakening of control of the methods."

Back in Moscow once again, I called my Czechoslovakian friends in order to find out their opinion on the fundamental measures to develop socialist economic integration which were adopted on the eve of the New Year by the CPSU Central Committee Politburo.

"Everyone knows that without a slope a stream will not flow," said Emil Sedlak, "and this CPSU Central Committee decision has cleared the channel for a mighty flow of ideas and new activity."

However, the chairman did not wish to conclude the interview on a cheerful note. He went on to say that spring was swiftly approaching, yet there was still no word from the Russian agroindustrial complex on whether the Volga experiment would be continued...

This Slovak internationalist's alarm was even more understandable after the latest letters to the editor hit my desk. A letter from V. Mironov, a scientist at one of the institutes under the USSR Ministry of Light Industry, dated 29 December 1986, contained a sad story about how Mironov and a group of specialists had gone to Poland at the request of the CEMA Secretariat in order to render concrete assistance to their colleagues there. After studying the problem, they compiled a list of appropriate measures which was approved at all levels. But now three years have passed since that time.

"Even then our Polish comrades joked bitterly," wrote V. Mironov, "that 'the Americans know how to work, but you will get tangled up in paperwork and requests for permission.' And it turned out that they were right. Good intentions did indeed get lost in a tangle of bureaucracy. I attempted to find out the reason for that from USSR Gosplan, the State Committee on Science and Technology and the USSR Ministry of Light Industry, but was unsuccessful in those attempts. Was ours the only trip which was in vain...?"

As they say, that speaks for itself. And it is quite obvious that it is high time to place all the business of the socialist commonwealth on a truly businesslike and mutually advantageous foundation.

12825

CSO: 1825/63

EASTERN EUROPE

CZECH YOUTH UNION OFFICIAL ON PROBLEMS, FUTURE TASKS

PM021645 Moscow KOMSOMOLSKAYA PRAVDA in Russian 25 Jan 87 p 3

[Ye. Nefedov interview with Jaroslav Jeneral, chairman of the CSSR Socialist Youth Union [SSM] Central Committee, under the rubric "In the Fraternal Youth Unions": "Ardent Hearts Are Needed"; date not given]

[Excerpts] Prague--[Nefedov] We have here a question from Svetlana Samatova, a Komsomol worker from the Tatar ASSR, which seems to pursue the theme: "I would be interested to know the correlation between young people who belong to the SSM and those who are not members. Is the organization generally popular among young people, and what are its strong points? It probably still has its weak points, too..."

[Jeneral] I will begin by answering the last part of this question. The SSM's weak points, we believe, are mainly that its activity is not always balanced and smooth running: There is either a sharp burst of activity in connection with some action or campaign, or there is a total lull.... We can see the differences in the results of activity by organizations operating in comparable conditions. And there are still young people in the union who are members in name only, that is, they regard their SSM membership as a formality. These and other negative features do not, however, provide grounds for losing faith in the strength of our organization, which is primarily based on youth labor collectives in key sectors of the national economy and the activity of tens of thousands of activists and enthusiasts. It is thanks to them that the SSM has won considerable prestige in our society. Today the SSM and its pioneer organization have more than 3.5 million members in their ranks--this is almost one-quarter of our entire population.

[Nefedov] And here we have quite a complicated question. Valeriy Fomin, a military serviceman from Chita Oblast, writes: "Life today is not easy, and the younger generation is not always able to properly define its place in the processes taking place in society--this is true of capitalist and socialist states alike. What is the strength of young people's convictions in Czechoslovakia regarding loyalty to socialist ideals, and what lessons have they drawn from the events of the recent past?"

[Jeneral] I can quite seriously say that the majority of Czechoslovak young men and women are wholeheartedly devoted to their socialist motherland. They were born and have grown up under the new system, see it as providing their vital safeguards, and link their future with it. Young people are becoming more interested in learning to correctly evaluate the processes of domestic and world development and gaining a deeper understanding of party policy. However, I will not try to hide the fact that problems do exist. We are very clearly aware that some young people still fail to understand what a complex, revolutionary process the building of socialism really is. They regard socialism's achievements and the rise in living standards as something they can take for granted. Hence the tendency toward a petit-bourgeois mentality, their insufficient social and political activeness, and their uncritical perception of everything associated with the West. And regarding the lessons drawn from the difficult phases in our history, it must be said that they have considerable significance. We realize that when our organization has clearly followed the course taken by the Communist Party, strengthened its cooperation with the Leninist Komsomol and youth organizations in other socialist countries, proceeded from Marxist-Leninist principles in its work, and lived for the vital problems of all young people, it has always achieved the right results. This means that it must continue to live and work in this way.

[Nefedov] Here is a quite pertinent question, perhaps, from Viktoriya Burtseva, a student from Gorkiy: "A renewal process is under way in every sphere of life in our country. Even the Komsomol is being reorganized--an uncompromising struggle is being waged against signs of formalism, bureaucracy, and careerist motives among some 'active members.' Are these problems familiar to your union, and how does it deal with them?"

[Jeneral] Unfortunately, formalism and bureaucracy are still very much with us.... The SSM was criticized on this score from the rostrum of the 17th CPCZ Congress--and with good reason! There are still so many organizations whose leaders stand aside from the problems preoccupying young people at work and in their personal lives. There are a great many such problems. For example, the questions of work organization, shortcomings in the social sphere, lack of support for the rationalization movement, and other acute issues. And we urgently demand that workers in the SSM apparatus and activists at all levels be constantly aware of the concerns experienced by young people, be familiar with their interests and problems, and play a purposeful role in resolving them. But I will say honestly: We do not always succeed in achieving the desired results.... Why? Because of our inadequate experience in working in the new way and also because of the insufficient training given to workers at local level. Consequently, one of the main tasks today is to ensure responsible work with cadres.

[Nefedov] Here is another letter.... This time from someone in Altay Kray, an agronomist called Vasilii Gromov: "Is there a tendency among young people in your country to orient themselves toward a Western lifestyle and way of thinking? Do you have the problems of alcoholism and drug addiction? How do you overcome these trends?"

[Jeneral] Yes, a recent session of the SSM Central Committee discussed with alarm the fact that things such as vandalism, addiction, and other phenomena--hitherto unknown to us, I may say--are occurring among young people. The roots of these problems should partly be sought in family upbringing.

Our work to eradicate these negative phenomena must be intensified. This is a task for all our primary organizations.

[Nefedov] And again--the life and work of youth unions. Here we have a question from Taras Deyneka, a builder from Lvov: "In the age of socialist economic integration there is often talk about direct links between enterprises in different countries. But in reality it often all comes down to nothing more than jaunts, without any specific benefit being reaped. What can and must be done by the Komsomol and the CSSR SSM to ensure the nonformal and really useful development of direct links?"

[Jeneral] First of all it would be good to clearly resolve the tasks stemming from our "Community" program, in which fraternal youth unions from the socialist countries have mapped out what their contribution to the implementation of CEMA's long-term scientific, technical, and economic programs must be. We signed this program last spring in Moscow. It will open up broad scope for the future effective development of joint work and the establishment of direct links between enterprises' youth organizations. What does this signify in practice? It means setting up joint youth collectives and organizing the exchange of experience by young production workers directly at the work place.

[Nefedov] Here is a letter from a schoolchild. Andrey Plakhnin from Omsk writes: "Physical culture and sport are highly developed in the CSSR. What is the basis of this mass movement? And another thing: Some Czechoslovak sports 'stars' compete under the flags of other countries' sports clubs--some only briefly and others for quite some time. How should one regard this?"

[Jeneral] The tradition of mass involvement in sport and physical culture has its roots in history. A very important role in this has been played by workers' physical culture societies, on the basis of whose experience the movement came into being in the twenties, thereby laying the foundations for present-day Czechoslovak sports events. This is my answer to the first half of your question. The second half requires a separate explanation. Outstanding sportspeople who are given permission on the basis of an accord to continue their sporting careers abroad when they are past their peak help to increase our country's fame in the sports world. I believe this practice could be adopted between socialist countries' sports clubs. But unfortunately there are also sportsmen who fall prey to the illusion of making easy money in the capitalist world and leave the CSSR. It goes without saying that they lose their citizenship not only in the legal sense but also in moral respects, because they forfeit the opportunity to represent our country in the world's sporting arenas.

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EASTERN EUROPE

POLISH-SOVIET CONFERENCE ON ECONOMIC, SOCIAL DEVELOPMENT

Novosibirsk IZVESTIYA SIBIRSKOGO OTDELENIYA AKADEMII NAUK SSSR: SERIYA EKONOMIKI I PRIKLADNOY SOTSIOLOGII in Russian No 12, 1986 pp 64-67

[Article by M. Yu. Cherevikina under the rubric "Scientific Life": "Bilateral Polish-Soviet Collaboration (The 6th Working Conference)"]

[Text] For over 15 years, the Institute of Economics and the Organization of Industrial Production (IEiOPP) of the Siberian Branch of the USSR Academy of Sciences has had close scientific contacts with the Committee on Matters of National Territorial and Economic Development of the Polish Academy of Sciences. Through this committee, collaboration has been organized with the leading scientific collectives of Poland which are occupied with the study of territorial problems using both traditional methods and econometric modeling. The main form of joint activity has become the regular bilateral seminars in which the associates of the IEiOPP of the USSR Academy of Sciences Siberian Branch take part for the Soviets along with representatives of various Polish scientific collectives. Five such seminars were held from 1973 to 1982.

The 6th Soviet-Polish Working Conference, which took place in Barnaul from September 15 to 21, 1985, was devoted to the discussion of problems of theory and methodology in researching territorial national-economic systems at various levels. Some 28 associates of the USSR Academy of Sciences Siberian Branch IEiOPP took part in the work of the conference on the part of the Soviets along with scientists from the Committee on Matters of National Territorial and Economic Development of the Polish Academy of Sciences, Bratislav and Poznan universities, the economic academies in Poznan and Katowice and the Institute of Geography and Territorial Organization of the Polish Academy of Sciences (Warsaw) on the part of the Poles. Aside from the scholars, representatives of the Planning Commission of the Polish Council of Ministers were in attendance. The Polish delegation included 13 people.

The discussion of materials presented at the conference was conducted according to three themes.

1. Territorial proportions of the national economy and economic interaction of regions (methodological, administrative and organizational aspects).

2. Regional programs and problems in the formation and development of TPCs [territorial-production complexes] and their pre-planning research, planning and management.

3. Territorial aspects of social and demographic development; the socio-economic development of cities and their agglomeration.

Some 26 reports were presented at the conference that were of scientific and practical interest to both sides.

The first theme discussed at the conference encompassed regional problems at the macro level--questions of the territorial structure of the national economy, the place of major regions in the territorial division of labor, the interconnections of individual territories (economic regions, territorial and administrative formations) in the unified national-economic complex--i.e. the range of issues making up the foundation of the strategy of regional policy.

Notwithstanding the difference in scale of the economies of the USSR and Poland, there exist in both countries general trends of economic development. In determining the directions of structural change in the economies of the regions and determining the directions and scale of investment, it is essential to take the spatial structure into account. The individual consideration of these aspects distorts the understanding of many problems and the selection of directions for resolving them. This conclusion was reflected in the reports of both Soviet and Polish participants at the conference.

J. Shlyakhta (deputy director of the National Territorial and Economic Development Department of the Planning Commission of the Polish Council of Ministers), in a report titled "Evaluating the State of Polish Territorial and Economic Development," noted that the underestimation of territorial features and territorial plans leads to undesirable investment directions and the excessive concentration of production in certain agglomerations.

This thesis is confirmed by research being conducted at the IEiOPP of the Siberian Branch of the USSR Academy of Sciences in the analysis of structural changes in the economy of Siberia. In the summary report "Structural Shifts and the Intensification of Siberian Industry," A.G. Granberg (director of the IEiOPP) demonstrated the necessity of change in the territorial structure of production in Siberia with the change of sectorial proportions. The methodological basis of the IEiOPP research is a system of econometric models of territorial-production planning. A.G. Granberg noted that a change in the understanding of what the system of models for pre-planning research and planning should be is now occurring. Using econometric models developed earlier, complexes of models are being created that allow the research of individual objects or problems against the background of the whole national economy on a regional basis.

The base model for the development of one of these complexes--the Sirena [Synthesis of Regional National-Economic Models]--has become the optimized sectorial interregional model. The Sirena model complex includes models at the national-economic level and models of republics and economic regions. The Sirena allows research on the processes of regional economic interaction. A

consistent detailization in the study of regional systems takes place in the complex. Possibilities for using the Sirena complex as a methodological apparatus for forecasting territorial proportions and processes of regional interaction were demonstrated in the report of V.Ye. Seliverstov, V.I. Suslov and Yu.S. Yershov. An important stage in research according to the Sirena model complex is the application of a scenario approach in researching regional interactions.

An interesting approach to the construction of scenarios was given in the report of A. Klyasik (the Economic Academy in the city of Katowice), which considers the construction of scenarios based on an analysis of the qualitative information of experts. Stages are delineated in the procedure of constructing scenarios: the definition of systems, the selection of the principal variables and formulations for principal issues and the design of qualitative scenarios. The experts develop a list of factors that describe a system, and then construct a matrix for structural analysis that reflects the link between system factors. According to the closeness of the links discovered, the factors are delineated that affect the solution of the problem to the greatest extent. Six scenarios were developed based on the example of Upper Silesia as a result of the work of a five-member group of experts: production, assuming further urbanization, social, ecological etc.

The report of A. Mintz (Warsaw University) "A Systemic Approach to Diagnosing the Territorial Economy" had a methodological thrust. The author, using as an example the work "Diagnosing the State of the Territorial Economy of Poland," executed by various scientific organizations at the request of the Committee on Affairs of National Territorial and Economic Development of the Polish Academy of Sciences, demonstrated the necessity of a systemic approach.

The second theme of the conference was regional programs and problems in the formation and development of the TPC. The methodological approach to the development of programs for regional development developed at the IEiOPP of the Siberian Branch of the USSR Academy of Sciences was described in the report of R.I. Shniper titled "Problems in the Intensification of the Economy of the Region" and the collective report of V.L. Lysenko, A.S. Marshalova, A.S. Novoselov and M.I. Popov called "Local Comprehensive Programs and Methods for Developing Them." The reports of the Soviet conference participants elaborated on the experience of developing several regional programs for the West Siberian Oil and Gas Complex, the Kansk-Achinsk Fuel and Power Complex and the Kuzbass, which was of interest to our Polish colleagues.

Territorial program planning is also being developed in Poland. The development of productive forces (the concentration of production, the scale and extent and the interconnections of types of production among themselves) also poses regional problems that cannot be ignored in national economics. Thus, J. Shlyakhta emphasized the problem of pollution of the environment, which has an effect on the development of productive forces, as well as on the evaluation of preferences for places to live for the population. The processes of industrialization and urbanization have facilitated the development of an inefficient method of land use. This relates both to the development of cities, the creation of infrastructure facilities, low rates of land recultivation and the preservation of the best agricultural land. The

concentration of industry in major urban agglomerations has led to a shortage of manpower and the consolidation of migrational patterns in many regions, formed by the unfavorable age-and-gender structure in the eastern regions and, especially, in rural areas (the outflow of youth and women). These processes have reinforced irregularity in the development of certain territories and worsened the problems of the urban agglomerations, on the one hand, and of small cities on the other. So-called "problem territories" have arisen that require particular attention on the part of the state. The significance of the problems that have arisen goes beyond the bounds of plans and decisions that can be made at the level of the provinces and other administrative divisions--these are nationwide problems that require program resolution. Three regional programs are being considered before 1990: the Cracow program--issues in the state of the environment; the Katowice program--infrastructure support and the state of the environment; and, the Gdansk regional program--the clash of interests in the development of agglomeration and agriculture.

A proposal to include the TPC in the process of national-economic planning was set forth in the report of M.K. Bandman, N.I. Larina, M.A. Malinovskaya and M.Yu. Cherevikina titled "Organizing the Management and Planning of the TPC Creation Process," in which a system of pre-planning and plan documents, their composition and structure and ways of inclusion in the process of national-economic planning were presented along with a system of management organs and their task in the process of the formation of a complex.

The problems of developing regional programs are closely connected with the overall state of regional planning. Practical steps have been taken in Poland in recent years to strengthen regional planning and management. In 1982, a law was adopted on socio-economic planning which stipulates the composition of central and territorial plans and the plans of enterprises. The system of planning and functioning of territorial management organs was set forth in the report of B. Vinyarskiy (pro-rector for science at the Economic Academy, Wroclaw) called "The Mechanism for the Formation of Territorial Structure and Economic Reform in Poland."

One of the substantive issues of regional planning is the combination of central and territorial plans. The directions and principles for the disposition of productive forces and the basic territorial proportions for production development are defined in the central plan. Specific decisions are made by province and developed by the provincial organs of power with a regard for the tenets of the central plan. The lowest-level plan makes the provincial plans more detailed. A procedure for coordinating the central plans and the plans of regions, however, has not yet been worked out. It is essential to grant local councils the opportunity of coordinating resources by region, especially capital investment, for the territorial plans to be a management tool. The problem of the effectiveness of regional plans is also topical for the USSR, where research is being conducted on the efficient management of regional resources and funds.

A financial mechanism for the influence of central and regional organs on enterprises and organizations is envisaged in Poland. In 1981 a law was adopted according to which enterprises can be created by central and territorial organs. Consequently, these organs provide the enterprises with

funds. Central capital investment, which is decided upon by the government, is aimed at the development of the types of production most important for the country. The source of their financing is the state budget and bank credit. The capital investment of territorial organs is formed through internal resources, bank credit and state subsidies--a lever for the redistribution of the budget and regional policy. This system of financing requires that the state introduce a differentiated system of taxation of enterprises by region, deductions for infrastructure and the establishment of prices for resources (especially for land). Unfortunately, the essential forms of financial policy, without which the system of territorial plans is not effective, have not yet been found in Poland. J. Shlyakhta noted that the methods of territorial policy are new and there is no experience in their use, and therefore they are being introduced gradually. The local councils and their effectiveness play an important role in their realization.

The problem of improving territorial planning is closely linked with the problem of improving the administrative and territorial division of the country. A transition from a three-tier to a two-tier system of administrative and territorial division of the country was implemented in Poland in 1973-1975, which was aimed at reducing the administrative hierarchy, simplifying the control of the upper level and raising the independence and significance of the lower one and is, consequently, a positive phenomenon. The actually occurring process of redistribution of functions among the levels of the administrative and territorial system, however, still has both positive and negative features, as M. Potrykovskiy (Institute of Geography and Territorial Organization of Poland, Warsaw) noted in his report.

The third theme discussed at the conference was devoted to the socio-economic development of regions. The first group of issues was associated with the discovery of the territorial aspects of social development: what factors determine the standard of living of the population of the region; to what extent the standard of living in the region depends on the level of economic development of the territory. These questions were posed in the report of T. Chizh and Z. Khoynitskiy (University of Adam Mickiewicz, Poznan) titled "An Analysis of Economic Growth and the Standard of Living of the population in the Regional Differentiation of Poland."

A second aspect of the interdependence of the standard of living and economic development (the effect of the standard of living in the region on economic development) was considered in the report "The Conditions and Possibilities for Equalizing Interregional Discrepancies in Welfare" by V.S. Zaykin, L.I. Polishchuk and N.P. Anfimova (of the IEiOPP of the Siberian Branch of the USSR Academy of Sciences). The report analyzed the link of consumption levels with the efficiency of production both for the country overall and on a regional perspective. This dependence was researched in the process of variable calculations for the optimal intersectorial and interregional models.

Population migration is a somewhat indirect indicator of the standard of living in a region. Two reports were devoted to these aspects: "Regional Aspects of Polish Emigration in the Period 1950-1983" by J. Loboda (Bratislav University) and "Topical Demographic Changes in Poland on a Macro and Mez'o-

Territorial Scale" by M. Yerchinskiy (Institute of Geography and Territorial and Economic Development of Poland, Warsaw).

One direction of research on territorial process of social development is the analysis of the socio-economic development of cities and their agglomeration. In this area, Polish regionalists and economic geographers have good training. The scientific and methodological task of expanding the understanding of "urbanization" was posed at the conference. S. Hezhman (science secretary of the Committee on Matters of the National Territorial and Economic Development of Poland), in the report "Modern Processes of Urbanization in Poland," considers urbanization a socio-economic process characterized not only by the growth and development of cities, but also by the transformation of territorially unbroken cities into less compressed settlement systems (for example, urban agglomerations) and the development of territorial-functional integration and the urbanization of rural territories. Such a broad understanding of urbanization is becoming a principal factor in the alteration of territorial and economic structures.

Planning the development of urban systems occupies an especial place in territorial planning. In the city, as a system, the clashes of productive and social interests are very apparent. The most important method of analysis is becoming the delineation of subsystems of this distinctive system. Certain researchers single out the spheres of the urban economy, others take as the basis social, and not economic, subsystems. Thus, B. Gruchman and K. Zavisny (Economic Academy, Poznan) single out four spheres of the urban economy: production, the production infrastructure, the social infrastructure and the service sphere. The interaction of these spheres is described by a model. Social subsystems are proposed to be singled out by V.M. Pushkarev, F.M. Borodkin and T.A. Sazanov (IEiOPP). They model the city as a demo-economic system consisting of the following principal subsystems: workplaces, population and places of residence. The broader process of the interaction of the development of regional urban systems of settlement and the disposition of production goes beyond the bounds of an individual city and requires consideration of the region overall, which is inevitably interconnected with the development and disposition of production. This approach is proposed by G.I. Filshin, Yu.M. Berezkin, A.Ya. Yakobson, L.I. Sevastyanov and others (IEiOPP).

The report of R. Domanskiy (Economic Academy, Poznan) titled "An Optimization Model of the Territorial Organization of a Region" poses the task of organizing the disposition of production and settlement systems in such a manner that the accessibility of the population to efficient work places is maximized. It takes into account the agglomerative effect of the already-created social-welfare and production infrastructures of individual settlements with the disposition of additional work places. The models permit the discovery of trends in the reorientation of the contacts of the rural population with one habitat to contacts with the city of another habitat depending on the preferences of industry and the population in the selection of centers for the disposition of additional work places.

The report of K. Dramovich [Institute of Geography and Territorial and Economic Development of Poland) "Regional Egalitarianism--Methodological

Implications" is debatable. The author poses a series of philosophical problems associated with the concept of social inequality and its variety--regional inequality. In particular, the principle of "complete humanitarian justice" advanced in the report was subjected to criticism: "to each enough that his standard of living is worthy of modern man." In the speeches of Soviet participants (G.I. Filshin, L.I. Polishchuk), the practical inability of the proposed principles to counteract the principle of distribution according to labor was noted.

In the concluding session, the conference participants noted the commonality of the problems and the directions of the research of the Polish and Soviet economist-regionalists and economist-geographers. All those speaking noted the fruitfulness of the work of the conference and discussed the directions of further research, as well as raising the effectiveness of subsequent conferences. The necessity of conducting joint research and the presentation of joint Soviet-Polish reports was noted. The following problems were singled out for joint work over the five-year period.

1. Territorial socio-economic development on a national-economic level.
2. Planning and managing on the level of administrative and territorial systems.
3. Problem territories: pre-planning research.
4. Economic aspects of modern urbanization processes.

The next working conference within the framework of bilateral collaboration is projected to be held in 1988.

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LATIN AMERICA AND CARIBBEAN

CONTADORA GROUP PEACE PLAN PRAISED, U.S. POLICY ASSAILED

PM231119 Moscow PRAVDA in Russian 20 Jan 87 First Edition p 5

[Vitaliy Korionov "Political Observer's Notes": "Contadora and Its Opponents"]

[Text] The struggle concerning the problem of a settlement of the Central America crisis is becoming more acute. The opposing forces and their aims are being defined increasingly clearly.

On the one hand there are the forces trying to ease the situation in Central America and resolve the problem by political means. They include the majority of the Latin American states with, in the forefront, the countries of the Contadora group and the Contadora support group, which drafted the Peace Act supported by Nicaragua and other peace-loving forces of the region. This peace-making mission is actively supported by UN Secretary General J. Perez de Cuellar, and OAS Secretary General J. Baena Soares (Brazil) is also taking active part in it.

On the other hand there are those forces which have set themselves the aim of emasculating the Contadora process and artificially maintaining the explosive situation in the region, which provides an opportunity to increase the armed aggression against Nicaragua. It hardly needs explaining that this means the present Washington administration. To serve its own interests it is using certain Central American regimes which are dependent on imperialism's dollars.

Back during the 41st UN General Assembly Session, the foreign ministers of Mexico, Venezuela, Colombia, Panama, Argentina, Brazil, Peru, and Uruguay held a conference where they put forward the idea of creating a "permanent mechanism for political consultations" among the Contadora group and support group countries, which would provide yet another channel for a flexible and coordinated search for, above all, a way to peace in the Central American zone.

This intention was incorporated in an invitation adopted at a meeting of the aforementioned countries in Rio de Janeiro to ministers from the "eight" to tour five Central American countries together with Perez de Cuellar and Baena Soares. The peace mission, as the press has called it, began this tour on 19 January. The initiative met with the support of the Managua government and the Latin American public at large.

Washington, for its part, gave the peace mission idea a hostile reception. The mere mention of a peace mission induces frenzy in those who are arming and training the "Contra" bandit formations, who hope to extract tens of millions of dollars more from Congress for financing the former supporters of Somoza, and who still harbor plans for U.S. military intervention in Nicaragua's affairs. They have begun pulling out all the stops.

A group of State Department officials headed by (E. Abramson), assistant secretary for inter-American affairs, immediately set out for Miami, that haven for all kinds of counterrevolutionaries. There and at a meeting in San Salvador a new "initiative" was hastily put forward. It is presented as the "Costa Rica alternative plan," although it clearly bears the U.S. stamp. The aim of this venture is not only to replace the Contadora group's documents with a plan suitable to Washington but also to pressure the "group of eight" carrying out the peace mission.

At the same time P. Habib, the U.S. President's special representative in Central America, set off on a "lightning tour" of a number of Latin American countries. The Latin American public believes that this trip is aimed at making the peace mission as difficult as possible if not actually wrecking it. Indeed, the White House envoy is trying blatantly to pressure those countries which are interested in a political settlement in Central America and make them accept U.S. diktat.

Washington is so impudent that the U.S. representative on the OAS permanent council even ventured to attack the organization's secretary general Baena Soares, stating that he doubts that the latter has the necessary authority to take part in the peace mission. Hostile noises are also being made toward the UN Secretary General. Thus, in its anti-Nicaraguan onslaught Washington is prepared for political confrontation not only with the Latin American but also with the world community.

The picture becomes clearer if you recall that all these actions by Washington are accompanied by an intensification of the Pentagon's militarist activity on the Nicaraguan borders and in its coastal waters.

"The merciless grip of blockade and aggression," the well-known Uruguayan journalist and writer Eduardo Galeano wrote recently, "is closing ever tighter around Nicaragua, not because there is no democracy in that country but to prevent democracy there.... They want to destroy Nicaragua not because it is distributing weapons to neighboring countries but to prevent it spreading its own example: its dangerous and infectious example of national independence and nationwide participation in state management." However, the inspirers of this criminal crusade would do well to remember that Nicaragua is not alone and that it has many friends in the modern world, whose lives are shaped by victorious revolutions of liberation.

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LATIN AMERICA AND CARIBBEAN

SOVIET STUDENTS AID NICARAGUAN COFFEE HARVEST

PM061519 Moscow PRAVDA in Russian 6 Feb 87 First Edition p 4

[A. Moiseyev report: "Well Done!"]

[Text] A detachment of Soviet students named after Nikolay Ostrovskiy has returned home from Nicaragua. Our lads spent 2 weeks harvesting coffee in the mountain regions of Matagalpa Province.

The internationalists gave an account of their labor at the Komsomol Central Committee.

Within this brief period of time the 15-strong detachment of Soviet students harvested almost 4 metric tons of coffee beans. The money earned by them has been credited to the fund for Nicaragua's national defense. The Soviet internationalists' labor was highly appraised by the leaders of Sandino's revolutionary republic.

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CHINA/FAR EAST/PACIFIC

HELSINKI-TYPE CONFERENCE FOR ASIA-PACIFIC REGION URGED

SK060059 Moscow International Service in Korean 0930 GMT 2 Jan 87

[Text] We will now carry a talk by the station commentator on issues related to security in Asia and the Pacific region.

The imperialist circle's attempt to move the Asia and Pacific region to another stage in which the Soviet Union and the other socialist countries stand face to face against national liberation forces militarily and politically has become conspicuously active.

The size of the "Team Spirit" U.S.-South Korean joint military exercise has become greater with the passage of time. As is widely known, this mobile exercise against the DPRK is provocative in its nature.

Such provocative military exercises are also being conducted jointly between the United States and Japan in border areas along the Soviet Union. The brunt of an assault by Lance-type strategic missiles of various stripes deployed in South Korea by Washington is apparently directed at the socialist countries in Asia.

The imperialists and their conspirators carry out maneuvers against Vietnam, Laos, and Kampuchea without interruption. A similar situation in Northeast Asia becomes more complicated with the passage of time.

It is apparent that under such circumstances sincere people should not take the stand of waiting for an opportunity. The Soviet Union has programs for concrete [word indistinct]. In speeches delivered in Vladivostok and during a visit to India, Comrade Gorbachev put forward concrete initiatives for (?covering) Asia and the Pacific as part of the entire course of establishing a comprehensive international security system.

This course includes bilateral negotiations, the creation of an atmosphere of confidence and mutual understanding, and coordination of arguments and disputes by political means. These can constitute the prerequisites for convocation of an All-Asia Forum designed to probe constructive solutions to the issue of peace and security in Asia through joint efforts.

In his speech in Vladivostok, Comrade Gorbachev said: We propose convening a Pacific Conference in which all the countries along the rim of the Pacific

participate in a manner similar to the Helsinki Conference, though not in the near future. This proposal is based on concrete [passage indistinct] conditions,

In fact, there is no reason why countries in Asia and the Pacific should not use valuable experience acquired in Europe. Asia needs as much stability, security, neighborly friendship, and mutual cooperation as Europe. Of course, it is impossible to mechanically apply experience acquired in Europe to the reality in Asia.

Experience acquired in Europe cannot be applied to Asia for number of reasons. For example, Asia has its own unique problems. It is apparent that Asian history knows far more examples of multilateral political conferences which have served as milestones for its own continental political development than does European history [passage indistinct],

The road to the Helsinki Conference was not so smooth either. For example, the hardship connected with the Helsinki Conference stemmed even from the fact that countries participating in the conference had varied social systems and belonged to military blocs often at odds with each other.

To participate in the Helsinki Conference, some European countries had to solve major disputes themselves which could have been solved through [passage indistinct],

Viewed in this context, Europe sets a positive example for Asia. Those who are determined to build an edifice of lasting peace on the Asian Continent have already many building materials. For example, peace proposals by Mongolia, the People's Korea, and countries in Indochina are widely known and each of these proposals is concerned to the [word indistinct],

On the whole, all these proposals provide great potential for reasonableness and goodwill. Asia can and should contribute greatly to creating [passage indistinct] way of thinking, to solving issues significant in terms of [passage indistinct], and to making the situation of the world sound as a whole, while at the same time trying to apply the experiences of Europe to the concrete conditions on its own continent.

The fate of earth will depend greatly on such issues as in what direction the region's socio-political development will follow and what course in relations among countries of the region take precedence.

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CHINA/FAR EAST/PACIFIC

POSITIVE, NEGATIVE ASPECTS OF USSR-JAPAN RELATIONS REVIEWED

Soviet Journalist Reports From Japan

PM311415 Moscow PRAVDA in Russian 29 Dec 86 First Edition p 6

[Special correspondent A. Karpychev "Travel Notes": "Our Neighbor Japan"]

[Text] Tokyo-Moscow--As the item published by PRAVDA on 8 December mentioned, we went to Japan in order to see, hear, and learn more about that country. But it became clear from the very first day that there would be no "quiet" life. Discussions had already been planned, people were also preparing to ask us questions....

But the first question came rather unexpectedly:

"When is Mr Gorbachev coming to Japan?"

This question cropped up constantly--at meetings with journalists on the largest newspapers ASAHI and YOMIURI, in business circles, and subsequently our colleagues placed it at the center of discussions on the contemporary world and its worries and concerns.

This discussion took place at the Press Club. About 15 persons, experts on Soviet affairs, had gathered there. Each one of them stood up and gave his name, his newspaper's name, and his position. We did the same. The moderator delivered his introductory speech. It was emotional in its way. The conversation started. One felt that the Japanese journalists had thoroughly studied Mikhail Sergeyevich's Vladivostok speech. They referred to it fairly often and formulated their predictions about the visit; and, it must be said, these predictions appeared prominently on newspaper pages for some time. That was the number one topic.

ASAHI's political observer (Khisayya Sirai) was the first to express his opinion.

"I think that conditions for Mr Gorbachev's visit are still not ripe in Japan. The whole thing has become too clamorous. I understand that Premier Nakasone would like the general secretary to visit here at the end of January. Why? There is, in my view, only one answer. If the visit does not take place in January, Nakasone will not have time to travel to Moscow before October, when his term as premier runs out. He would like to end his activity on an impressive note. An exchange of visits would be a wonderful result. But after all, the general secretary's trip is not a tourist tour. There must be political results. And what could they be? In my view, the Japanese side is in too much of a hurry with the visit, while the Soviet Union attaches importance not to the trip itself but to its effect."

This is what (Khisayya Sirai) said. That was his personal viewpoint. But silence reigned for a little while. People pondered what was said.

"I do not agree that this is a matter of the premier's personal motives," a calm voice said from the left. "Whether he wants the visit or not, the main issue is something else. I have no doubts: If Mr Gorbachev comes, this must mark the beginning of a new stage in Japanese-Soviet relations. Are we ready to embark on this stage? This is what we must be clear about."

This is indeed the point, that not everyone is clear about it. We are not talking about the participants in the discussion, with whom we spoke about Reykjavik, the problems of war and peace, the Soviet moratorium on nuclear weapon tests, and Japan's participation in the SDI program. We are talking about those who make policy, plan it, and know it inside out.

...(Iosio Sakurauti), chairman of the Parliamentary Association for Japanese-Soviet Friendship, received us amiably in a room where his political colleagues, who are now in power, gather. We were told that Premier Nakasone also spends time there. Leather armchairs, low tables, a few plants, deference and respect. "Only fools live in the past, we must live in the future," our interlocutor said softly and quietly. He sat with his back to the window and, when he spoke about politics, his face showed neither a smile nor the slightest movement.

We asked the meaning of the string of hieroglyphs on the wall. "With the right heart along the right path," Mr (Sakurauti) said. "Nakasone himself wrote that." Another brief pause, evidently offered to enable us to sense the philosophy of this expression. Followed by the softly spoken words: "There is a glimmer of hope in certain respects in the economic sphere between our countries. But the economy and politics are inseparable.... If the 'territorial' question is resolved, there will be more hope..."

I must mention that the so-called "territorial" question was not raised even once by business circles, by the leaders of firms and enterprises. They did not raise it when looking at the prospects for the development of Soviet-Japanese relations in the economic sphere. The opposite was also true--the closer someone was to political circles, the more often he would make these prospects strictly dependent on the "question."

Our program did not include a trip to Hokkaido. But we were told that journalists from the newspaper HOKKAIDO SHIMBUN had won a prize titled "Our Northern Neighbor." The newspaper had successfully pursued a subject which, translated from the Japanese, was: How is it possible, overcoming the past, to be at the same time a good neighbor.

Good neighborliness is something great. But is it easy to overcome the past?

It is a matter of what is wanted by the policy-makers. In one of Tokyo's streets, for example, we saw a poster: "The real day of peace will arrive only when our 'Northern' territories are returned." It appears that the day of peace has yet to arrive on Japanese soil, even 40 years after the end of World War II. How serious is all this? In the course of an official conversation, for which we had mutually agreed not to make notes and not to mention names, we heard that, in principle, the "territories" have little to offer to Japan. "So what is the point?" we asked. The hosts smiled in reply: "It is a question of national pride." Strange: Some people would like to revise the results of World War II, others promote territorial claims against a neighboring country, and all this is presented as a matter of "national pride?" Could it be that the idea of good neighborliness does not meet with approval from Japan's closest ally—the Washington administration?

In all probability it is not worth recalling these emotional outbursts. Generally speaking, the Japanese are calm interlocutors. They are capable of controlling their feelings, without displaying them in any way—neither by gesture nor by intonation. They often smile rather than get angry. They know well what they want, and their business sense always overrules their feelings.

The idea of creating joint enterprises in contiguous and nearby regions of the USSR and Japan appears attractive and highly tempting in business circles. It was voiced in M.S. Gorbachev's Vladivostok speech. And even though the Japanese adhere to the principle "The earlier you make a decision, the more confident your actions will be," so far they have been in no hurry on this question. We were told by (Tokao Sakuma) at the firm "Seiko":

"We have full confidence in the idea. But we understand the essence of a joint enterprise in the Japanese way. How do you understand it? Everything must be clarified in advance in order to avoid surprises for both sides later on. A joint enterprise for the production of printing devices, for example. This is tempting, 'Seiko Epson' makes them and has a great deal of experience."

Approximately the same idea was repeated also by (R. Kawai), who heads the Japanese-Soviet Committee for Economic Cooperation:

"The joint enterprise is a very difficult question. Why? You have socialism, we have capitalism. Maybe we perceive the implementation of the idea in different fashions. What would I suggest in the first place? I would suggest that a seminar is held. Invite our experts, let us hear different points of view. My advice is: If you want to do business, this is how you should start."

(R. Kawai) is respected in business circles. He is elderly. We were led with a certain deference and solemnity across the sumptuous hotel lobby toward the room where he waited for us. We sat in chairs placed in a row, (Kawai-san) sat on a separate chair opposite us. We knew that our esteemed host had been in Moscow last April, heading a delegation from Japan's business circles, that he met the head of the Soviet Government, that he is a very busy man, and that despite this he found time to speak with the Soviet journalists. The conversation began with our question:

"How does (Kawai-san) appraise the present state of economic cooperation between our countries, and how does he see it in the future?"

"Our committee has quite a few cooperation projects. We are in favor of developing relations between our countries. We are neighbors. We are not talking only about geographical position, we are also talking about economic potential. For the time being your country's share of Japanese exports is very small. In imports, as well. This is very strange. But I am confident that if both sides decided to seriously change the situation the position could change. We could purchase more Soviet articles and export them to third countries. This is good for the Japanese side. If you say 'yes,' we are ready."

"What do you like and dislike in us as businessmen? What are our business people lacking?" we asked.

"A frank question," our interlocutor remarked. "Very well, I'll answer frankly. Until now we have been obtaining from you commodities which we lack--timber, coal, and others. But the situation is changing, you see. In the first place, you ought to pay attention to how you sell your commodities in Japan. You must work on this. What do I have in mind? Our firms, for example, carefully study their partners and create conditions for sales. This is almost unknown in your country, you are short on selling skills. Specifically. You think: This is a good product because it meets your state standards. And if this is so, people in Japan must also see it as a good product. This is not so. With all respect to your criteria, people in Japan do not buy according to your state standard. This means that it is necessary to start by studying the Japanese market. A thorough, businesslike study. Timber is, for example, in my line of business. I know Siberia's larch--it is very good, in no way inferior to Canada's. We used to buy more of your larch before. Now we buy less. I am very sorry that the share of Siberian larch in our purchases has fallen. Very sorry."

"Are there no political factors involved here?"

"I think that there are other factors. Quality. Your specialists were here recently. They also tried to discover the causes. We showed them everything: 'Here is your timber. The consignment we received includes nonstandard, and even simply bad logs. What are we to do with them? After all, no one wants to incur losses.' We were promised that matters would be set right. But promises were also made previously, and almost nothing got done afterwards."

"You spoke about studying the Japanese market. But have you studied the Soviet market?"

"Here we have difficulties. We talk primarily with representatives of the Ministry of Foreign Trade when discussing the manufacture of output for your country. But we never meet the consumers of our products. And this is important for us: We must know the requirements of those whom our products would serve, take their opinion into account, and meet their wishes. At times we know beforehand that something is not suitable, but we do it because the foreign trade representative insists. In my view, the situation has started changing recently. But very, very slowly."

...(Kawai-san) glanced at his watch. So did his assistant: Time is running out, they hinted. But we wanted to ask a question which we had kept until last. We were told that (Kawai-san) loves flowers. And the small bunch of flowers on the table behind which he sat is an expression of this love. How does such a love come to a businessman?

"My father loved flowers. He used to say that he ought to plant many of them. Why? He used to work with bulldozers, and their role, as you know, is to cut open the soil and wound it. Father healed the wounds by planting flowers. This was a kind of compensation, a repayment to the soil which he sacrificed to his profession. Hence my love for flowers."

...We parted. One more day of our acquaintance with Japan was drawing to a close. There were questions, there were also answers. Sincere, benevolent. They provided food for thought.

Moscow Japanese Commentary

OW020636 Moscow in Japanese to Japan 1000 GMT [no date given] Dec 86

[By commentator (Malin)]

[Excerpts] Listeners, Radio Moscow commentator (Malin) recalls Soviet-Japanese relations over the past year:

It is difficult to describe in one or two words Soviet-Japanese relations this year. A great many things took place this year. On the whole, however, we may say that the situation was encouraging. We believe that the year 1986 will perhaps be recorded in history as a year of thawing in Soviet-Japanese relations.

After a long, cold period, encouraging and forward-looking factors have begun to show and grow. In this connection, we must first cite a conspicuously promoted political dialogue, including one at a high level. It is of memorable importance that this stepped-up political dialogue and mutual visits by foreign ministers of the two countries have led to the significant step of institutionalizing regular consultations between them. Through these mutual visits by foreign ministers of the two countries, the two countries concluded

government-to-government agreements including the Soviet-Japanese trade and payments agreement for 1986-90, a treaty on preventing dual taxation, and an accord on cultural exchanges.

Contacts between social organizations of the two countries have also been beneficial. In this connection, we can first cite the fifth round-table talks, a big event. The talks were held in early December in Tokyo. Working-level contacts thus began on a more stable basis. A large Soviet-Japanese economic meeting was held in spring this year in Moscow to decide on basic guidelines for promoting working-level cooperation between the two countries. The meeting showed that the two countries had large possibilities and great hope for development of their relations. In this connection, it is most important for the two countries to seek new forms of cooperation so that they can more fully utilize mutual capabilities. What embodies this approach is a proposal by the Soviet side to organize Soviet-Japanese joint ventures. In addition, a Japanese industrial exposition was held in Moscow in October with great success.

These are the achievements made this year in Soviet-Japanese relations. However, at the same time we must refer to some events which threw a dark shadow on Soviet-Japanese relations. For example, the Soviet Government was compelled to issue a statement criticizing Japan's decision to participate in the U.S. Star Wars plan, or SDI. The statement pointed out that the Japanese Government decision would affect relations between the two countries. SDI is a U.S. scheme to achieve military supremacy over the Soviet Union. No matter what the United States says about this scheme, this is its objective character. Therefore, we cannot but regard Japan's participation in the space militarization scheme as an unfriendly act by the Japanese Government.

We can say the same thing about a Japanese-U.S. joint military exercise conducted in Hokkaido from October to November. The exercise was conducted on a unprecedentedly large scale, and it had an anti-Soviet nature. How can one say he would like to improve relations with a certain country while regarding that country as a hypothetical enemy in war. As for the Soviet Union, it has never had any aggressive designs toward Japan. It does not have such a design now.

Moreover, the Japanese Government has made a decision to expand the list of embargoed items for export to socialist countries, effective on the very first day of the New Year. This is an act undermining prospects for normally developing trade and economic exchanges, and it casts a further negative shadow on overall Soviet-Japanese relations.

We have just reviewed Soviet-Japanese relations in 1986. Although there were some negative episodes, in general, a new horizon has been opened in Soviet-Japanese relations. It is still premature to tell to what extent the encouraging aspect will develop. It hangs on the efforts of the two sides. It is hoped that these efforts will not be weakened in the New Year.

/8309

CSO: 1807/148

CHINA/FAR EAST/PACIFIC

JAPAN-USSR FISHERY COMMITTEE TALKS REVIEWED

OW300109 Moscow in Japanese to Japan 1000 GMT 24 Dec 86

[Unattributed commentary: "A New Phase in Cooperation Between Soviet and Japanese Personnel Dealing With Fishery"]

[Excerpts] Listeners, with the new year about to set in we are now summing up what we have done this past year and planning for the future. In this context, today we would like to touch on fishery relations between the Soviet Union and Japan and review their achievements in this field in 1986.

Early this year, Soviet Foreign Minister Shevardnadze made an official visit to Japan. Among other topics, bilateral relations in the fishery field, an important field in overall Soviet-Japanese relations, were also discussed during his visit. In the final communique, the two sides agreed to make every effort in the future to completely implement agreements between their countries, namely, the agreement on headland and offshore fishery and the agreement on fishery cooperation.

The third Soviet-Japanese Fishery Committee meeting was held in Tokyo in early December on the basis of the 1984 agreement on fishery cooperation. At the meeting, the two sides summed up activities of Soviet and Japanese fishing boats in their 200-mile territorial limits and studied the status of fish resources and control on fishing operations.

When they discussed the question of fishing operations in 200-mile territorial limits of the two countries, the two sides agreed to increase each catch quota to 200,000 tons next year and not to change the current territorial limits for fishing operations. As you know, catch quotas thus far were set at lower levels.

The committee meeting also conducted a forward-looking study on the question of allotting an additional catch of 100,000 tons for the benefit of Japanese fishing boats to operate in Soviet waters. In return for this additional catch, the Japanese side will pay Y1.29 billion to the Soviet Fishing Fleet Corporation as charges for fishing in Soviet piscary.

The quantity of fresh Alaska pollacks which Japanese fishing boats are authorized to purchase directly from Soviet fishing boats at fishing grounds next

year will increase to 100,000 tons in compliance with bilateral agreement. The Japanese boats purchased only 65,000 tons this year.

At the fishery committee meeting, the two sides discussed a new form of commercially-oriented direct cooperation between Soviet enterprises and Japanese firms. Creation of joint-venture companies will lead to better considerations for profits of both sides. While maintaining the already-established traditional form of cooperation, the two countries will be able to expand the scope of their partnership through joint-venture firms.

At the committee meeting, the two sides made new progress on other issues as well, including joint research on fish to be caught in 200-mile limits of the two countries. They discussed ways to adjust respective research methods and annual academic programs. This adjustment became necessary in the face of a large gap between the two sides in the estimation of resources, accordingly in the assessment of future fish catches.

The history of partnership between the Soviet Union and Japan in fishery--a complex and multifaceted field of human activity--in the past shows that the two sides have been able to make decisions acceptable to both sides under the most complicated situations. A new phase, developing since the Third Soviet-Japanese Fishery Committee meeting, has further widened the possibility of cooperation between the two countries in the interest of their fishermen.

/9274

CSO: 4106/088

CHINA/FAR EAST/PACIFIC

MULTIFACETED DEVELOPMENT OF SOVIET-CHINESE RELATIONS NOTED

1986 Relations Reviewed

OW071345 Moscow in Mandarin to China 0200 GMT 29 Dec 86

[Talk by station commentators Mulatov and Vasilyev]

[Excerpts] Mulatov says: During the past year, relations between the Soviet Union and China have constantly developed. The two countries' parliamentary organizations exchanged visits.

Vasilyev says: Indeed, relations between the Soviet Union and China developed further during 1986. The visit to China by Talyzin, first deputy chairman of the USSR Council of Ministers and chairman of the State Planning Commission, has made a major contribution to promoting relations between the two countries. During his visit, he exchanged opinions with Chinese leaders on relations between the Soviet Union and China on all subjects, signed an agreement on cooperation between the planning commissions of the two countries, a consular agreement, and other documents on further developing trade between the two countries, and discussed future cooperation in the economic field.

Mulatov says: The trade between the two countries developed smoothly, especially the border trade. Its restoration and rapid development proved that people on both sides hoped to have a peaceful and friendly relationship.

Vasilyev points out: The Chinese economic and trade exhibition held in Moscow this summer showed the development of economic, scientific, and cultural contacts between the two countries. This was the first large-scale exhibition China has held in the Soviet Union for nearly 30 years. The exhibition aroused the Soviet people's great interest. Naturally, the Soviet people want to know more about life in China, our socialist neighbor. Ryzhkov, chairman of the USSR Council of Ministers, and Medvedev, member of the Secretariat of the CPSU Central Committee, visited the exhibition and had talks with leading members in charge of the exhibition and other Chinese experts. They wrote in the distinguished visitors' book, wishing the Chinese people new successes in their socialist construction.

The Soviet Industrial and Trade Exhibition in Beijing will end soon. The exhibition has aroused the Beijing people's great interest. Premier Zhao Ziyang

also visited the exhibition. He said: I am convinced that, like the Chinese economic and trade exhibition in Moscow, the Soviet exhibition will make contributions to strengthening friendship between the people of the two countries and developing economic and trade. We are satisfied that recent bilateral contacts in economic, trade, scientific, cultural, sports, and other fields have developed significantly.

This year, the Mayor of the Chinese capital, Beijing Municipality, Chen Xitong also visited our country at the invitation of the Moscow City Soviet.

Leningrad and Shanghai exchanged visits. A Chinese consulate general and a Soviet consulate general have been set up in Leningrad and Shanghai respectively.

Border Trade Expands

OW160627 Moscow in Mandarin to China 0700 GMT 12 Jan 87

[Excerpts] Dear Chinese listeners: It can be said that the development of trade between our two countries is a favorable outcome of the ongoing development of relations between the Soviet Union and China.

A station reporter has interviewed Comrade (Kelekov), a leader of the union of border cooperatives in Khabarovsk, on the development of border trade between the Soviet Union and China. Comrade (Kelekov) said: Trade with Chinese export-import companies should be conducted on the basis of reciprocal benefit. We can sell to China construction materials such as cement, iron rods, and nails as well as fertilizers, consumer products, and electric household appliances such as refrigerators and vacuum cleaners. On the other hand, the Chinese side can provide us with knitwear, thermos flasks, woolen products, canned food, and other food products.

In conclusion (Kelenov) said: In short, bilateral border trade benefiting both sides is expanding. It is important in itself as well as an important factor in developing good-neighborly relations between the Soviet Union and China.

Friendship Society's 1987 Plans

OW151925 Moscow in Mandarin to China 1600 GMT 14 Jan 87

[Text] Listeners, friends: A meeting of the Central Council of the Soviet-Chinese Friendship Association was held at Moscow's House of International Friendship on 13 January. The meeting was chaired by academecian Tikvinskiy, chairman of the council. A reporter from this station filed this report:

While reviewing the situation in 1986, members of the central council pointed out that, as before, the Soviet-Chinese Friendship Association actively informed the Soviet people on major events that have taken place in the history of the Chinese people's revolutionary struggle, on prominent leaders of China's democratic liberation and revolutionary movement, and on Chinese culture. It also broadly marked major events that have taken place in the history of Soviet-Chinese relations.

In Moscow, Leningrad, Khabarovsk, and other cities where there are branches of the Soviet-Chinese Friendship Association, meetings or receptions were ceremoniously held to mark the 120th birthday of Dr Sun Yat-sen, the great Chinese democratic revolutionary, and the 37th founding anniversary of the PRC. Soviet people also commemorated such outstanding Chinese writers as Mao Dun and Lao She, as well as such renowned state and social leaders as Soong Ching Ling, Lin Boqu, Dong Biwe, Zhu De, and others.

Those who attended the meeting pointed out with delight that the friendship associations of the two countries have achieved remarkable results in promoting their contacts. The meeting adopted the Soviet-Chinese Friendship Association's 1987 operation plan. This year, the USSR will mark the 70th anniversary of the October Revolution of Russia. As such, the Soviet-Chinese Friendship Association and the Far East Institute of the Soviet Academy of Sciences, and other research organs will cosponsor an all-Soviet conference of Sinologists. The theme of the conference will be the Great October Socialist Revolution and China. The friendship association will also work with the Far East Institute and the Military History Institute to cosponsor an academic symposium to mark the 50th anniversary of the eruption of the Chinese People's National Liberation War Against Japanese Aggressors. A meeting of the friendship association's central council will be held ceremoniously in October to mark the 30th founding anniversary of the Soviet-Chinese Friendship Association. People in various social quarters in the capital will also meet to mark the 60th anniversary of the Nanchang Uprising, and the 60th anniversary of the Guangzhou Commune's armed uprising. Activities scheduled to take place in 1987 include commemoration of the 80th birthday of Ding Ling, a well-known Chinese literary and art leader and female writer; and the 85th birthday of Yang Hansheng, a great master of theatrical work and movies. Under a cooperation plan of the two countries' friendship association, there will be exchanges of travelling groups of leaders of the two friendship associations, and other delegations.

The meeting pointed out that the Soviet-Chinese Friendship Association will continue to work positively for the further improvement of Soviet-Chinese relations, and for the benefit of peace and socialism.

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CSO: 4005/421

CHINA/FAR EAST/PACIFIC

RENMIN RIBAO CITED ON CPC ADJUSTMENTS UNDERWAY

LD231517 Moscow TASS in English 1506 GMT 23 Jan 87

[Text] Beijing January 23 TASS--The Communist Party of China, being the vanguard of the working class, represents the interests of all people and leads the process of socialist construction, says an article in today's RENMIN RIBAO.

The writer criticized the "proponents of bourgeois ideology who rail at the CPC and seek to push the People's Republic of China to the capitalist path of development."

"The talk about the 'colour' of the party," the paper said, "is nothing but the demand for a change in the party's character, an attempt to turn the CPC into a bourgeois party so that China be led by the bourgeois party."

The Chinese people have already made their choice--it is the Communist Party that should lead the country.

Naturally, one cannot assert that the CPC is irreproachable. It made mistakes that can be subjected to criticism, and the party welcomes this kind of criticism."

Recalling the consequences of the undermining of the principle of party guidance in the country's recent past, the newspaper said that "actions in accordance with the principle 'carry out the revolution while discarding party committees' of the times of the 'Cultural Revolution' resulted in the spread of anarchism.

Mass pogroms, beatings and violence brought immense suffering to the Chinese people. We are carrying out socialist modernization which requires the situation of stability and cohesion. Following the principle of party guidance is the guarantee of the victory of our cause."

"The presence of bad elements within the party does not mean that the entire party is vicious," the writer said. "The work on party adjustment currently under way is directed at improving the party and strengthening party guidance, rather than weakening or eliminating it.

Each CPC member should maintain ideological and political unity with the party Central Committee. One should not allow the presence in the party of people who do not observe its political discipline."

/8309

CSO: 1812/60

MIDDLE EAST/NORTH AFRICA/SOUTH ASIA

AFGHAN PRISONERS 'REPENT,' EXPRESS THANKS FOR AMNESTY

PMO41253 Moscow SOVETSKAYA ROSSIYA in Russian 30 Jan 87 Sole Edition p 5

[Dispatch by TASS correspondents G. Baykov and O. Kuzmin: "'I Will Demonstrate With Deeds'"]

[Text] Kabul--The approval of the amnesty decree is viewed here as an important constituent part of the policy of national reconciliation. In a few days' time the gates of Kabul's (Puli-charkhi) Jail will open, and the first batch of prisoners will emerge through them. The Kabul Sarandoy (DRA People's Militia) Administration afforded Soviet correspondents an opportunity to visit the jail and talk with prisoners to whom the amnesty is being extended.

(Abdul Rakhim) was sentenced to 15 years. He headed a gang of 100 people which had operated in the environs of Herat for 3 years. After his arrest (Abdul Rakhim) made many depositions revealing the true essence of the counter-revolution. His gang had maintained constant contacts with counterrevolutionary centers on Iranian territory, from where weapons arrived, instructors came, and orders to commit acts of terror and sabotage were forwarded. (Abdul Rakhim) has now fully repented of his crimes and, so he told us, will go free with a clear conscience and work for the good of the people.

False propaganda from abroad put (Abdul Karim), a driver by trade, in the dock. "Islam in Danger!"--that spurious slogan of the counterrevolution had made him leave for Pakistan. There (Abdul Karim) ended up in (Sada) training camp in the region of (Adamkheyl). Then he was instructed to accompany weapons convoys from Pakistan to northern regions of the DRA. He was arrested by the republic's security organs near the city of Khanabad and sentenced to 5 years' imprisonment. In conversation with us (Abdul Karim) said: "I have had time to fathom what is happening. National reconciliation is the only way that can lead Afghanistan out of the impasse of war. I am profoundly grateful to the authorities for releasing me from jail, and on returning home I will endeavor to demonstrate my gratitude with deeds."

/8309

CSO: 1807/172

AFGHAN IDEOLOGISTS VISIT MILITARY-PATRIOTIC CENTER

[Editorial Report] Baku KOMMUNIST in Azeri 16 November 1986 carries on page 3 a 300-word Azerinform report on the visit of a delegation of Afghan ideological workers to Shamakhy Rayon to acquaint themselves with its military-patriotic training center; the Afghan delegation was headed by Mahammad Azim Rastagar, a section chief in the Propaganda Department of the Central Committee of the Afghan Peoples Democratic Party. They held talks at the raykom and "went to the J. Nakhohyvanski Special Internat-School, the No. 82 school in Baku's Narimanov Rayon, and familiarized themselves on the basis of concrete examples with the training of young patriots." In an interview, Rastagar said: "The Central Committee of the ADPD is devoting a lot of attention to this aspect of training young citizens who are building a new society in the struggle against imperialism in our country."

/9738

CSO: 1831/404

MIDDLE EAST/NORTH AFRICA/SOUTH ASIA

EGYPT RESUMES WORK OF JOINT FRIENDSHIP SOCIETY

LD131526 Moscow TASS in English 1438 GMT 13 Feb 87

[Text] Cairo, 13 Feb (TASS)--Egypt's Minister of State for Foreign Affairs Butrus Ghali has announced the resumption of the activity of the Egypt-USSR Friendship Society.

The Egyptian leadership, he noted in an interview with the magazine AL-MUSSAWAR, was seeking the development of normal relations with the Soviet Union.

The Egyptian president's decision to restore the Egyptian-Soviet Friendship Society became an important step towards strengthening bilateral ties with the USSR, Ghali said.

The minister of state has been asked to head the society. Its program of activity will be directed at shaping conditions for stronger relations between the two peoples in various spheres on the basis of friendship, mutual respect and consideration for common interests.

In its desire to improve relations with the USSR, the minister said, Egypt proceeded from the principles of non-alignment which made up the cornerstone of its foreign policy.

He described as a main point of contact with the USSR the identity of views on the need for convening an international conference on Middle East settlement with the participation of all sides concerned.

Egypt and the USSR were also united by their efforts to end the arms race, achieve disarmament and prevent the militarization of outer space, by their campaign for stronger universal peace, for the elimination of sources of conflict and tension by peaceful means and for the establishment of a new world economic order.

The Egyptian leadership, Ghali said, was sincerely seeking to overcome all obstacles hindering its fruitful and positive cooperation with the Soviet Union.

/12624

CSO: 1812/72

SUB-SAHARAN AFRICA

TEXT OF LONG-TERM COOPERATION PROGRAM WITH MADAGASCAR

Moscow SOBRANIYE POSTANOVLENIY PRAVITELSTVA SOYUZA SOVETSKIKH SOTSIALISTICHESKIKH RESPUBLIK (OTDEL VTOROY) in Russian No 1, 1987 pp 6-10

[Text] Long Term Program of Economic, Technical, Trade and Scientific-Technical Cooperation between the Union of Soviet Socialist Republics and the Democratic Republic of Madagascar for the Years 1986-2000

The Government of the Union of Soviet Socialist Republics and the Government of the Democratic Republic of Madagascar,

guided by the principles of respect for state sovereignty, independence, regard for national interests, noninterference in internal affairs, complete equality, mutual benefit and mutual assistance,

expressing the firm desire to further broaden long-term economic, technical, trade and scientific-technical cooperation between the Union of Soviet Socialist Republics and the Democratic Republic of Madagascar,

convinced that multifaceted cooperation of both states will serve as a matter of economic development and of strengthening peace and detente,

based on the provisions of the Soviet-Madagascar agreement on economic and technical cooperation of 31 December 1974, the Soviet-Madagascar Trade Agreement of 29 October 1975, as well as other existing inter-governmental documents on questions of Soviet-Madagascar economic and technical cooperation and trade,

adopt the current Long-Term Program of Economic, Technical, Trade and Scientific-Technical Cooperation between the Union of Soviet Socialist Republics and the Democratic Republic of Madagascar for the Years 1986-2000.

I. Basic Directions of Long-Term Cooperation

Soviet-Madagascar economic and technical cooperation is being implemented in many spheres of the economy of the Democratic Republic of Madagascar.

Technical assistance, rendered to the Democratic Republic of Madagascar in the construction and operation of various facilities, as well as in fulfillment of work, is growing each year.

A medium wave radio station has been built and is operating, a Center for training machine operators for agriculture is functioning, an experimental farm for the cultivation of grain crops has been created. A milling combine and a veterinary station are being constructed, geological prospecting work for rare metals, pegmatite and quartz is continuing, a metallogenic map of the central region of Madagascar has been drawn up and a similar map for the northern part of the central region is being completed.

Trade between the Union of Soviet Socialist Republics and the Democratic Republic of Madagascar is developing. Madagascar imports from the Soviet Union oil, airplanes, tractors and construction materials.

In its turn, the Soviet Union imports from Madagascar coffee, cloves and other goods.

Soviet-Madagascar scientific-technical cooperation is developing. Relations between the Academy of Sciences of the Soviet Union and the Madagascar academy have been established.

Almost 50 Soviet teachers are working in educational institutions of the Democratic Republic of Madagascar. 1200 citizens of Madagascar received an education in Soviet higher educational institutions and 2000 are currently studying there.

1. The Sides have agreed:

to develop Soviet-Madagascar cooperation in the following spheres: agriculture, industry, prospecting for useful minerals, extraction and processing of useful minerals, communications, transport, fishing, development of cooperatives, training of national cadres, education;

to cooperate in the sphere of production of export goods in the Democratic Republic of Madagascar and in particular with the goal of ensuring the repayment of Soviet credits, granted to Madagascar;

to search for means of broadening long-term trade turnover in accordance with the possibilities and needs of the Sides;

to improve the existing forms of trade-economic cooperation;

to create the necessary conditions for scientific and technical progress in Madagascar;

to organize cooperation of planning and economic organs of both countries in order to effectively and consistently guarantee the uninterrupted implementation of cooperation programs.

2. The Sides intend to concentrate their efforts in the following spheres.

2.1 Agriculture

Taking into account the great significance which the Government of

Madagascar devotes to the development of self-sufficiency in food products, the Soviet Union will continue to render aid in the following:

- organizing farms for cultivating grain and other crops;

- carrying out irrigation and land reclamation work connected with opening up land for rice and other crops;

- strengthening veterinary services in the basic cattle-raising regions of Madagascar.

2.2 Prospecting, Extracting and Processing Useful Minerals

Compiling a metallogenic map of Madagascar;

- carrying out geological prospecting work for hard useful minerals including pegmatite, rare metals and quartz;

- creating, depending on the results of the geological prospecting work, prospecting-exploiting enterprises for extracting and processing useful minerals.

2.3 Communications

- Broadening the possibilities for broadcasting radio programs in the territory of Madagascar.

2.4 Transport

- Constructing automobile roads in various regions of Madagascar and organizing road-construction brigades.

2.5 Fishing

- Carrying out experimental tuna fishing in order to determine the possibilities and efficacy of organizing industrial fishing;

- organizing scientific studies of the composition of the natural fish resources in the waters of Madagascar in the zones to be agreed upon;

- creating enterprises for processing fish products and mixed societies for fishing, taking into account the results of scientific studies and experimental tuna fishing.

2.6 Training National Cadres and Education

- Detailing Soviet teachers for work in regional centers of Madagascar University;

- detailing Soviet teachers of Russian language for work in secondary educational institutions and Madagascar University;

- training citizens of Madagascar in higher and secondary specialized educational institutions in the Union of Soviet Socialist Republics;

- training qualified workers of various specialities, creating with this in mind educational centers in the Democratic Republic of Madagascar;

production-technical training in the USSR of cadres from Madagascar for ensuring the work of facilities of Soviet-Madagascar cooperation.

II. Trade Cooperation

The Sides will develop and strengthen trade relations between both countries on a mutually beneficial basis. They will devote efforts to the development of export of goods from the Union of Soviet Socialist Republics to Madagascar, first of all machines and equipment necessary for her economy, and to the development of exports from the Democratic Republic of Madagascar to the Union of Soviet Socialist Republics.

The Sides will strengthen and encourage business contacts between ministries, foreign trade organizations and Chambers of Commerce of both countries, in order to assist in every way the achievement of the above stipulated goals.

III. Scientific-Technical Cooperation

The Sides consider it necessary to expand scientific-technical cooperation, devoting special attention to the following issues:

- planning and managing the development of science and technology;

- preparing proposals for the development of science and technology in various spheres;

- exchanging visits of scientists and specialists in scientific-technical spheres within the framework of the existing transfer of technology;

- implementing joint programs of research work;

- detailing delegations of experts for rendering mutual methodological and consultative aid.

IV. Concluding Provisions

Specific forms, amounts and other conditions of cooperation, stipulated in the current Long-Term Program, will be agreed upon by the Sides in corresponding inter-governmental documents, taking into account the actual needs and possibilities of each Side.

The Sides agree that the organization of cooperation on the basis of the current Long-Term Program and the control over the realization of its stipulated directions will be implemented by a Soviet-Madagascar Inter-Governmental Commission on Economic and Technical Cooperation and Trade.

The Sides will be able, according to mutual agreement, to refine and add to the current Long-Term Program, proceeding from newly arising needs and possibilities.

The current Long-Term Program will take effect on the day it is signed.

Completed in Moscow on 26 September 1986 in two original copies, each in Russian and French, in which both texts have identical strength.

For the Government of the Union
Of Soviet Socialist Republics

For the Government of the
Democratic Republic of
Madagascar

K. Katushev

J. Bemananjara

CSO: 1807/173

SUB-SAHARAN AFRICA

FRIENDSHIP, COOPERATION DECLARATION SIGNED WITH BENIN

[Editorial Report] Moscow VEDOMOSTI VERKHOVNOGO SOVETA SOYUZA SOVETSKIKH SOTSIALISTICHESKIKH RESPUBLIK in Russian Number 1 of 7 January 1987 carries on pages 9-11 the text of a declaration of friendship and cooperation signed by the Soviet Union and the People's Republic of Benin. The declaration was signed on the occasion of the visit to the USSR of Benin president and party chairman Mathieu Kerekou. The declaration consists of ten articles and a short prologue which states the intention of the declaration to be "strengthening the development of bilateral relations; eliminating the threat of nuclear war; strengthening the unity and solidarity of all progressive forces; struggling against imperialism, colonialism, neocolonialism, racism and apartheid in all its manifestations; and strictly observing the basic principles of the UN Charter." The declaration, in Russian and French, was signed in Moscow on 26 November 1986 by Andrey Gromyko for the Soviet side and Mathieu Kerekou for Benin.

CSO: 1807/169

SUB-SAHARAN AFRICA

BRIEFS

TRADE TALKS WITH ETHIOPIA-- Soviet-Ethiopian negotiations were held 31 December, 1986 in Moscow. As a result of the meeting, a protocol dealing with Soviet-Ethiopian trade in 1987 was signed, along with other documents addressing questions concerning trade relations between the two countries. It is anticipated that the circulation of commodities between the USSR and Ethiopia in 1987 will double the level of the preceeding year. Soviet exports will include machines and equipment, fuel, fabricated metal products, fertilizer, and consumer goods. Agricultural and other traditional goods will be purchased in Ethiopia. [Text]
[Moscow EKONOMICHESKAYA GAZETA in Russian No 3, 1987 p 21]

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