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Proceedings of the Ministry of Foreign Affairs Conference

[Text] 18070029 [Editorial Report] Moscow MEZHDUNARODNAYA ZHIZN in Russian in issues No 9 and 10 for September and October, 1988 publishes the abbreviated texts of speeches at plenary sessions of the Scientific and Practical Conference of the USSR Ministry of Foreign Affairs held 25-27 July 1988. The work of the conference took place in eight sections and over 300 persons participated in the discussions. The journal is also published in Moscow in English under the title INTERNATIONAL AFFAIRS.

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Arbatov on Perestroika's Implications for Foreign Policy

18120004 Moscow MOSCOW NEWS in English No 39
2-9 Oct 88 p 5

[Discussion with Georgiy Arbatov, Academician of the USSR Academy of Sciences and Chairman of the UN Association of the USSR, during a round-table discussion of UNITAR, a research institute, and the UN Association of the USSR, in Moscow]

[Text] Today, we, in the USSR, in all our international affairs, prefer to start with ourselves, to test our position well, and then to turn to our partners. As we have become convinced, this is a useful approach, which compels the other side, too, to take a sober glance at itself and its own policies and thus to alleviate the fruitful discussion and quest for mutually acceptable decisions.

I wouldn't like my words to be accepted as immodest, but I am convinced that perestroika is the most interesting event going on in the world. It is an important, and, in many ways, unprecedented event. I don't remember any other people subjecting themselves, so uncompromisingly and frankly, to a strict analysis, or who have striven to learn and express the whole truth about their past and present.

That is precisely perestroika's first stage. We call it glasnost. It is of paramount importance for renewing society. Human contacts, once they are born, obtain a certain independence and quite a big store of inertia. Quite often they continue to govern our minds and, what's worse, to guide our actions, even after reality has stopped conforming to these concepts. And some concepts may be incorrect from the very beginning, because our possibilities for understanding the world and our intellectual level at the time were more limited than now. This doesn't mean that there are no former concepts which are remaining correct. But it is important to separate them from obsolete and incorrect ones. But for this it is better to check oneself time and again, and, even better—constantly.

However, perestroika is not just an intellectual exercise in cognizing oneself and the surrounding world. The changes in concepts must be followed by changes in policy.

Such a process is evidence of not a fall but a maturing in society, of its capability towards renewal and self-perfection. We don't wish to foist our own example—in this case glasnost and perestroika—on anyone else. But I think that this process expresses some common laws, and some common requirements. That's why, as I see it, other countries also need glasnost and perestroika. Maybe, even the whole world does and, above all, the entire field of international relations.

But we don't intend to solve others' problems. As for the USSR, a question arises: how and in what did our views, and positions on the questions of the relations with the outside world change, and did they change?

I'll start with the most fundamental—our concept of the world. For a long time we saw it split into two hostile and opposing camps—capitalist and socialist. It was thought in the USSR that an irreconcilable struggle between them would determine the main direction of the world's development.

The reality turned out to be much more complex than this scheme, although an irreconcilable strife, alas, did, for many years, poison East-West relations. The scheme was incorrect because it transferred, mechanically and, with oversimplification, the laws of internal development to international relations. At the same time the more important features of the modern epoch were ignored. Today we see the world differently and think that it is one. Despite the existing contradictions, differences and disagreements, it is a single whole and, moreover, very fragile and every more interdependent world.

The main interests, connected with the survival, the preservation and the development of human civilization, do not split, but, to the contrary, unite the world community and make the coexistence and cooperation a must of social development. The interests of social development, on a global scale, are always higher than the interests of a separate class, including the proletariat. Marxism-Leninism, by the way, was founded on this belief. Not the Marxists but sectarians and ignoramuses fetishized the class interests.

Our ideas about military force have also changed. Not in that before we used to be militarists and today we reject this. This was never true. But today we see much better than before the limited opportunity for using military force and that in our time war cannot be a continuation of politics. We criticize ourselves for our excessive reliability on military power when trying to ensure security. This was said at the 19th Party Conference. The latter's mandate is to fully use political means to ensure security.

Our concepts on the place of wars in modern society have gone through a serious evolution. We were always against wars. But for a long time we thought wars to be inevitable, due to the fact that they arise from the very nature of capitalism. The 20th CPSU Congress made a conclusion that wars can be avoided. In the last few years the conviction was added to this that it was impossible to win in a nuclear war, and that it was impossible to wage it and that the use of military force in general should have no room in international relations.

The views on the sources of the main threat to our security changed in parallel to that. We see them today, granted all the difficulties in our relations with the USA

and the West—not in the USA or NATO and not in capitalism as such, but in militarism. Militarism has become a universal threat—a danger for all.

Outlined against such understanding as realities of our time, our views on other aspects of security have also changed. When we realized that it became mostly a political and not a military problem, we made also another conclusion—it is impossible now to acquire security at the expense of the other side or while harming it—security is possible only on a mutual basis, and, if we speak of the world as a whole, it is universal security. And it must be all-embracing, enveloping not only the military, but also the political, economic and humanitarian fields.

In the last few years we have put forward constructive ideas for each one of the fields. This made the Soviet stand more active and, at the same time—more open. An example is our concepts on the USSR's place in the world economy. Our main concern (in great measure a forced one, imposed on us by the West's hostility) for a long time was how to secure a complete independence from the surrounding world. This dictated our course of autarky. Now we realize that we cannot develop successfully in conditions of autarky; we wish to be much more active in the international division of labour and now believe that economic interdependence will grow. We're prepared to bear responsibility. Granted, of course, that it will be proportional to our rights, and that we will be provided a full equality in world economic relations.

Enormous changes have taken place in the last few years in our attitude towards nature and our interrelations with it. I well remember (it wasn't so really long ago) the slogans on our city streets—"We Cannot Wait for Nature's Favours, but Our Task Is To Take Them from It". Articles, official speeches and even textbooks were full of such words as—"to conquer nature", "to enslave nature" and "to take from nature". We made quite a few errors and, having paid dearly for them, have started to realize that we should not combat nature, or just coexist with it, but to ably and intelligently cooperate with it. The global dimensions of the problem also became clearer, for it demands—under the threat of a general disaster—universal cooperation.

The new realities, the new concepts and the new political thinking inevitably bring us to the conclusion that civilized behaviour of each country in the world community is becoming obligatory for survival. This raises to a new height the meaning of international law and the role of international organizations. And, above all, the role of the United Nations.

A year ago, Mikhail Gorbachev, in his article "Reality and Guarantees for the Secure World", invited UN members and representatives of the world public, to exchange opinions on this question. Such an exchange of opinions has been going on since then.

The UN was planned by the nations, which united in the war against a common enemy—nazi Germany and its allies. They were full of resolution not to allow the possibility of repeating such catastrophes. But soon after the victory, the world entered the cold war stage. It divided the nations which had set up the UN, made them enemies and substantially deformed the UN.

Today, common enemies of UN members have appeared again, and mortal threats are looming over them, over entire humanity. The challenge tossed up by history demands that we return to the sources, to turn the UN, as it was planned initially, into an organization of united—I repeat—united nations. Because of a united common interest appeared for all of them—to secure the survival of human civilization, an interest of the highest order.

In this connection, I'd like to dwell on the following question.

Quite often I hear about the special role of the two "superpowers"—the USSR and the USA—and that the international situation, the role of the UN, and the situation within this organization will depend, above all, on their relations and their policy. Posing the question in such a way generates in me, if not doubts, then mixed feelings.

And not only because in the USSR we don't subscribe to the term "superpowers". I think that such assessments do not take into account the changes going on in the world. The "bipolar", or "two-poled" world has been left behind in the past. Each member of the world community and the world community as a whole will be playing a greater role the further we go. This is a movement towards a natural state of things. The USSR and the USA together comprise only about ten per cent of humanity. And they have no right and cannot, either alone or jointly, determine its destinies.

I wish to be understood correctly—I don't reject the special responsibility of both powers and I don't wish to alleviate its burden. I understand how much depends on them in averting the nuclear threat and other affairs, including raising the UN's importance. But mankind's future can be reliably secured only if a democratization of international relations goes parallel with demilitarization.

This is an important condition for progress. Not ten but the entire 100 per cent of the intellectual and material capability of human civilization should be put into action. Otherwise, the problems that are getting more and more complex will simply not be solved.

The moral side of the matter is also significant. Mankind should not be made a sort of a hostage of Soviet-US relations. This question has both a practical and a moral aspect. History offers us examples of serious troubles in the political life of one and the other power, which had

not only internal but political life of one and the other power, which had not only internal but foreign political subsequences as well. That's why we need guarantees, some insurance, against accidents. Only a normally functioning, truly democratic world community can provide such guarantees. The United Nations must have an outstanding role in it. The USSR is of the opinion that the UN can and must play this role.

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New Thinking in Communist-Social Democratic Relations

18070204 Moscow MIROVAYA EKONOMIKA I
MEZHDUNARODNYE OTNOSHENIYA in Russian
No 4, Apr 88 pp 23-33

[Article by Yuriy Andreyevich Krasin, doctor of philosophical sciences and rector of the Institute of Social Sciences of the CPSU Central Committee: "New Thinking in Communist-Social Democratic Relations"]

[Text] *Under contemporary conditions new approaches to cooperation between communists and social democrats are needed and possible. They are being developed gradually on the basis of new political thinking and of a new quality in relations and in dialogue. These approaches are analyzed in the article, which was prepared by the author from a report to a joint theoretical seminar in Helsinki in late 1987 between the Social Democratic Party of Finland and the CPSU dedicated to the 70th Anniversary of the Great October socialist revolution and Finnish independence.*

At the meeting, which took place during the celebration of the 70th anniversary of the Great October socialist revolution, M. S. Gorbachev turned to the representatives of the various directions in political thought and action, particularly socialists and social democrats, with an invitation to cooperate in preserving and using the victories of the human spirit for future generations. "This work is vitally important for an understanding of the new circumstances in which the regeneration of civilization has become intertwined with the goal of the survival of the human race," he emphasized in his speech.

Today's realities induce us to think anew about the historic fate of the workers' movement and about the relations within it of the two main tendencies—communist and social-democratic. Seven decades ago they diverged sharply at an abrupt turn in history. Since that time they have undergone a great deal in their relations with each other—direct confrontations, bitter polemics, and a difficult searching for paths toward unity and cooperation. Circumstances changed, and qualitative changes and new problems arose in the workers' movement. But the pointed ideological-political dispute continued, dividing the workers' movement into two wings—revolutionary and reform.

The dispute continues even today. However, it is time to make adjustments as dictated by the realities of the end of the 20th century. Mankind has moved into a new loop on the spiral of history, at which point it became obvious that with all its internal contradictions our world is integrated and fragile. This requires that all public and party forces demonstrate a high level of responsibility and planetary cooperation for the sake of saving civilization. These demands are becoming a priority for the workers' movement as well.

Saving Civilization—a New Aspect in the Historical Mission of the Workers' Movement

Today no one has any doubt that on the threshold of the third century human civilization has come face to face with objective processes that threaten the very foundation of its existence. Without peace there is nothing. This laconic aphorism contains within itself the stern reality of our time. The likelihood of a tragic outcome increases according to the degree to which the resources of work and reason are directed at the mindlessly wasteful race for the means of destruction.

In addition to the problem of war and peace other global problems have reached the critical stage. The condition of the environment is cause for alarm. The gradual destruction of the natural environment differs from thermonuclear death only in that it does not happen all at once but is a slow destruction of the foundation of man's existence. Contemporary global problems such as limited natural resources, limited energy sources, hunger, and the economic and cultural backwardness of the "third world" countries have become no less urgent. The question of the limits of biological adaptiveness of man to the rapid and ever-increasing pace of social life are being seriously raised.

The workers' movement, which played such a significant role in the social changes of the 20th century, cannot depend on maintaining and securing the positions they have won while remaining to the side in dealing with these problems. The inadequacy of a simplistic response, which many Marxists had a tendency towards in that they reduced the reasons for the exacerbation of global problems to the growing general crisis within capitalism, is becoming more and more apparent.

There is no doubt that capitalism is responsible for a great deal. It is the military-industrial complex, flourishing in the environment of imperialism, that is the main source of military danger. The system of neo-colonialism serves as the main barrier on the path toward the progressive development of liberated countries. Capitalism is guilty of destroying the environment. But the crisis that mankind is experiencing today has much deeper roots. It touches on the fundamental foundation of civilization. Consequently, a solution requires joint efforts and cooperation among the intellectual and social forces of the entire international community. No matter how serious the social and class differences that separate

people, it is only together that these people can survive or perish. All of them are representatives of the human race and no matter what class or nation they belong to, no matter what views and beliefs they adhere to, they are floating in the same vessel of civilization that has been developing for a thousand years—a civilization that is integrated yet at the same time extremely varied and permeated with contradictions and conflicts. Such is the unusually complex reality of our day that the workers' movement must face. This reality cannot but affect relations between communists and social democrats.

According to Marxism the historical mission of the working class consists of liberating mankind from any form of social and national oppression and from all types of exploitation and alienation. During our time this mission has acquired a second dimension—to save civilization from a nuclear catastrophe and to preserve the very foundations of existence. This obliges the working class to recognize the priority of general human values over national and class values. This is the deep methodological foundation for the new political thinking which expresses the common fates of the human race before the challenge of the times.

The new political thinking relates to the nature of the workers' movement, which arose out of a vital need of self-affirmation of the working class as the leading social force for liberating all mankind. Marxism has assimilated the humanistic ideas of the Age of the Enlightenment—the ideas of freedom, equality and justice. Having discovered the essence of man as a sum total of social relations and having shown the path for changing them, Marxism became the ideology of real humanism. It can be said that through ideology and morals common human values became part of the flesh and blood of the workers' movement. The new political thinking does not contradict either the principles of communist ideology or the principles of the ideological concepts which the social-democrats adhere to.

It is in the sphere of the struggle for peace during the 1970s that fruitful cooperation developed between the communists and the social democrats, despite their ideological differences. This contributed to the qualitative change noted then in relations between East and West and resulted in serious changes in the system of international relations that had given rise to detente. The positions of the communists and social democrats on questions of achieving peace and international security coincide to a large extent or are very close. Both support averting the militarization of space, strict adherence to the ABM, SALT I and SALT II treaties and feel that the doctrine of "balance of terror" offers no future. They agree on practical measures for disarmament (including complete elimination of nuclear, chemical and other types of mass-destruction weapons) and on reducing the level of military confrontation in the sphere of conventional weapons. The socialist international has occupied a constructive position on the question of Euromissiles and on a complete ban on nuclear testing. The ideas of

many socialists and social democratic parties on problems such as achieving European security, developing cooperation on the continent and developing zones here that are free of nuclear and chemical weapons have a great deal in common with the proposals of the CPSU and of other socialist countries.

Of course the principal differences between the two movements remain, particularly in the ideological sphere. But even under current conditions the interests of the workers' movement require that these differences not interfere in cooperation. We cannot but agree with the words of SDPG [Social Democratic Party of Germany] Presidium member E. Bar: "It is essential to give priority to securing peace—without it there can be nothing else now. During the atomic age communists are partners whom we cannot do without because only joint security exists. To organize it is our first goal. Of course it would be an illusion to assume that this would eliminate all of the conflicts between social democrats and communists. But neither fundamental differences in viewpoints, nor a different ideology should reduce to nothing cooperation on the most important problem of the contemporary world. No differences can be so great as to interfere in our struggle to preserve peace."¹

In accordance with the principles of new political thinking the 27th CPSU Congress formulated the bases for the concept of an all-embracing system of international security. The system must be built upon a recognition of the priorities of interests that are common to all mankind. The security of other countries is seen as a part of the country's own security. Its all-encompassing nature consists of the fact that it includes all spheres of public life—military, political, economic and humanitarian. It appears that in its content this concept has much in common with the proposals of the party of the Sotsintern [Socialist international] as concerns disarmament, detente and cooperation and can fully become the platform for joint action of various detachments of the movement to protect the peace. The concept of a general and all-encompassing international security opens the road to the building of a stable peace. This kind of peace can only be non-nuclear and demilitarized. An important step in this direction is the Treaty Between the United States of America and the Union of Soviet Socialist Republics on the Elimination of Their Intermediate-Range and Shorter-Range Missiles. It is essential to have this treaty become a real turning point in the transition from the arms race to disarmament.

It is precisely on the path to a non-nuclear peace that conditions can develop for planetary cooperation among various social forces for the purpose of the global reconstruction of the world on the basis of confirming the new world economic and political order. The nature of reconstruction and the extent of its progressive substance will be determined by the type of role the workers' movement will play in this global process. In turn this will depend on how cooperation continues to develop between communists and social democrats.

The Building of a Common European House

The treaty between the Soviet Union and the U. S. on eliminating two classes of missiles creates basically new circumstances in Europe. It is there that the majority of intermediate and shorter-range missiles are located and their elimination will remove the barrier that exists on the path toward strengthening the general European atmosphere of trust. At the same time real prospects will open up for creating a system of security on a basically different foundation from the one that exists today.

The reaction of conservative forces to this new prospect in Europe is sufficiently clear already. The response of conservatives to the Soviet-American treaty and to the new possibilities resulting from it retains the spirit of the traditional logic of opposition. It was manifested in the idea of creating a "Paris-Bonn axis" as the basic pivot for an independent Western European system of defense. At first glance it may appear that the implementation of this idea can increase the role of Western Europe in world politics. In reality, the logic of military opposition in Europe is leading to a greater split that is dividing the continent. It contradicts the tendency toward detente that is being observed and which today cannot be a simple repetition of that which occurred during the 1970s.

Destroying the traditional logic of military resistance and implementing the possibilities that are becoming available—this is the truly historical alternative that is being supported by progressive forces on the continent. The workers' movement cannot and should not lose this historic opportunity. It is the workers' movement that provided the initiative for the Helsinki process in the course of which noteworthy positive results were achieved. Today they can be multiplied and raised to a qualitatively new level if the workers' movement sets the tone through efforts directed at developing a general European system of security and cooperation according to the principle of mutual trust.

The opponents of detente assert that the elimination of intermediate and shorter-range missiles will result in the military superiority of socialist countries on the continent presumably because of their superiority in conventional weapons. On this basis it is again being proposed that the West arm itself and increase its military expenditures. But why not follow a different path—toward gradual erosion of block politics by means of developing multi-lateral cooperation among socialist and capitalist countries, by means of the building of a many-sided and socially diverse Europe that is at the same time whole and secure from the Atlantic to the Urals? In this area there has been a considerable number of specific constructive proposals, many of which arise out of the workers' movement—from both communists as well as social democrats.

A recently-published book by renowned SDPG scholars, "On the Path Back: Gorbachev's Reforms—A Chance for Europe", states: "Western Europe together must find within itself the strength to independently decide its political future. This presupposes the will toward self-assertion. The second stage of the Eastern policy could have as its goal this self-assertion of Europe as well as the close interweaving of the interests of East and West on the continent. This stage could be based on the recognition by the countries and systems within the 'common European house' of the growing interrelationship of their development." "The availability of new possibilities for European building is noted in the draft of the new program of the Spanish Socialist Workers' Party: "The tendency toward detente and disarmament in East-West relations opens up new possibilities for expanding contacts with the countries of the East in the most diverse areas."

Similar assessments of future general European cooperation are contained in documents of the Western European communist parties. In a statement by the committee on international problems of the Italian CP Central Committee, made in connection with the signing of the Soviet-American Treaty on Intermediate-Range Shorter-Range Missiles, it is noted that Europe must play an "irreplaceable part" if the continent "is able to become a participant in the process of gradual nuclear and conventional disarmament," if it is able to become "the organizer of a dialogue and cooperation among various parts of our continent and world and the spokesman for new tendencies in international political thought." Further the document underscores that we need "contributions in the form of proposals and initiatives with the goal of constantly limiting the function of nuclear weapons and of achieving an equalization of conventional forces by means of eliminating differences and advantages and by working towards lower and lower levels whenever possible as determined by a strict sufficient number of weapons."²

A situation is developing in which both currents of the workers' movement can move in the direction of developing a single concept for a general European security system as an important component in the system of general and all-encompassing security that is capable of guaranteeing a stable peace.

Europe, which has survived the tragedy of two world wars, is capable today of becoming a factor in confirming new ideas on security, a factor for putting pressure on those forces which oppose detente. The former director of the U. S. Arms Control and Disarmament Agency, K. Adelman, confirms not without justification that the interrelated and in his opinion dangerous tendencies toward economic detente and the rejection of traditional views on defense will possibly come more from Western Europe than from America. "Dangerous" in the interpretation of K. Adelman but actually positive tendencies are clearly manifest in the positions of Western Europe's social democrats. Supporting the concept of "mutual

security" the chairman of the SDPG committee on basic values, E. Eppler, criticizes the obsolete views of American conservatives: "Never before has the American view of security been so similar to that of the ancient Romans. SDI is nothing more than the Roman limes (the border of the empire—editor) in the atomic age. Those who are on this side of the limes must be secure and even unattainable; those who live on the other side of it must always be prepared for the possibility that they will be pacified with the help of the legionnaires. There is nothing farther from the idea of joint security. Never before has American thinking been so far removed from the needs of reality."³

Of course when we are developing concepts of general European security we must be realistic—we cannot demand that the countries of Western Europe break military-political ties with the United States or that they turn away from "Atlantic solidarity." It is just as unrealistic to demand that Eastern European countries leave the Warsaw Pact. Only an integral process of steadfast growth in trust on the basis of expanding economic and cultural cooperation among all European countries can result in the dying away of military blocks and in the creation of a common roof of international security for the entire European house with its "many apartments."

A great deal still has not been dealt with along this path and a great deal is simply unclear. But it is the difficult process of building a common European house that can become a fertile field for a dialogue and for cooperation between communists and social democrats within the framework of a more extensive interaction of social forces supporting security and cooperation in Europe.

The demands of economic development are nudging all European countries in this direction as well. During the dawn of Soviet power when Soviet Russia found itself in the tight ring of an economic blockade, V. I. Lenin said about capitalist countries: "...They are economically tied to us...There is a force greater than the desire, will and decisiveness of any of the enemy countries or classes; this force is common economic international relations which forces them to enter this path of dealings with us."⁴ This Leninist concept is extremely appropriate for an understanding of contemporary problems of general European economic cooperation, including trade relations with socialist countries, which are so vitally important for the countries of Western Europe. "The economy of the European countries," notes the well-known SDPG activist, H. Emke, "the competitiveness of which in the international arena depends on access to large homogeneous markets, depends to an extremely great degree on exports, especially of the latest technology, including exports to Eastern Europe and the Soviet Union...The limitation of trade between East and West conflicts with Europe's economic interests."

The security and well-being of the European house is closely related to the development of trade and other forms of economic cooperation between Western European and Eastern European countries in the interest of

both. This kind of interest would stimulate detente and would clear the way for the firm and intelligent regulation of peace on the continent and on the whole planet and could increase the role and importance of Western Europe in world policy and the world economy.

The Search for a Democratic Alternative to the Neo-Conservative Course

Since the late 1970s to early 1980s the development of society has been taking place under the growing influence of the technological revolution. Qualitative changes existed before but today we are talking about an unprecedented revolutionary change in production forces. The basic elements of this change is the restructuring of public production on the basis of scientifically-intensive technologies and the use of microprocessor technology, information science, robotics and automatic control systems. The changes that are taking place are resulting in a gigantic economy of human labor and in the elimination of the worker from the production process.

In essence, what is taking place is what K. Marx foresaw and described in his economic manuscripts of 1857-1859. The creation of actual riches depends less and less on the duration of work time and the amount of labor expended. The effectiveness and volume of production are determined more and more not directly by work time but by the general level of science and of technological progress. Indirect labor as such is ceasing to be the basis for production and instead as the producer is more of a "combination of public activities."⁵

Marx tied this kind of future to the development of communist formations. However, the reality is that the technological revolution began in the womb of mature capitalism. The technological revolution is qualitatively altering the entire economic situation in which capitalism is developing. This is accompanied by far-reaching social and political consequences that have a direct relationship to the workers' movement.

First of all, there is a basic change in both the position and structure of the working class as well as in its needs and values. A sharp differentiation has developed within the working class and has been increasing constantly in the course of the technical revolution. In addition to the traditional strata of the proletariat occupied primarily in physical labor and participating directly in the production process, the number of whom is decreasing unceasingly, new categories are arising that are involved primarily in intellectual labor related to progressive technologies and in fulfilling the functions of control, adjustment and regulation. Although in number the "new" workers are fewer in number than in other strata, their ranks are filling rapidly and more importantly they are more and more distinctly becoming the main body of the working class, which is tied to the center and nerve of the present economic system of capitalism. They represent the future working class. Additionally, it should be taken into account that a differentiation of the working

class is proceeding not only along this main line but in other directions as well—workers in the sphere of services, small specialized enterprises, craftsmen working at home, immigrants and partly or fully unemployed. All of these processes are having a serious effect on the workers' and trade union movements and are forcing us to approach in a new way the problem of program demands of the workers' parties, which must reflect the variety and differentiation of interests of the contemporary working class.

In the course of the technological revolution the determining role of international parameters of public production is being brought to light in greater and greater relief. The internationalization of economic ties is transforming national economies into component links of the world economy, in which transnational corporations are playing a bigger and bigger role. Evidently, the development of these processes is one of the main reasons for the fall of the Keynesian model of the "welfare state," on which the strategy of anti-monopolistic reforms within the national framework was built. It was precisely this strategy that left its mark to a greater or lesser degree on the substance of the proposed social democratic reform and on the concept of anti-monopolistic democracy formulated in the documents of a number of communist parties. I feel that in the light of the changes that have taken place the question of the strategic prospects of workers' parties has moved into a different plane.

Under contemporary conditions state-monopolistic capitalism, without losing its national soil, is being transformed into a gigantic world system of capitalist exploitation of the intellectual and physical energy of various levels of society, of various countries and peoples. This system is full of contradictions but it is unified through world economic ties and is opposed to the nationally divided working class. Our time is witness to a striking paradox—internationalization is becoming an important essential characteristic of contemporary capitalism in the sphere of economics as well as in political life, whereas the workers' movement—the historical soil for international labor solidarity—remains basically within the framework of national platforms that reiterate the struggle for their vital interests.

The new realities of the contemporary world are a serious challenge to the workers' movement, to all its parties, to communists and to social democrats. They force us to significantly reevaluate our values, to creatively reconceptualize changing reality in all its variety. But at the same time this reality is revealing new possibilities to the workers' movement, including the opportunity for cooperation and interaction among political parties which express an interest in doing this.

The noteworthy feature of the political situation in the 1980s in the capitalist world is the development of neo-conservatism. At first it seemed that an ebb would follow a flow. However, in contrast to numerous prognoses neo-conservatism has turned out to be extremely

tenacious. One of the reasons for this is the fact that it maintains its hold on the propeller of the technical revolution. A hard-line economic policy, although a heavy burden on the shoulders of the unfortunate strata of society, objectively meets the need of a thorough structural change in production. In its conservative form it is advantageous primarily to those circles of the monopolistic bourgeoisie which are involved in transnational corporations interested in weakening state control over the economy. Nevertheless, neo-conservatism stimulates economic growth and because of this it has to a greater or lesser degree materially won over (mostly to the detriment of its own not-yet realized long-term interests) a significant portion of the working class in the middle layers of society, who consistently vote for conservatives during elections.

A situation has developed in which a great social dissatisfaction is localized in the midst of the suffering minority, which comprises one-fourth or one-third of the able-bodied population and which occupies a defensive position—these are workers of branches and professions that are being squeezed out by technical progress, the unemployed, young people without a job, immigrants and so forth. At the same time, the dissatisfaction is partially mitigated through a system of social philanthropy and is often manifested not in radical sentiments but in political absenteeism, apathy, and a growth in populist, nationalist and chauvinistic attitudes that feed the right reaction.

Both the revolutionary current in the workers' movement, represented by communist parties, as well as the reform movement, which is related to the social democrats, turned out to be in a defensive position. We must admit that neither communists, nor social democrats, nor leftist forces as a whole have a clear and convincing alternative to the "conservative wave." In the situation that has developed the revolutionary and reform currents in the workers' movement have a common enemy—neo-conservatism—the advance of which must be stopped. For this we need a democratic alternative to the conservative variant for implementing the technological revolution. Before us is a difficult search for a realistic course to oppose the conservative reaction and to satisfy the interests of the workers' movement and the objective demands of the technological revolution.

For leftist forces there can be no simple return to old demands. The successes of social democrats during the 1960s and 1970s were to a large extent based on the reform strategies of the Keynesian persuasion. A return to the "welfare state" inspires few today. In the eyes of extensive strata of the working class and the middle strata it is identified with negative phenomena such as the bureaucratization of the state apparatus, increased taxes, the limitation on individual initiative and consumerism. In order to attract the majority of the population under contemporary conditions, leftist forces must tear a significant portion of the working class and the middle strata away from the conservatives. I feel that

in principle one of the SDPG theoreticians, P. Glotz, is correct when he writes: "Leftists must enter into a union with border strata of the conservative block instead of comparing their current programs with yesterday's."⁶

Leftist forces need an alternative program that is sufficiently extensive and flexible, synthesizing within itself the differentiated interests of the contemporary working class and middle strata, in other words most of society, which is oriented toward the loop it is already in on the spiral of technical and cultural progress of human society. The contours of such a program, which could become the bridgehead for cooperation among communists and social democrats in the struggle against neo-conservatism, are already being fleshed out to a certain degree. We are referring to demands being made by both communists and social democrats, such as:

- curtailing work time while maintaining wages. Growth in labor productivity resulting from technological changes makes the implementation of this demand not only possible but essential for the reproduction of the subject of the contemporary production process. This measure would enable us to mitigate the negative consequences of structural unemployment and to free up time to guarantee the fullness of an individual's life's activities;
- by using large capital and state resources to curtail the branching system of overqualification of the work force, which would allow us to provide employment for the people of those professions which are disappearing in the course of technical progress;
- the development of a system of social shock-absorption capable of mitigating the costs of the structural changes of public production and of easing the situation for marginal strata that have been pushed to the side of public life by technical processes;
- the reorientation of capital investments into the sphere of the social and spiritual infrastructure, into the development of culture, science, art, leisure, environmental conservation and so forth. Of course this kind of reorientation will demand certain political changes as well which would force large capital to make expenditures that from its point of view are non-productive;
- the demilitarization of the economy, the reconversion of military expenditures, the use of freed capital to deal with urgent global problems, the creation of prerequisites for a new world economic order that excludes neo-colonial forms of exploitation of developing countries and that provides them with the free selection of their own path of development;
- the prioritization of the spiritual values of contemporary civilization, having such values become more and more apparent in new social movements and capable of attracting to the political struggle those strata of the

population which are no longer satisfied with the striving for material prosperity. These values include: the dignity of the individual, a spiritual way of life, the striving toward self-expression, the desire to participate in solving all problems in the country's and in public life, and the development of self-directed initiatives. All of this reflects the new demands of those strata of the working class and the middle strata which are involved in progressive technologies and in primarily intellectual labor.

I feel that it is on this basis that an alternative platform of cooperation between communists and social democrats will gradually develop and be capable of unifying the majority of the population of the contemporary capitalist society. This kind of majority cannot be a homogeneous formation; we are referring to a unity of mutually-interacting but independent and original social groups (including mass democratic movements) which most clearly demonstrate a striving toward new values arising from the contemporary stage of social progress.

In the demands enumerated above we also find socialist goals liberated from sectarian strata that were continuously tied to the democratic traditions of the past, carrying within themselves the tendency toward social equality, social justice, democracy and self-government. Perestroika in the Soviet Union, being a direct extension of the Great October socialist revolution, reveals the humanistic nature, great potential and dynamism of socialism and its organic ties with democracy. In this way it provides material for creative searching in the process of developing alternative projects by leftist forces in capitalist countries.

The development of a leftist alternative and its implementation provides the scope for a constructive dialogue between communists and social democrats. It would be difficult to assume that there would be no difficulties, problems, mutual misunderstandings or harsh confrontations here. Communists and social democrats adhere to different and sometimes contradictory ideological views. They understand the path of the workers' movement toward socialist goals differently—one group supports the revolutionary path, the other hopes to implement socialist goals through reform methods. Their views differ considerably on socialist values. They understand democracy, its essence and criteria differently and differ considerably in their views on the rights of the individual.

These differences have come up today too. They have a long history and deep social roots tied to the very position of the working class in capitalist society. While being part of this society, the working class is also the bearer and prophet of the socialist structure; in struggling to better conditions regarding the sale of the work force within the framework of the capitalist system it at the same time is called upon to carry out a revolutionary struggle against this very system and for socialism. This is why it is not simple to eliminate the conflicts between the two currents in the workers' movement. Achieving

unity among its ranks is possible in the long-term historical future but it will require the accumulation and assimilation by the working class of a multi-faceted practical experience in social change in its various forms. How difficult this task is is understood by many social democratic ideologists. The renowned figure in the Labor Party of Great Britain, K. Kouts, for example writes: "No one will assert that the differences that have developed during the last 70 years between the socialist and communist parties will simply evaporate. Even differences between communists, who do not have such a long history, will be difficult to eliminate. But of course it is completely realistic to assert that we must begin discussions with each other as quickly as possible. Of course we must establish the following goal—to sit down at one common table with the entire socialist family. This must be done before the year 2000 if at least because if we do not do this capitalism may destroy our planet."⁷

Under contemporary circumstances the ideological conflict between the two currents in the workers' movement is unavoidable but it can and must be placed within a framework that meets the needs of the nuclear-space age. This is fairly discussed in the joint document of the SED Central Committee Academy of Social Sciences and the SDPG committee on basic values passed in August 1987. The disagreement on basic questions, states the document, "will continue, just as the clarification of where theory and practice diverge for a particular side will continue. The disagreement on such basic positions which are at opposite poles cannot be solved through compromise formulas or by calls to demonstrate the desire for peace. In addition, it would do no one any good to conceal these differences. But the disagreement on basic positions can become the element for the productive competition of systems if communists and social democrats respect the basic decisions of the other side and do not create the impression that the other side is the enemy, do not suspect it of improper motives, and do not intentionally distort and blacken its representatives."⁸

The quality of the dialogue and interaction of the two currents in the workers' movement must be raised to a level of historical responsibility for solving unprecedented problems that face man at the threshold of the 21st century. A constructive dialogue, retrospective critical analyses of the path that has been traveled, and the exchange of experience involving social and political activity promise new prospects in relations between communists and social democrats. Won't this result in the drawing closer of the two currents in the workers' movement and on many basic questions that separate them? Won't this be facilitated by the fact that today for communists the prospects for a transition toward socialism in developed capitalist countries is tied not simply to the coming to power of the working class but also to the development of an infrastructure of democratic self-government that is capable of opening up the creative potential of the working class and of other mass social strata? Won't this also be facilitated by the fact that for many social democrats prospects for reform are tied in with moving outside the framework of capitalism, with economic and social changes that would lend reform a radical character?

The dynamics of the historical process on the eve of two centuries requires truly enormous creative work on the part of the workers' movement, the generalization of new experience, the interpretation of current realities, and the reassessment of seemingly immutable truths. Theoretical thinking within the communist movement is seriously involved in this. It is carrying out an intensive search for true solutions to complex problems, having liberated itself from obsolete ideas and schemes from a different time and looking boldly at tomorrow. Similar processes are taking place within the social democratic movement. This was discussed at the ceremonial meeting in Moscow dedicated to the 70th anniversary of Great October by K. Sorsa, vice president of the Socialist International. "The Socialist International," he noted, "is an international organization of socialist and social democratic parties and it is in the process of critically rethinking the contemporary world and itself and is revitalizing its basic program."

There are big differences in the two currents of the workers' movement. But I would like to think that in the course of the daily search for answers to burning contemporary questions the hour will come when along the long path there will be a ray of hope for the unity of the workers' movement. The significance of this kind of unity is hard to overestimate. Its achievement would provide a great stimulus for social progress under conditions of a stable and consciously regulated peace, to which mankind will undoubtedly come if it finds the strength to eliminate the threat of unresolved contemporary global problems. It is in this direction that a historical meeting between the two currents of the workers' movement, which separated somewhere in the past, is possible.

Footnotes

1. PROBLEMY MIRA I SOTSIALIZMA, No 7, 1984, p 81.
2. L'UNITA, 13 Dec 87.
3. MEDIATUS, No 4, 1986, p 12.
4. V. I. Lenin. Complete Works, Vol 44, pp 303, 304-305.
5. See K. Marx and F. Engels, Works, Vol 46, Part 2, p 218.
6. P. Glotz. Manifest fur eine Neue Europaische Linke [Manifesto for a New European Left], Berlin, 1985, p 15.
7. 7 DAYS, 12 Dec 87.
8. NEUES DEUTSCHLAND, 28 Aug 87.

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"Mirovaya ekonomika i mezhdunarodnyye otnosheniya".
1988.

Lomeyko on 'Common European Home', U.S. Participation

*18120005 Moscow MOSCOW NEWS in English No 39
2-9 Oct 88 p 3*

[Article by Vladimir Lomeyko: "Building the European Home"]

[Text] I'm packing my bag to go to West Berlin on invitation from the European Academy. Discussions are due to start there around September 20 on problems of Soviet foreign policy, on glasnost and perestroika, with a group of American publishers and journalists from THE NEW YORK TIMES, THE WALL STREET JOURNAL and other papers. The letter inviting me stressed that I was to speak about the concept of the European home, allegedly "an aspect of Soviet foreign policy troubling the Americans". I've been asked to speak on this same subject at the Institute of World Politics and Economics in Hamburg in early October.

A discussion on the European home was held in Reineck castle in West Germany in May, and a couple of weeks ago the subject was taken up at a symposium in Moscow, convened by the West German Political Club together with the Soviet Committee for European Security and Cooperation.

These are only the most recent examples. Do they have anything in common? They do, and that is the great interest shown by our Western partners in the idea advanced by Mikhail Gorbachev. Among the many questions asked, there is one which constantly crops up: How will we live in the European home, and will we find room in it for the Americans?

Taking part in these discussions, one senses especially acutely that we have not always appraised fully and comprehensively the weight our words carry, the echoes they cause in the other, the Western world. It really is another world, first and foremost because of the totally different psychology behind its understanding of Moscow's proposals which, before reaching the ears and the consciousness of our Western partners, have to overcome quite a few barriers of guarded watchfulness, of mistrust.

To be quite frank, we've never given thought to their psychology of comprehending our initiatives, and to the necessity of a good feedback.

An echo, as a rule, distorts the initial sounds. Especially so in a political forest which, in the course of the pre- and postwar decades, has in many uncared-for spots turned into an inaccessibly dense tangle of mistrust. In such a forest not always does the echo respond to the call.

That is why we have to check and recheck—many times and all over the place—how they understood us, we have to tirelessly explain everything to our partners, invite them to jointly consider matters of mutual interest. And

especially now that the concept of the European home is forcing the Western public to sense the urgent necessity of an intensive dialogue on the ways of European development. The future of our continent will, to a considerable degree, depend on whether or not that part of the Europeans that are capable of thinking and functioning realize the priority of common human values over political and ideological differences.

Let's make an attempt to look at our common home through European eyes, of those who live there. What is needed to do that is a new European thinking, the essence of which is the realization of a European community, of the common European responsibility for guaranteeing a safer and more humane life on our continent.

The meaning of the concept of the European home has nothing to do with the creation of a united Europe as opposed to the USA, or isolated from the USA. For most Americans, too, Europe is the common home of their ancestors, and it is there in the Old World, that their historical and spiritual roots lie. Can one, in general, speak of Europe outside the framework of intensive ties with North America? We would only welcome the Americans' participation in the construction of the European home. After all, its architects, both in the East and in the West, want to make use of the existing potential of common European links, of the European community in the historical, cultural, economic and spiritual spheres in order to work out common approaches to the solution of common problems for the common goods.

Europe has advanced further in this respect than any other continent. It could well set an example for the whole world in working out a new strategy of survival and a new strategy of development along the road of greater security and greater humaneness.

The Old World needs new enlighteners for that, new politicians, new men of science and culture, who would be able to rise above the political and ideological passions of the day and perceive the horizons of a new Europe.

The task of our generation is not to make the morrow more difficult for our children and grandchildren but, as far as possible, to foresee the blind alleys economic development may lead us into, and to find ways to skirt them in good time. The most important thing in this respect is to avoid the production of new, destabilizing systems of armaments. That is the first thing. The second thing is to promote the creation of a new public consciousness, based not on a longing for the ever great satisfaction of man's insatiable requirements, but, on the contrary, on reasonable self-restraint in the interests of preserving an environment worthy of man. In that connection, the idea of Carl-Friedrich von Weizsacker, West German physicist and philosopher, brother of the FRG President, of "democratic ascetism" seems to me extremely important.

Life itself, and first and foremost man's environment, oblige him to change his habitual view of the world and of his place in it. The more carriers of the new consciousness there are, and the more new European enlighteners there will be, the more effective will be their united efforts to protect Nature, and the more rapidly will the public's eyes be opened.

...The mass death of seals in the North and Baltic seas, caused by the pollution of the water, is a sign of global trouble and a warning to man. Can it be that in the 21st century Europeans won't see any live seals? I'm quite sure that that, too, is part of the question of how we will live in our common home—today and tomorrow.

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Roundtable Discusses Socialist Inflationary Process

18200011 Moscow *EKONOMICHESKAYA GAZETA* in Russian No 37, Sep 88 pp 8-9

[Report on meeting of the "Debate Club" by T. Valovaya and M. Panova: "Inflationary Process: Causes, Forms, and Ways of Regulation"]

[Text] Today, when we are engaged in an open talk about the ways and problems of implementation of the radical economic reform and renewal of the forms of economic life, there is a need for an all-around weighed approach to an analysis of the causes leading the national economy to the verge of an economic crisis and to a disruption in the country's financial status. An objective investigation of the essence and manifestations of the inflationary process and of the possibilities of regulating it is needed. Economic scientists from the Soviet Union, Poland, and Hungary took part in a discussion of these problems in the "Debate Club of *EKONOMICHESKAYA GAZETA*."

Many-sided Image of Inflation

K. Mikulski, corresponding member of the USSR Academy of Sciences:

The inflationary process in the socialist economy has open and hidden forms. Under the conditions of centralized price regulation, first of all, hidden forms have made themselves felt. The meager selection of goods on counters in stores, while the population has money available, has become their most graphic manifestation. The "washing away" of the cheap assortment and its replacement with expensive goods not always of a better quality is also characteristic. Lowering the quality without fixing the price is, perhaps, the most widespread form of manifestation of this hidden inflation. The shortage of means of production is another of its forms. In this case the money in enterprise accounts is devalued to a certain extent.

The imbalance of the mass of commodities and the mass of money attests to the imperfection of the structure of public production. Thus, noncorrespondence of the structure of supply to the structure of demand, not only a global excess of the mass of money over the mass of commodities, is the source of inflation.

A rise in prices is also characteristic of other countries. The following question arises: Is inflation in some of its aspects not a worldwide process determined by the characteristic features of economic growth at the present stage? I believe that it is. Several characteristics of the present type of scientific and technical progress, the dynamics of expenditures on manpower reproduction, and so forth are reflected here. The value basis for the price also changes. For example, interests in meeting new needs can give rise to a tendency toward an outstripping

growth of socially necessary expenditures as compared with actual average sectorial ones. One of the incentives for the renovation of products, but also... the urge to raise prices, lies in this.

G. Aristov, senior scientific associate at the Institute of Economics of the World Socialist System of the USSR Academy of Sciences:

The rise in prices is the consequence, not the cause, of inflation. Noncorrespondence of the mass of money and the mass of commodities and of effective demand and the possibilities for its material provision gives rise to it. Of course, these causes have their causes... I believe that, first of all, the economic expenditure mechanism leads to the overfilling of channels of circulation with the mass of money, which causes a rise in prices. Unsatisfied demand, speculation, "shady economy," and the "black" market with its high prices also attest to hidden forms of inflation.

P. Serbin (Hungarian People's Republic), senior scientific associate at the International Scientific Research Institute of Problems of Management:

I believe that the main causes of inflation lie in the economic expenditure mechanism, low efficiency of management, and weak use of commodity-money relationships. Let us turn to Hungary's experience. When in the 1960's and the beginning of the 1970's the country experienced the so-called "golden season" of economic development, the rapid economic growth was accompanied by an improvement in the population's well-being and a low level of retail prices. Their annual increase of 1 to 1.5 percent was a stimulating factor for the entire economy. However, qualitative changes occurred in the middle of the 1970's and, especially, in the 1980's. The rate of economic growth slowed down markedly, economic efficiency declined, and the external and internal equilibrium was disrupted significantly. This caused an expansion of the inflationary process. In 1987 the real wages of workers and employees were 13 percent lower than in 1980 and the annual rise in retail prices made up 7 to 9 percent. It is expected that in 1988 the total level of retail prices will rise by another 15 percent. What are the prospects? Big hopes for overcoming the inflationary process are connected with the governmental program for stabilizing the country's economy adopted last year.

Comments by *EKONOMICHESKAYA GAZETA*

One can agree that inflation is not only a rise in prices. When money cannot be realized owing to the poor satisfaction of demand, it is devaluated to one degree or another. This is indisputable. However, this is a too obvious and very simplified interpretation of causes and the consequence. It is important to uncover the conditions that have created such a situation. First of all, it is necessary to examine what role the previous economic expenditure mechanism played in this process. For example, the unearned wages paid as a result of the triumph of

unwarranted wage leveling and setting of unwarranted pay and bonus levels, as well as owing to various kinds of over-reporting of performance, can be mentioned. And the economic consequences of the "late completion of projects"? Vast funds were spent on incomplete projects, which did not work for the national economy for a long time.

Let us also recall something else. Essentially, thus far we did not have another possibility of spending money except on the purchase of goods and services, about the shortage of which much has already been said. However, there are also such functions of money as saving and accumulation. They are not contraindicated to socialism and can be activated. Now enterprises and cooperatives can create commercial banks and issue shares.

The subject of the effect of the expenditure mechanism and of the reproduction aspects of inflation touched upon in the discussion seems also effective.

Basic Sources

A. Deryabin, head of a sector at the Institute of Economics of the USSR Academy of Sciences:

In my opinion, the sharp divergence in value and material-physical proportions is the basic cause for us. "Surplus money" not having a real material coverage appears in this way. A shortage of consumer goods arises and, whether we want this or not, retail prices inevitably begin to rise.

The redistribution of income in favor of population groups with a high level of effective demand intensifies inflation. An accelerated development of the service sphere associated with an outstripping growth of wages in this sphere should also be noted.

R. Helinski (Polish People's Republic), senior scientific associate at the International Scientific Research Institute of Management Problems:

I agree that the connection between inflation and wage dynamics should not be overlooked. I have in mind the different dynamics of piece-rate wages and wages paid on the basis of fixed salaries. For workers with a piece-rate or bonus system of wages their level increases with labor productivity growth. However, when it is necessary to raise the wage level of workers with fixed salaries, additional monetary payments do not always rise to the extent of the increase in produced products and rendered services.

Up to 3 percent of the annual increase in the national income must be assigned for this kind of rise in wages. Its usual increase is 3.5 to 4 percent. Since we are unable to give up capital investments in the economy and other expenditures, including for social needs, the contradictions arising here are resolved by a rise in prices. Essentially, through a rise in prices we withdraw part of

the increased wages in order to balance income with the real possibilities of ensuring it. Of course, high rates of growth of the national income make it possible to give up such a path.

There is also a second source of inflation with especially unfavorable consequences. It is a matter of a delay in the urgent restructuring of the economy. The need for it arises not only under the effect of current national economic needs, but also of the tendencies in the development of productive forces brought about by the scientific and technical revolution. One can agree with the opinion expressed here that inflation has a causal relationship with worldwide processes.

Opinion of EKONOMICHESKAYA GAZETA:

Naturally, it is erroneous to think that any restructuring of the economy necessarily leads to an outbreak of the inflationary process.

R. Helinski:

In fact, this does not happen always, only when restructuring is dragging out unjustifiably. Here is a concrete example. For years with the help of subsidies we have maintained low retail food prices. As a result, an inefficient structure of public production is preserved and agriculture is not developing at the necessary rates. Sooner or later we encounter the need to improve the economic situation and to get away from ineffective subsidy payments. Prices have to be raised by 30 to 35 percent and sometimes even by 100 percent at one stroke. This is not a painless solution from the social aspect.

G. Aristov:

I want to emphasize once again the importance of the radical economic reform. The previous economic mechanism was oriented with all its parameters toward inflationary growth. The sources of economic growth based on an increase in expenditures on an extensive foundation inevitably led to a rise in the mass of money and prices. If we had not created a fundamentally new economic antiexpenditure mechanism, inflation would have pursued us for an indefinite, long time. Therefore, it is so important not to drag out the restructuring of the economic mechanism.

I hope—our Polish colleagues will agree with me—that Poland's experience shows this. In 1982, when a rise in prices occurred there, the attainment of a balance of the mass of commodities and the mass of money was envisaged. Today, however, a price rise is again on the agenda. In my opinion, the reason is that a fundamentally new economic mechanism has not been created. This problem is being solved in Poland now, in the course of the second stage in the economic reform.

Is the Situation Controllable?

Ya. Liberman, professor at the Moscow State Correspondence Pedagogical Institute:

I believe that inflation should be regarded with complete calm. It should not be dramatized. This is a normal phenomenon inherent in paper money circulation. True, when the inflationary process becomes uncontrollable, it leads to negative consequences. I assume that inflation was dangerous for us during the years of stagnation, when it was ignored in economic decisions and when speculation intensified and the "black" market was activated.

Today, however, under the conditions of radical transformations in the economy, a fundamentally new market is being formed. It gives an outlet for this surplus of money, which the population has. In other words, controllable inflation does not represent a danger and can be utilized in society's interests.

B. Atobayev, head of a department at the Ashkhabad Institute of the National Economy:

It is absolutely impossible to agree with this. By means of moderate inflation, in fact, it is possible to preserve a very shaky equilibrium of the market. However, even a small deviation from it instantly leads either to the most severe shortage, because demand pending a further devaluation of money is maximally stepped-up, or to the development of moderate inflation into hyperinflation.

Inflation necessarily leads to a sharp deterioration in the conditions of production development. For example, in connection with the rise in prices of equipment depreciation sums are insufficient to renew or at least to restore worn out productive capital at the optimum time. The possibilities of capital investments for new construction are also worsened. Ultimately, in the absence of some reserves of manpower, capacities, and raw materials there is a slowdown in the development and even stagnation of production. Let us take social consequences. The consumer, and especially the economically weak consumer, is the first to feel inflationary processes.

Z. Grabovski (Polish People's Republic), senior scientific associate at the International Institute of Economic Problems of the World Socialist System:

In the course of our discussion it is quite permissible to understand inflation as the devaluation of money—not simultaneous, but representing a continuous process, with which we are precisely dealing at this moment. Such an approach makes it possible to take into account both the quantitative and the qualitative aspect of the process. The quantitative aspect, when the devaluation of money is expressed in a rise in prices and qualitative, when, formally, there is no rise in prices, but, even having

money, it is impossible to meet one's needs. In Poland people even say: "It is not enough to have Mr Money, Comrade Limit is also necessary."

However, the general causes of inflation lie in the fact that society wants to distribute and consume more than it produces. This can be connected with excessive budget expenditures, capital investments, expenditures in the nonproduction sphere, and material production. Such causes of the inflationary process, its factors, manifestations, and consequences were profoundly discussed in the Soviet economic literature in the 1920's, in particular in the works of economist Novozhilov.

I share the view that the previous economic mechanism gave rise to inflation "with all its parameters," primarily with all its ineffectiveness. Of course, the new economic mechanism is a radical remedy against inflation. However, if we talk about Poland, it is important to remember that in many features Polish inflation is unique.

First of all, we cannot forget the political and economic events of the end of the 1970's and the beginning of the 1980's. At that time in 4 years the national income dropped by more than 20 percent. Under the pressure of political demands the population's monetary income grew by 160 to 170 percent. The race for income and prices of consumer goods broke out.

To this day per-capita consumption has not reached the 1978 level. This produces a strong pressure on an increase in income without connection with the results of labor. Finally, the inflationary process in Poland is connected with a big foreign debt. Owing to this, as of 1982 the national income used for consumption and accumulation is much lower than the produced one, which narrows the possibility for a balanced economic development.

Question from the hall:

People say that it is not bad to have a bit of inflation. Sometimes the only possibility of efficiently stimulating the worker for labor productivity growth is seen in the "price-income" race. Is this so?

R. Helinski:

Stimulation by means of inflation is possible only with its low level. However, when it is measured in two- and three-digit values, such steps no longer exist. In this case, as Poland's experience shows, inflation can hardly be kept within acceptable limits.

B. Myasoyedov, head of the editorial department of the Ekonomika Publishing House:

I would like to support the idea of the need to turn to the scientific legacy of the 1920's. For example, A. Chayanov's works contain useful research on the budget of peasant farms. As it seems to me, sources of inflation are

hidden somewhere at the turning point between the income received and its use. Therefore, it is necessary to study the budget of the worker, the kolkhoz member, and the employee, which will make it possible to see how the structure and level of consumption, needs, and effective demand change.

Many interesting things in matters of overcoming "discrepancies" in prices, which arose in the 1920's between prices of industrial and agricultural goods, are contained in F. Dzerzhinskiy's works. An indication toward a connection between the growth of the managerial apparatus and nonproduction expenses can be found in N. Bukharin. Their growth heats up inflation.

Comments by EKONOMICHESKAYA GAZETA:

Ultimately, the imperfection of the economic mechanism appears as the fundamental source of inflationary phenomena. The effect of departmental monopolism can be added to the above-stated. This factor in economic terms has not yet been analyzed properly. We know, however, that often a department imposes on society expensive and inefficient plans for economic construction, which only worsen the economic situation and lead to the growth of the mass of money both among enterprises and the population without the necessary commodity coverage. Furthermore, departments, using their monopoly position, often solve problems at the consumer's expense and raise the price of products without the necessary improvement in quality.

It is hardly possible to agree with the opinion that stable causes of inflation can include a periodic rise in wages for workers whose labor is remunerated with fixed salaries. In the Soviet Union and in other socialist countries there were long periods, when the stability of fixed salaries was observed. However, this did not pay a significant role in limiting inflationary tendencies.

Finally, the reproduction approach to the analysis of inflation seems especially important for balancing the economy.

How To Improve Money Circulation

V. Shprygin, head of a department at the Scientific Research Institute of Prices of the USSR State Committee on Prices:

I cannot agree with economists who consider inflation inevitable. There is an impending doom in such a statement. Inflation is an economic phenomenon, a process, which we must learn to control. Its causes lie not so much in the shortcomings in price formation as in the general shortcomings in management. Prices are only a mirror of these shortcomings.

The restructuring of the economy should improve its balance and ensure an accelerated development of sectors connected with meeting man's needs. It is also

necessary to systematically pay wages to workers according to final results in close connection with the cost-accounting income of the enterprise. Effective state control over price dynamics and establishment of a closer dependence between the price level and the growth of consumer properties of products also should contribute to the restraint of inflation.

Yu. Kashin, doctor of economic sciences:

I also do not agree with the way the question of the inevitability of inflation under socialism is put. In principle, socialism is capable of controlling in a planned manner factors ensuring a commodity-money reproduction balance. It is well known that V. I. Lenin considered inflation the worse type of taxation.

If we talk about the possible methods of normalizing the money turnover now, in my opinion, it should be a matter of price and money reforms mutually supplementing each other. Each reform has its own "pros" and "cons." However, only in unity and, above all, with the preparation of appropriate conditions is it possible to attain success. It seems that a price reform alone will not solve the problem.

V. Ivanter, head of a laboratory at the Institute of Economics and Forecasting of Scientific and Technical Progress of the USSR Academy of Sciences:

There are two methods of stifling inflation. The first is to adopt economic measures to improve the situation and the second, to hide the true movement of prices, income, and money with administrative actions. We have resorted more often to the second. Figuratively speaking, for many years we have shaken "thermometers," which have shown unhealthy commodity-money relationships. As a result, we have arrived at a state of a gross imbalance between the mass of commodities and the mass of money. I agree with the opinion heard that this process is fraught with the danger of a reduction in incentives for labor.

Of course, I would very much want to begin "life over again" and "to chop off" the surplus mass of money accumulated among the population in production and nonproduction spheres. This is the legacy of the period of stagnation. But how do we do this?

N. Petrakov, corresponding member of the USSR Academy of Sciences:

The success of economic restructuring depends to a decisive degree on an improvement in our monetary system in the shortest time. Economic methods of management in a disorganized monetary economy will skid constantly.

What, in my opinion, is it necessary to undertake right away? First, to improve enterprise finances and to fight against the producer's monopoly.

Second, the system of measures for diverting the available mass of money from current demand should be realized urgently. For example, the interest on time deposits could be increased substantially and the sale of apartments could be expanded, removing administrative restrictions on the purchase of additional housing.

Third, finally, it is necessary to establish in practice the closest relationship between wages and final results. Low quality, rejects, and the impossibility of selling products should inevitably lead to a reduction in basic earnings, not only in bonuses. After all, wages received for the output of unnecessary products in their social nature represent legalized unearned income.

Fourth, it is necessary to enlist the population's funds more boldly and on a wide scale in the sphere of cooperative—and not only cooperative—production. State enterprises can also issue shares and distribute them among members of labor collectives.

V. Ivanter:

It seems to me that today we reap the fruits of the incorrect concept of correlation of prices, income, and state subsidies, to which the economic theory has contributed. It is established that, for example, high costs of agricultural products and low prices of foodstuffs give rise to state subsidies. In order to get away from them, it is necessary to raise prices, partially compensating for this with an increase in income.

The evaluation of the situation should be approached from another point of view. Historically, it turned out that low wages forced us to keep food prices at a low level. The low prices of agricultural products in our country, as before, point to the cheapness of labor, have a tinge of charity, and are not directly connected with concrete results of labor.

I see the way out in a differentiated increase in monetary income with due regard for the quantity and quality of labor with a simultaneous rise in prices. Precisely this makes it possible to attain the desired balance in the economy. At the same time, there is a change both in the structure of prices owing to a substantiated reflection of expenditures and accumulations in them and in the structure of consumer demand.

K. Mikulski:

It seems that V. Ivanter, examining the interconnected movement of prices, money, and income, has arrived at a definition of inflation more fruitful for the formation of a real economic policy. The abolition of subsidies, in fact, can solve very few, perhaps not main, problems and, possibly, can aggravate some. If, however, we give an equal compensation for an increase in retail food prices to all population categories, as was done in

Poland, we will intensify the tendencies toward leveled wages. A justified differentiation of income will be reduced, which is also not desirable.

Z. Grabovski:

Not any rise in prices is inflation. A race of prices and income and their jacking up spiral after spiral is its characteristic feature. For comparison I would use the concept of "stadium effect." When something interesting happens at the gate on the field of an overcrowded stadium, the first row of fans rises in order to see better. Other rows rise after it. And everyone sees as poorly as before. Before this at least everyone sat, but now people are forced to stand.

That is why the race of prices and income is dangerous: It worsens the economic situation. The chief things that we need today are economically substantiated prices corresponding in their level and structure to the value of goods and elastically changing on the heels of the movement of supply and demand.

K. Mikulski:

I think that the exchange of views was quite interesting. It is possible to establish a significant coincidence of views in the fact that it is necessary to approach the study of inflation in a multifaceted manner and to take into consideration all the aspects of this process, especially hidden inflation, not underestimating its negative consequences. Obviously, it is necessary to see in inflation a process, which, although is determined by objective factors to a certain degree, is caused primarily by shortcomings in the economic mechanism and in economic policy. We should think about the adoption of some effective measures for a decisive reduction in inflation so that it may not deform our economic and social life.

**Some Conclusions of EKONOMICHESKAYA
GAZETA:**

For a successful implementation of the radical economic reform, apparently, it is impossible to postpone a frank, calm, and business-like talk about the problems of the inflationary process. This is especially necessary in view of the forthcoming price reform, which will encompass the entire price economy. The theoretical approach will make it possible to find the correct solution in the interests of all society and the population and to avoid the unnecessary hullabaloo, which at times occurs during an examination of the problem of the "fates" of retail prices. The problem of raising or lowering retail food prices should be examined in close connection with the problem of how to eliminate the effect of the accumulated vast surplus masses of money and how to withdraw them from circulation. This problem is highly complex. It is clear that the set of measures to improve money circulation should encompass prices, income, and production and ensure a restructuring of the economy and its dynamic balance. With a balanced economy and an efficiently operating

economic mechanism there is no room for inflation. Of course, this first discussion of the problem within the narrow circle of specialist scientists could not give specific formulas for action, nor did we strive for this. However, we

hope that the reader received a great deal of information for thought and that the basis for a further discussion was laid down.

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Tajik Minister Alleges VOA Misrepresentation of Nationality, Afghan Relations

18300359 Dushanbe KOMMUNIST TADZHIKISTANA in Russian 5 Jul 88 p 2

[Article by TADZHIKTA correspondent entitled: "The 'Voice of America' Distorts... on the Fronts of the Ideological Struggle"]

[Text] Once again the organ of the Washington Administration, the Voice of America, appeared in the role of a purveyor of disinformation. True to its custom of sticking its nose into the internal affairs of other peoples the radio station this time is trying to drive a wedge into the relations between two fraternal Soviet republics—Tajikistan and Uzbekistan. There is no other way to interpret the recent broadcast that was compiled from materials gathered during a journey to Central Asia by the VOA correspondent Jolion Neygel.

"The radio journalists visited our republic too," the Minister of Culture of the Tajik SSR, N.T. Tabarov said. "Since the guests displayed special interest in the cultural life of the Tajik people, I talked with them in order to give full and objective information. The conversation was frank, in the spirit of glasnost and did not sidestep controversial topics."

The Americans responded in a peculiar way to the hospitality and sincerity. This is how their conversation with the minister was reflected in the VOA program now being transmitted in several languages of the peoples of the USSR:

"Nur Tabarov says that he wants to correct injustices arising from excesses of the nationality policy in Uzbekistan in the time of Sharaf Rashidov." Such a strident introduction anticipates the part of the radio program in which the discussion about problems in relations between the Tajiks and Uzbeks was related. It gives the impression that the Tajik minister takes it upon himself to establish order in a neighboring sovereign republic.

"What we have here is an open attempt to damage the process that has begun of settling jointly the problems left over from the period of stagnation in the relations of two fraternal peoples - the Tajiks and Uzbeks," Nur Tabarovich Tabarov states. "I think that it is no accident that this broadcast went on the air at the same time as the

visit to Tajikistan of a representative delegation of party and governmental leaders from Uzbekistan that took place recently. I am not just talking about journalistic ethics: words were put in my mouth that I did not say. In the final analysis an unsuitable objective was achieved by unworthy means, by distorting facts."

The Voice of America would not be itself if it did not find a way to cram into the same broadcast such a large subject as the Afghan problem and again in a tendentious light:

"The Minister (N. Tabarov) said that the population of Tajikistan expressed dissatisfaction with regard to the intervention of Soviet troops in Afghanistan, and young people do not want to serve in the army there in particular."

And this is what N. Tabarov himself says in this regard:

"When our conversation was already over the Americans requested permission to ask a 'provocative,' as they called it, question about the attitude of Soviet people to the events in Afghanistan. Naturally I responded with what I think and know: our people regard the friendly Afghan people sympathetically and have always considered the introduction of Soviet troops into a neighboring country as an act of international assistance. In this regard I noted that of course it is painful for parents and close relatives to learn of the death or wounding of their sons in combat operations. After all, these are completely natural feelings, and one can understand them from a purely humanitarian standpoint. One has to be physically and morally deaf, however, to draw the conclusion that was attributed to me by the American correspondents."

"I recall that when they came to ask for a meeting the American journalists promised that their material would promote the strengthening of trust between the peoples of the USSR and the USA. I in turn, as a former colleague, expressed the hope for an objective treatment of our conversation and said that otherwise I would have to answer them. Well that is the way it turned out. It seems that the foreign slanderers have their own interpretation of Soviet glasnost, using it for selfish and unscrupulous objectives," Nur Tabarovich Tabarov said in conclusion.

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West European Countries in SDI and Eureka Programs

18160100a Moscow MIROVAYA EKONOMIKA I
MEZHDUNARODNYYE OTNOSHENIYA in Russian
No 2, Feb 88 pp 129-135

[R. Shchenin, A. Khlystov report on MEMO roundtable discussion]

[Text] On the initiative on the Center for West European Studies a discussion took place in the USSR Academy of Sciences IMEMO of the first results of West European countries' participation in the American "Strategic Defense Initiative" (SDI) program and realization of the Eureka regional S&T cooperation program. Specialists from the IMEMO, the USSR Academy of Sciences United States and Canada Institute (ISKAN), Moscow State University, the USSR State Committee for Science and Technology (GKNT), the USSR Permanent CEMA Delegation, the CEMA International Institute of Economic Problems of the World Socialist System (MIEP MSS), the USSR Gosplan Comprehensive Transport Problems Institute (IKTP), the USSR Academy of Sciences Space Research Institute (IKI) and a number of other institutes and field organizations took part in the discussion.

Opening the discussion, Doctor of Economic Sciences V. Shenayev proposed dwelling on an analysis of the factors which prompted West European government and business circles to participate in the SDI and answering the following questions. In what do West European interests coincide with American interests and in what do they differ? Has the United States achieved the political, military-strategic and economic goals which it linked to the enlistment of West European countries in the SDI program? Have West European firms' hopes of acquiring the latest S&T knowhow and techniques been justified? What are the prospects of realization of SDI program agreements?

The question of the "European Defense Initiative" (EDI) concept was brought up for discussion also. The participants had the job of determining its essence and connection with the SDI. Finally, it was important to assess the opportunities of the peace forces in West Europe for supporting the initiatives of the Soviet Union and the socialist community aimed at easing international tension, disarmament and the development of multilateral cooperation in Europe.

Debate on the political and economic aspects of West European countries' participation in the SDI then began.

The main aims pursued by the top military and political leadership of the United States in enlisting West Europe in the SDI, Candidate of Economic Sciences R. Shchenin (IMEMO) believes, were strengthening the unity of members of the North Atlantic alliance; associating with the SDI program the firms of countries which are not NATO members; taking advantage of the S&T potential

of West European states. Aligning themselves with the SDI, these countries aspired to preserve the existing military and political ties to the leader of NATO and consolidate their positions in the bloc, enhance their S&T level and secure participation in the possible production of components of a future ABM system.

Certain data characterizing the scale of different countries' participation in realization of the SDI program were adduced. Specifically, in Great Britain firms and research institutions may participate in the SDI in 18 areas of research. In the FRG a desire to participate in the SDI has been declared by hundreds of firms, but 30 of them approximately have realistic opportunities. In the period 1986-1992 they will at best obtain contracts worth a sum total of \$50-80 million. In Italy firms interested in the SDI have formed a special consortium, whose nucleus is composed of Agusta, Breda meccanica, Electronica, Galileo Marconi Italiana and others.

West European firms' hopes of acquiring the latest S&T knowhow and techniques and also obtaining big profits have yet to be justified. The countries of the region contemplate winning prior to 1992 SDI contracts worth \$3 billion, that is, 10 percent of the sum total of outlays on the entire program in the said period. But competent Western experts believe that in reality they will obtain no more than \$300 million. The association of West European countries with the SDI at the government level will most likely be confined to the above-mentioned Great Britain, the FRG and Italy.

Doctor of Historical Sciences Yu. Rubinskiy (IMEMO) emphasized that appreciable changes have occurred in West European countries' positions in the period since proclamation of the SDI program. The first reaction was negative, but the U.S. Administration succeeded in changing the minds of the governments of these countries, intimidating them with the idea of severe S&T lagging. The results of the first year of participation in the SDI have disappointed the West European countries economically and financially. The political results, on the other hand, are evaluated by their governments as propitious.

In the opinion of Doctor of Historical Sciences A. Arbatov (IMEMO), the decision concerning the attachment of West European countries to the SDI was basically of a political nature. The United States managed to make this program a kind of "test of the solidarity" of the allies and prove to them the "soundness" of its foreign policy course. All this was buttressed by promises to afford the United States' allies access to progressive American technology with outlets to the civilian sphere of research and production. That when joining the SDI program the United States' allies made a number of essential stipulations, including those concerning non-violation of the Soviet-American ABM Treaty, calls attention to itself.

The speeches of Doctor of Historical Sciences D. Melamid (IMEMO), Candidate of Historical Sciences A. Likhotal, Candidate of Technical Sciences B. Antonyuk (GKNT), Candidate of Historical Sciences G. Sturua (IMEMO), Candidate of Economic Sciences A. Savelyev (IMEMO), A. Pikayev (IMEMO) and others analyzed the points of concurrence and divergence of the interests of the United States and West Europe in respect of the SDI.

The United States' West European NATO allies evaluate the problems associated with the SDI through the prism of ensuring an East-West balance of forces whereby the high dependability of American "security guarantees" is achieved. The duplicity of their position amounts to the fact that while displaying alarm in connection with the danger of an arms race in space they are nonetheless remaining loyal to their senior partner.

In the long term West European countries see the SDI as a program whose results it is impossible to predict. They see as its main danger the possible undermining of the process of the limitation and reduction of nuclear arms and the corresponding ABM limitation accords.

The West European countries' positions in respect of the SDI vary greatly. The aspirations of different political forces are contradictory also. Washington sorely needs the allies' political support. The R. Reagan administration now has the long-awaited opportunity to refer to this support to obtain resources for the SDI from Congress. But only time will tell whether the "deal of the century" will remain good and to what consequences it will lead from the viewpoint of the future of West Europe and the stability of transatlantic relations.

Economic and S&T aspects of West Europe's participation in the SDI were analyzed in detail in the course of the discussion. The speeches of Doctor of Economic Sciences A. Grigoryev (IMEMO), Candidate of Economic Sciences R. Gumen (GKNT), Candidate of Economic Sciences N. Krichigina (IMEMO), Candidate of Technical Sciences B. Komzin (IMEMO), Candidate of Economic Sciences V. Korovkin (IMEMO) and others analyzed and contrasted the interests of the United States and West European countries in the performance of joint R&D in respect of the SDI program and evaluated the consequences of such cooperation.

The sphere of the greatest concurrence of the interests of militarist circles of the United States and West Europe is application of results of SDI program research for the creation of new arms systems. However, the support for this program in West Europe is determined not only by military-political and military-strategic considerations but also interests of economic and S&T development. The managers of West European research centers and firms manufacturing science-intensive products are hoping thanks to SDI contracts to obtain additional

resources for research work. Participation in the program, they believe, will permit their introduction to the latest S&T achievements and emergence on the American science-intensive product market.

For its part, the United States is attempting to make use of the S&T potential of West European firms. The choice of concept of a future ABM system may be based only on the specific developments and actual possibilities of the firms in production of the requisite components. Whence the American leadership's interest in the speediest acquisition of ideas and the maximum use of the potential at the allies' disposal. The SDI program may also be used by the United States as a more subtle instrument of increased technology and export control of the potentially promising S&T activity of West European competitors.

As Candidate of Economic Sciences V. Presnyakov (IMEMO) observed, SDI contracts are as yet few, but they are being realized on the crest of S&T progress. Leading firms—the weapons "smithies" in the West European region—are being attracted to them. The stipulation contained in the model "memoranda of understanding" according to which all contentious issues pertaining to technology transfer will be settled in accordance with current U.S. legislation could in the future be highly inconvenient for the West European countries.

SDI program projects are only just being developed. A preliminary study of various military-technical aspects of the problem is under way. For this reason the speakers' assessments applied only to the initial period of individual West European countries' participation in the SDI.

As Doctor of Economic Sciences A. Shein (Moscow State University) said in his speech, Great Britain's position in respect of the SDI can only be understood in the overall context of Anglo-American relations. Importance is undoubtedly attached to the military-political course of the Conservative government, which is leading the country in the wake of the policy of the senior partner. The close relationship of the military-industrial complexes of the United States and Great Britain and also the intensification of the international nature of military business operate in this same direction. A change in Great Britain's policy in respect of the SDI is not to be expected.

In the opinion of M. Bogdanov (the newspaper SOTSIALISTICHESKAYA INDUSTRIYA), from the moment of inception of the American SDI concept in 1983 through the present Great Britain has occupied a dual position in respect of it. On the one hand it fears that the program, having undermined the 1972 treaty limiting ABM systems, will undermine strategic stability and strike irreparably at the nuclear arms control process. On the other, the Conservative government proceeds from the fact that realization of the program without West Europe would intensify its technology lag. Participation

in SDI research, however, will, London hopes, afford access to the latest American technology. As a whole, Great Britain's position in respect of the American space plans remains guarded, at least. The British leadership is opposed to the "broad" interpretation of the ABM Treaty and emphasizes that British participation in the SDI is confined exclusively to the research stage.

As follows from the speech of Candidate of Economic Sciences V. Varnavskiy (IMEMO), a nucleus of the industrial firms which undoubtedly support the SDI and which have potential, and in some cases, actual opportunities for winning orders is visible in the FRG. In speaking of the impact of the SDI on the country's economic development it needs to be borne in mind that the SDI is intensifying the activity of military-industrial firms and contributing to the elimination of logjams in the military sectors.

The opinion prevails in military-political circles in France, Candidate of Historical Sciences A. Chervyakov (IMEMO) observed, that realization of the SDI in full, like the adoption of retaliatory measures, would call in question the country's entire existing security system. The sixth program of development of the armed forces for 1987-1991, adopted in the spring of 1987, is geared both to a qualitative upgrading of and quantitative increase in the national nuclear potential. It is obvious that France intends exerting the maximum effort to multiply its nuclear potential and preserve and strengthen its positions of third nuclear power.

The essence of Spain's position, A. Landabaso (IMEMO) believes, is primarily the fact that its government advocates compliance with the provisions of the Soviet-American ABM Treaty. It considers also that a space-based ABM system must in no event be deployed until the possibilities of negotiations are exhausted. The government has no intention of consenting to an agreement with the United States like that concluded by the FRG and Great Britain. At the same time it permits the participation in the SDI of private firms.

The countries of NATO's southern flank (Greece, Turkey), Candidate of Historical Sciences S. Andreyev (IMEMO) said, lack the technological possibilities for active participation in the SDI. Nonetheless, their political support for this program and its counterpart—the EDI—are of particular significance. After all, the center of gravity of the American military infrastructure in the Mediterranean pertains to these countries. In addition, purely technically the system to whose creation the SDI is geared will need tracking and reconnaissance stations on the territory of Greece, Turkey and Cyprus. And, finally, from the political viewpoint support for the SDI by the governments of South European countries is extremely important for the United States in view of the fact that this is the weakest, most unstable flank of NATO.

Despite the appreciable differentiation of foreign policy courses, the approaches to the SDI program which were adopted originally have been preserved in the North European countries, in the assessment of Candidate of Historical Sciences K. Voronov (IMEMO). Given the present alignment of domestic political forces, some retreat from the refusal to support the program recorded in 1986 at the Social Democratic Labor Party congress can hardly be expected in Sweden, for example. A negative position in respect of the SDI has been occupied by Finland. Denmark is opposed to the deployment of arms in space and participation in R&D into space-based arms. Norway was one of the first NATO countries to declare its negative attitude toward the SDI. However, this approach has under different cabinets been suffused with varying content. As a whole, the northern NATO members tacitly approve bloc resolutions which without mentioning the SDI support the basic provisions of the Soviet-American ABM Treaty and draw a distinction between civil and military R&D in space.

The roundtable participants discussed the essence and focus of the EDI concept. As Doctor of Historical Sciences A. Kalyadin (IMEMO), Candidate of Historical Sciences G. Kolosov (IMEMO) and others maintain, individual propositions of this concept may be interpreted variously. Whence the contradictoriness and ambiguity of the assessments thereof both in the United States and in West European countries. Some "Euro-peist" politicians of the West have discerned in the EDI an aspiration to complete the creation of a system of West European military-political cooperation, achieve greater independence and enhance the military-political role of West Europe. Such an approach, however, has not gained appreciable support in NATO and has been greeted very guardedly by representatives of the U.S. Administration.

The participants in the discussion concluded that a regional ABM system which would protect the West European region in the event of a nuclear conflict cannot as yet be discerned even theoretically. Furthermore, Candidate of Historical Sciences Yu. Kostko (IMEMO) added, even a conflict involving the use of conventional weapons in densely populated Europe with its tremendous number of facilities of increased danger (nuclear powers stations, radiochemical and chemical enterprises and so forth) could lead to a catastrophe whose consequences are hard to predict. The way to the sure protection of the region against nuclear and other weapons may lie not via an EDI but only via the creation of a system of international, including European, security and by way of a reduction in and the elimination of weapons of mass annihilation and the adoption of other measures.

The debate on current and future aspects of the development of the Eureka program began with the speech of Doctor of Economic Sciences V. Shenayev, who raised a number of questions of importance for study of the program. First of all, is Eureka West Europe's answer to the technology challenge of the United States or a

supplement to the SDI? An opportunity has emerged even now for assessing the significance of this program and its effectiveness per the results of specific projects. Considerations have been expressed recently concerning the military focus of Eureka or, at least, the possibility of its use for this purpose. The question of the degree and nature of the interest in the program of individual West European countries, firms and governments and the European Communities Commission is pertinent. It is also necessary to assess the possibilities of S&T cooperation between members of the EC and CEMA, primarily along the lines of Eureka and the Comprehensive Program of the CEMA Countries' S&T progress.

Candidate of Economic Sciences A. Khlystov (IMEMO) observed that the participants aspire to make Eureka a most important component of the competitive struggle with the United States and Japan for S&T leadership. The program is seen as the first step en route to the "technological" unification of West Europe and the formulation of a common regional policy in the field of technology. For this reason its realization could contribute to increased coordination of action both within the framework of international S&T cooperation agreements which have already been concluded and important national programs. Some 165 projects corresponding to the requirements of industrial and scientific circles have been approved. Approximately 600 firms and research institutions are already members of the Eureka club.

It is advisable when evaluating future prospects to consider primarily the possibility of the program reaching the level of firms outside of the region. The economic interest of West European firms in the preservation of relations with subcontractors from countries of other regions and the West European affiliates of American and Japanese TNC will most likely prevent retention of the program within the confines of West Europe.

Eureka has now attained a level at which its further destiny has in fact ceased to depend on the amount of resources allocated from government sources. The refinement within the framework of the program of a new mechanism of regional S&T cooperation based on the maximum initiative from "below," at the microlevel, could ultimately lead to a change in the role of the supranational body of management of the program in the shape of the intergovernmental conference and an extension of the list of questions tackled on a more current basis by the firms and research centers themselves.

Candidate of Economic Sciences R. Gumen dwelt on questions of management of the program. Besides the intergovernmental conference, which adopts decisions pertaining to the rules, determines the strategy of its official stimulation and regulation and represents the highest level of leadership, a further two levels in its management structure may be distinguished. At the middle level intergovernmental conferences are prepared, the priority areas of work are shaped, projects are

selected, their participants and performance timeframes are determined and questions of financing are specified. The main role here belongs to a special group of high-ranking representatives of the participating states, who are simultaneously the national coordinators in respect of realization of the program in their own country. The program's permanent secretariat, which lacks decision-making authority, pertains to the middle tier of management also. A big part is played by the third level in the shape of industrial firms with full autonomy in management of the projects. It is they which provide mainly for the financing of the program.

Doctor of Economic Sciences L. Glukharev (Moscow State University) observed that three types of S&T programs with different levels of regulation have taken shape currently in the capitalist countries. These are national, the SDI, for example; inter-nation, of the Eureka type, with an autonomous international, predominantly private-monopoly, regulation mechanism created for the purpose of the development of a regional new technology market and West Europe's technological revival; supranational, of the Esprit, Brite and other programs type used by the Community to stimulate integration processes in West Europe in the sphere of science and technology and to create a "European Technology Community". The S&T programs of the Community and Eureka not only complement one another but also compete between themselves.

Candidate of Economic Sciences I. Nerushenko (IMEMO) expressed a somewhat different viewpoint. She believes that EC programs pertaining to the development of new technology and Eureka pursue common goals. They do not compete but complement one another, and the ECC's participation in Eureka is geared primarily to the avoidance of duplication.

In the opinion of Candidate of Economic Sciences N. Shelyubskaya (IMEMO) and Candidate of Technical Sciences B. Komzin, the first results of the development of Eureka are quite modest. West European countries with a high level of S&T development (Great Britain, the FRG) are assigning the program the role of stimulator of interfirm cooperation. The program incorporates projects whose realization was developed long before it was officially approved. And some of them duplicate work being performed per EC programs, what is more.

Eureka should be seen as a new component of the West European S&T infrastructure, and as such for industrial companies, particularly small and medium-sized ones, it plays the part of a kind of "information club". The program supplements EC activity in the field of standardization and the development of new methods of management of multilateral projects, and the integration of Eureka and the S&T programs of the EC may be expected in the future.

It is unlikely that Eureka will be capable of changing appreciably the balance of S&T potentials of the three main centers of imperialism which had taken shape by the mid-1980's. This is connected with the scale of West Europe's technological lag behind the United States and Japan and the inadequacy of the resources allocated within the framework of the program for reducing this lag. Nor may the involvement in the sphere of integration of such countries as Austria, Finland and Greece alter the situation on account of the narrowness of their S&T potentials. The subject matter of the projects encompasses a wide spectrum of research, and the resources allocated for its realization are negligible compared with the level of financing of such work by the American and Japanese competitors.

Indeed, Candidate of Economic Sciences V. Slavinskiy (IMEMO) emphasized, in the organizational plane (without guaranteed financial backing for the R&D programs and without the powers to control their realization) Eureka creates the impression of some "information club". Nonetheless, as an important political initiative it has scored a significant success, having awoken widespread interest in the building of a "technological Europe". But it is in need of economic and legal backing, and this is currently the main problem.

The realization of Eureka, Candidate of Economic Sciences N. Krichigina believes, is designed to contribute ultimately to the implementation of a common industrial policy, the achievement of genuine economic integration and the creation in the region of a common economic area. These processes already go beyond the EC framework (thus at the end of 1986 almost all EFTA countries declared their desire to participate in the Community's research programs), and Eureka is further testimony to this. At the same time, however, many leading industrial concerns prefer to participation in Eureka a broadening of ties to American and Japanese companies.

Eureka is obliged for its appearance, Candidate of Economic Sciences V. Tsirenschikov (IMEMO) emphasized, aside from political factors, to the insufficient efficiency of the S&T programs of the EC and traditional interfirm cooperation agreements. Even today it is distinguished by comparatively bigger opportunities for adaptation to the requirements of the current stage of S&T progress, the development of innovative entrepreneurial initiative, flexibility in management and the effective use of information as a production resource. At the same time, however, in terms of forms of realization the program reflects the neoconservative tilt in the S&T policy of the majority of leading West European countries. States' orientation predominantly toward indirect measures of encouragement of the development of science and technology extends to Eureka also.

Singularities of the development of a number of priority areas of S&T progress within the Eureka framework were examined in the speeches of A. Fesenko (IMEMO), V.

Shultseva (IMEMO), Doctor of Economic Sciences A. Grigoryev and Candidate of Economic Sciences L. Fedorova (IKTP).

Eureka is paying the most earnest attention to the development of microelectronics inasmuch as West Europe depends to a considerable extent on Japan and the United States in the field of computer chip support and data processing.

It is planned spending in the next 6-8 years some \$700-800 million on production automation and robotics projects, which is approximately 10 times less than the total annual expenditure of Great Britain, the FRG and France on national programs for stimulating the production of flexible automation facilities. The realization of these projects could eliminate the lag in the development of third-generation industrial robots with artificial intelligence componentry and the flexible automation of manufacturing processes in electronics industry. The projects are geared to the removal of logjams in the componentry of electronics and are based on the high S&T level of the traditional sectors of industry manufacturing modern means of automation like machine-tool building, for example. By the mid-1980's West Europe had surpassed the United States threefold in terms of the manufacture of machine tools with program control; the pool of industrial robots in West European countries numbered (1985) 26,000 compared with 20,000 in the United States, nor is the region inferior in terms of the number of installed flexible manufacturing systems.

However, a lag behind the United States and Japan has come to light in the field of communications systems production. Projects in this sphere in the Eureka program are characterized by a narrowly specialized thrust and provide for the development and production of electronic switching equipment, fiber-optic equipment, information nets linking various production and research centers, the establishment of all-European equipment and communications network standards and the creation of an all-European wide-band digital communications network. Altogether the enumerated communication facilities will account for approximately 14 percent of the total estimated cost of Eureka projects which have already been approved.

Intensive development is also under way in West Europe in the field of fundamentally new materials—precision ceramics and composition and thin-film materials. Of the 10 Eureka projects pertaining to new materials, approximately half are associated with the development of ceramics. There are also projects pertaining to composition and superconducting materials.

Great attention is being paid to transport. The existing projects (about 10) contemplate the rapid development of transport on the scale of all of West Europe and testify to an aspiration to concentrate resources on the solution of central S&T problems of the development of the transport system.

Thus, for example, the Prometheus project with the participation of Great Britain, Italy, France, the FRG and Sweden provides for the creation of a road-transport system of enhanced efficiency and safety. It is among the most significant of the 62 projects approved at the third intergovernmental conference. Within the framework of the project 13 autonomous firms are developing a control system with sensors and on-board microcomputers to opportunely warn the driver of danger (heavy fog, glaze and so forth). Expenditure thereon in 1986 alone amounted to approximately \$16 million with an annual increase of \$55 million for the next 7 years.

The subject matter of the Eureka projects affords big opportunities, Candidate of Economic Sciences V. Presnyakov believes, for use of the results of the work for military purposes, and it will be difficult for it to maintain a purely civilian focus. At the end of 1985 at a meeting of the Eureka working group experts of the FRG, Britain and Italy stipulated specially that their countries' participation in the program must not impede SDI cooperation with the United States. The directions of the research efforts of Eureka and the SDI coincide in principle. Military purposes in these efforts may be realized in parallel with civilian purposes. Projects for the creation within the Eureka framework of large computers (specifically, the Euromatic project) are directly linked with military aircraft manufacture and the development of new artillery and missile systems. The Euro-robot project provides for the development of laser weapons, which play a key part in the SDI.

Questions of the relationship of the SDI and Eureka and the possible use of the results of the latter in the military sphere were also raised in the speeches of Candidate of Economic Sciences Ye. Talyzina (Moscow State University) and T. Yudina. In T. Yudina's opinion, government circles of some West European states, primarily France, aspire to bind Eureka closely to national military-political plans. In France Eureka is seen as the basis for the acceleration of research in areas of S&T progress which might permit it to remain among the West's leading military powers and preserve the dependability and efficiency of the nuclear potential. In this connection France attaches particular significance to participation in the projects pertaining to the development of new-generation computers, lasers, robotic hardware and new ceramic materials. The hidden military aspects of Eureka are the reason for the negative attitude of France and a number of other states toward the possible realization of projects with the participation of the socialist countries.

At the same time, however, Candidate of Historical Sciences G. Kolosov (IMEMO) and Candidate of Historical Sciences A. Chervyakov (IMEMO) presented arguments in support of the predominantly civilian orientation of Eureka. The transfer of its results to the military sectors could only be indirect and not very significant as a consequence of the specifics of the projects and the criteria imposed on R&D of a military

nature. Also insufficiently substantiated, they believe, are certain examples of the relationship of individual Eureka projects and national programs of the creation of weapons systems.

The continuing contradictions between the participants on a number of problems of cooperation reflect specific peculiarities in the approaches to participation in Eureka. Leader-states displaying assertiveness in an extension of the scale of S&T cooperation and states occupying a wait-and-see position have been ascertained. The attention which specialists have paid to the dominating role in the program of the Paris-Bonn-London triangle (see MEMO No 9, 1986, pp 93-100 and No 10, pp 26-40) has pushed into the background, as it were, the countries of "little Europe" and their contribution to realization of the program. This contribution is as yet nonequivalent, as was shown in the speeches of A. Landabaso and Candidate of Historical Sciences K. Voronov in the example of Spain and the Scandinavian countries.

A comparison of the integration processes in the sphere of science and technology in West Europe and within the CEMA framework and an evaluation of the possibilities of the organization of cooperation between EC countries and the socialist countries were made in the speeches of Doctor of Economic Sciences V. Prokudin (USSR Permanent CEMA Delegation), Candidate of Economic Sciences Yu. Andreyev (IMEMO) and S. Feduykin (IKI).

The Community programs and Eureka on the one hand and the Comprehensive Program of the CEMA Countries' S&T Progress on the other are analogous to a certain extent. This applies particularly to the priority of the main directions of R&D. In terms of organizational structure and methods of realization the CEMA programs have more similar features with the Community programs. However, in terms of the formulation of the tasks and thematic thrust analogies to the CEMA programs may be discovered among large-scale Eureka projects also. This is a prerequisite for a constructive examination of the forms and conditions of cooperation in respect of a particular set of problems within the framework of the two types of international S&T programs.

Among these is research in the field of environmental protection, medicine, agriculture, transport and such. In the search for organizational forms of European S&T cooperation—based on intergovernmental relations or special agreements at nongovernmental level—importance is attached to dialogue with all supporters of a strengthening of S&T relations. Contacts at the microlevel, that is, at the level of research organizations and institutions, industrial firms, enterprises and associations, would seem the most promising. New opportunities for the development of contacts are afforded by the decrees on the creation on USSR territory of joint ventures with the participation of firms of capitalist

countries and measures to improve the management of foreign economic relations adopted by the CPSU Central Committee and the USSR Council of Ministers.

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Foreign Ministry Department Head on Relations With Denmark

18120006 Moscow MOSCOW NEWS in English No 38
28 Sep-2 Oct 88 p 5

[Interview with Nikolay Uspenskiy, head of the MFA 2nd European Department, by Vladimir Brodetskiy; date and place not given]

[Text] Eduard Shevardnadze, Minister of Foreign Affairs of the USSR, will pay a visit to Denmark en route to the opening of the UN General Assembly. "MN's" Vladimir Brodetskiy spoke with Nikolay Uspenskiy, head of the MFA 2nd European Department, about the coming visit.

[Question] Why this route?

[Answer] Denmark isn't merely a technical stopover on the way to Washington and New York, but a full-scale visit, although it has been qualified as a working visit in the diplomatic language.

We keenly feel the need for such visits, primarily within the framework of Soviet policy in Europe. The purpose is to build the "common European home", and we call upon all European countries, regardless of their size and population, to take an active part in this process.

Besides, from time to time, a need arises to examine in detail the entire range of our bilateral relations.

Soviet-Danish relations received a major impulse as a result of the visit to the USSR by Denmark's Prime Minister Poul Schluter in October 1986. The past two years have witnessed a series of visits to Denmark by the heads of Soviet government departments and exchanges along parliamentary lines, plus extensive contacts between both countries' public organizations.

The promotion of commercial and economic ties remains a key task of Soviet-Danish relations. They currently fall short of the possibilities of both countries. Of indisputable interest for us are Denmark's achievements in electronics and precision engineering, medical equipment and biotechnology as well as experience in agriculture and training managerial personnel. We should be more active, I believe, in introducing new forms of commercial and economic relations with Denmark such as the creation of joint ventures and the establishment of direct contacts between our enterprises and commercial organizations.

[Question] What are the critical issues in our relations with Denmark?

[Answer] There is a need to discuss not the "critical" issues (they are simply non-existent in our bilateral relations) but those of concern to the whole world: nuclear disarmament, especially with account to the geography of our countries; the reduction of armed forces and conventional armaments in Europe from the Atlantic to the Urals; all aspects of the Murmansk programme, formulated by Mikhail Gorbachev a year ago, to ensure international security in the North of Europe and elsewhere; and confidence-building measures and limitation of naval activities in the North, in the Arctic. Public opinion in most North European countries, including Denmark, favours discussing and solving this last problem. Regrettably, the governments of the USA and other NATO countries are still reluctant to accept the Soviet proposals. But there is no escaping this problem.

Foreign Minister Shevardnadze is being awaited with keen interest in Denmark. He will have an audience with HM Queen Margrethe II, full-scale talks with Foreign Minister Uffe Ellemann-Jensen and President of the Folketing Svend Jakobsen.

/9274

French Banker Interviewed on Cooperation with USSR

18250074 Moscow KOMSOMOLSKAYA PRAVDA in Russian 22 Jul 88 p 3

[Interview with Natalie Ladiy, head of the general office of the representative of the Banque Credit Lyonnais, by A. Svistunov and A. Ignatenko: "The Woman From the Bank"; date and place not given; first paragraph is KOMSOMOLSKAYA PRAVDA introduction]

[Excerpts] We went to our meeting with the French woman. The wind tore the flowers from our hands and ruined our hair. Our uncertainty grew. After all, it was not just a meeting with a French woman that awaited us. Natalie Ladiy is the head of the General Representatives of the largest French bank, Credit Lyonnais, which is 125 years old this year.

[Question] What does the Banque Credit Lyonnais represent, as our country's business partner?

[Answer] Today there are representatives, divisions and branches of our bank in 80 countries of the world. The first branch in Russia was opened 125 years ago in Petersburg, even before "Lyons credit" moved to Paris.

Before the October revolution, in addition to Petersburg, we had branches in Moscow, Odessa, Kiev and Rostov-on-Don. We operated concessions at the mines and metallurgy plants. In those days, Credit Lyonnais was the leading western bank in Russia. Incidentally, there is an interesting fact.

After the October revolution, in the 1930s, our bank established contacts with USSR Gosbank. They engaged in small loans. After that—it is world history. After the war, Credit Lyonnais was the first of the western banks to establish contacts with the Soviet Vneshtorgbank [Foreign Trade Bank].

Today we have our own permanent office of representatives in Moscow. Our bank accreditation is No 1. We are accredited with USSR Gosbank. Our main business partner is Vneshekonombank [USSR Bank for Foreign Economic Relations]. In what activity are we engaged? Our representative office is not a place where money can be changed or a personal account opened. We do business only with Soviet banks.

[Question] What are the major business operations to the account of your representative?

[Answer] Orenburg Gas, the gaslift units in Samotlor and Fedorovsk, the "gas-for-pipes" project, the compressor stations and actual gas pipeline Urengoy-Pomary-Uzhgorod—we have our hand in, as they say, everywhere. To be honest, the rules of COCOM (Coordination Committee for Control of Export to Socialist Countries—Editor) keep Western suppliers from developing properly in the USSR. It is for us, therefore, as business mediators, to clip its wings.

[Question] What are the concerns of your representative today?

[Answer] We have just given the Soviet Vneshekonombank a loan of 150 million dollars, which Credit Lyonnais collected at many banks with the aid of a special commercial operation—"syndication." It must be said that Vneshekonombank is regarded as one of the best debtors in the world, with respect to its reliability and punctuality. When Vneshekonombank goes out to the foreign market to borrow a certain sum, the credit banks of other countries literally form up in a queue, wanting to obtain the right to grant loans. It is considered prestigious to extend credit to Vneshekonombank.

[Question] What is the work day of the office of the representative like?

[Answer] We give recommendations of a financial economic nature. They are most varied. We are always glad to offer information on our partners and on other firms to Vneshekonombank. Our work lies in obtaining the maximum commercial information, processing it and

using it for our bank's operations. These are all, of course, general remarks. How does the day proceed specifically? Sometimes our main business matters are resolved, not in the office, but at cocktail parties. No, that was not a slip of the tongue. It is there precisely that business people exchange the latest information, sound each other out looking for weak spots and share impressions on transactions. Those who have ears, well, they listen....

[Question] What plans does the representative office have, unless, of course, this is a secret?

[Answer] Carrying out operations connected with organizing a Franco-Soviet mixed enterprise. It will be a plant in the Ukraine for production of prefabricated furniture for young people. I want to remark that we decided to take the step forward and go ahead in order to take part in the most interesting Soviet projects not only as a creditor, but also as a partner. We intend to deposit money in authorized capital, that is, in the enterprise itself. We have faith in the success of modern enterprises.

Credit Lyonnais recently came forth with an initiative to create a joint banking venture—to form, with Vneshekonombank and other CEMA banks, a common monetary fund to finance and grant loans to joint ventures.

[Question] The cooperative movement is gaining strength in the USSR. Many cooperatives have a chance to go out into the foreign market. Would you be able to grant loans to such enterprises?

[Answer] Our main criterion for granting loans is a guarantee of solvency. This means knowing everything about the cooperatives, the market conditions for their commodities, the prices and many other things. Who will vouch for the cooperative? The banks existing in the USSR are not concerned with this, but no special organization has as yet been created. I know that many are prepared to give money for this—but give us a guarantee.

[Question] Not long ago the first joint-stock companies appeared in our country, the so-called GASP (state stock-holding socialist enterprise). Do you feel that it is possible for a stock exchange to appear in the USSR?

[Answer] It is fully possible for a domestic exchange to appear, but for it to link up to the world system—that will not happen soon. Right now the USSR is trying to enter the world financial community intrinsically, and to become a member of the International Bank for Reconstruction and Development, GATT [General Agreement on Tariffs and Trade] and other organizations. If the Soviet ruble becomes convertible, this process will possibly be facilitated.

Ukrainian Contribution to Soviet-Polish Collaboration

*18070188 Kiev PRAVDA UKRAINY in Russian
12 Jul 88 p 3*

[Article by RATAU correspondents A. Golovin, K. Chavaga, Z. Zhizhara: "The UkSSR: A Growing Contribution to Soviet-Polish Cooperation"]

[Text] The visit of CPSU Central Committee General Secretary M. S. Gorbachev to the Polish People's Republic has aroused tremendous interest across the broad public spectrum in the USSR and Poland. The 19th Party Conference has imparted an acceleration to restructuring in the USSR and has resounded loudly throughout the world. Meetings and discussions taking place during the Soviet leader's stay in the fraternal country will open a new stage in relations between The USSR and Poland, say Polish and Soviet experts turning out a joint effort and working at integrated facilities. The visit will serve the interests of further strengthening friendship between the two peoples and expanding comprehensive ties. The working people of the Ukrainian SSR are also making a contribution to deeper comprehensive ties in Soviet-Polish cooperation. Visiting a number of enterprises and construction projects over this period, RATAU correspondents report:

Raising the technical level and quality of production output more quickly and with less expenditures, and enhancing competitive ability on the world market comprise the aim being pursued by a treaty on direct production and scientific-technological ties which was concluded by leading transformer-producing enterprises of the USSR and Poland—the Zaporozhye Transformer Association and Elta plant in Lodz.

It was decided first of all that each side would make maximum use of the best her partner had to offer during the first stage of the collaboration. In their production of medium-capacity transformers, for example, the Zaporozhye association will use flat radiators delivered from Lodz and will take advantage of a number of other efficiency-enhancing technical solutions provided by their Polish colleagues. For their part, specialists from the Elta plant have expressed an interest in deliveries of transposition wire and electric-grade cardboard, production of magnetic circuitry, coil and insulation developed by Zaporozhye Transformer. A whole series of other specific production items are included in plans for further expanding mutual, cooperative deliveries. The treaty also envisages active cooperation in the areas of construction, engineering and testing of transformers.

Fraternal relations between Zaporozhye Oblast and Wroclaw Province are marking their third decade. The socio-economic transformations presently taking place in our countries have imparted a new and powerful impulse to these relations, expanding contacts in all spheres of the economy, science, culture and personal contact between our peoples. Eloquent testimony to this

is provided by the friendship train travelling recently to the Polish People's Republic, 398 participants of which were invited to celebrations in honor of the 43d anniversary of the liberation of Wroclaw from the Fascist German conquerors. Zaporozhye representatives visited 18 of the fraternal enterprises of the province and practically all visits were accompanied by the conclusion of mutually beneficial agreements on cooperation.

A Zaporozhye footwear association, for example, signed a contract with the Odra plant for equivalent exchange this year of materials and production output. The Rossiya Kolkhoz has entered into direct economic cooperation with the Lochevniks cooperative. Unions have agreed to the joint construction and operation of a major health resort on the Sea of Azov. Specialists of the Zaporozhye Machine-Building and Wroclaw Polytechnical institutes are hoping to achieve a significant reciprocal effect from joint scientific research. They have planned a number of joint actions to facilitate a spiritual drawing together of people working in art and literature, amateur arts organizations...

Construction crews of the Energopole Polish enterprise have begun the construction of a new machine shop for the Remmekhgazprom plant in Lvov. Efforts underway here are based on an intergovernmental agreement on construction of the Progress transcontinental gas pipeline and other gas industry facilities on the territory of the USSR.

"Participation in expansion of the Soviet enterprise which produces gas equipment is one of the first objectives in our construction assault in Lvov," stated Ya. Kosalka, manager of the Energopole construction section, to a RATAU reporter. "Hundreds of our workers are involved here today—and on the outskirts of the city a major production base and a housing center for several thousand Polish personnel are being established. Our people will also participate in the construction of production buildings, apartment houses and social and cultural facilities for the Elektron television corporation and other major industrial enterprises in the western region of the Ukrainian SSR."

"Unlike the construction effort in the eastern regions of the USSR, where I previously had occasion to work, this location has been chosen most aptly," Polish engineer Ya. Kosalka believes. "Proximity to the border enables the necessary machinery to be transported here from Poland economically and efficiently, without great expenditures. It is just a few hours drive from home for the Polish workers, a factor which also has some importance. And there are other noticeable changes—after all, we are not only working alongside Soviet workers, but with local construction materials as well. Whereas prior to this, deliveries were made with an irregularity that often led to rush jobs, work stoppages are now practically non-existent and the quality of raw materials is improved. The system of project coordination has been markedly simplified, both with the customer and related

enterprises. This allows both sides to direct allocation of equipment, fuel and manpower resources more economically, using sound management methods," the Polish expert stressed.

The services of the Lutsk [Ukraine] synthetic leather plant collective in fraternal collaboration with the Nadbuzhanskiy tannery in Poland's Chelm Province have been recognized by a gold badge the Polish-Soviet Friendship Society. This mutually beneficial cooperation began at a difficult time for our Polish brothers. At that time their production levels and wages had dropped, and many people abandoned the enterprise. "Just that feeling of our support helped the Nadbuzhanskiy collective to a great extent in its efforts to break out of the production lag as quickly as possible," states Lutsk plant director V. P. Gil, also a delegate to the 19th All-Union Party Conference. "But the most important thing is that we have been sharing our work experience under self-support management and self-financing with our Polish brothers, our experience in the implementation of equipment and technology reconstruction. Of special interest

to our guests was the experience of utilizing equipment over three and four shifts, and financial and moral incentives for stimulating highly productive labor."

We have not had to wait long for the results and can be happy that just in recent years the Nadbuzhanskiy plant has shown worker wage increases of 150 percent and the incentive fund has become enlarged.

With the transition to direct contractual agreements, Lutsk plant workers have adopted much from their Polish brothers. The Nadbuzhanskiy example has resulted in adoption of a waste-free leather and cardboard production technology and the issue of goods in popular demand. Improvement in the quality of manufactured goods is being assisted by familiarization with new models and selection of products from two plants as well as by a knowledge of future plans.

"We believe that the visit of M. S. Gorbachev to the People's Republic of Poland will facilitate the strengthening of bilateral economic ties and the course of socialist renewal in our two fraternal countries," said V. P. Gil.

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Correspondent's Report on Cuban Restructuring
18070013 Moscow TRUD in Russian 26 Jul 88 p 3

[Article by Lev Platonov: "Cuba: A Time of Maturity"]

[Text] Lev Platonov, TRUD special correspondent to the Republic of Cuba, has taken up his position. Following is his first correspondence.

Warm Congratulations

The AUCCTU has sent to the Trade Union Center of the Cuban Working People warm greetings on the occasion of the 35th anniversary of their Day of National Uprising. The heroic storming of the Moncada Barracks, the telegram reads, marked the beginning of the arms struggle waged by the Cuban people for their true national and social liberation, which ended with the glorious victory of the revolution. Today the working people of the Isle of Freedom and their trade unions, implementing the resolutions of the 3rd Congress of the Cuban Communist Party and the 15th Congress of the Cuban Trade Unions, are confidently advancing in the further building of a socialist society. The steadily intensifying cooperation between the Soviet and Cuban trade unions contributes to strengthening the friendship between the Soviet and Cuban peoples.

Havana, July

I had not seen Havana for slightly more than 10 years. For that reason, talking with the Cubans, and, particularly, meeting with old acquaintances and observing daily life in the capital, walking down the narrow streets of Old Havana, reading the press, and carefully following radio and television programs, I unwittingly and constantly made comparisons: "What has changed?" "What have you become, Cuba of today?"

The main among the new features is reflected in a word which can be heard on the streets and in lively conversations among Cubans behind a cup of very strong coffee: "Rectification." What does it mean? According to the dictionary, it means "taking something to the necessary level of accuracy, checking and correcting any object or action." In practice, to simple Cubans, it means today a much broader concept which covers virtually all aspects of the country's economic and social life. Essentially, to the Cubans "rectification" has roughly the meaning of "perestroyka" for the Soviet people.

The word was first used by Fidel Castro, the leader of the Cuban state, in his speech at the 3rd Congress of the Cuban Communist Party. The main feature which combines the process taking place in Cuba with what is taking place in our country and in the majority of the other socialist countries is the renovation of socialism, and the quest for ways and means of work which would maximally bring to light the tremendous potential

invested in the very nature of socialism. Actually, as understood in Cuba, "rectification" means "correcting errors and surmounting negative trends."

"Our path is complex," I was told by Rosario Fernandez, Cuban Communist Party Central Committee member and member of the National Secretariat of the Trade Union Center of the Cuban Working People. "The successes are obvious but equally obvious are the shortcomings. For example, the working time is not being used quite productively; wages are not consistent with the actual quantity and quality of labor. Actually, sometimes wages are paid not for the work itself but simply for showing up at work. The result is breakdowns in the sugar industry, which is the most important of the country's export sectors, in construction, and transportation. The population is not sufficiently supplied with consumer goods and there have been major shortcomings in services as well.

"How did we decide to correct this situation?" Rosario went on to say. "As we did in the first years after the victory of the revolution, the basic method of activities of the party and trade unions is extremely clear: 'go into the masses.' It is precisely at worker meetings, in labor collectives that today the most important problems of the production and social life of the working people, including even the most painful ones, are discussed."

The press, including TRABAJADORES, the central trade union newspaper, is in the vanguard of change. Lasera Mujico, deputy editor in chief, described the way approaches to many phenomena in life are changing.

"Let us consider, for example, the organization of the socialist competition at industrial enterprises," he said. "In the past those who fulfilled their plan, regardless of cost, were considered the winners. Winners included ministries, administrations and even various offices."

Today the socialist competition is taking place only on the level of labor collectives. This has made it possible significantly to upgrade its efficiency. The increased exigency toward socialist competition led to the fact that in 1987 only 28 percent of enterprises in production sectors were the winners. These days they are being presented with the banner of the Moncada Heroes. This time not only the overfulfillment of the plan but the quality of output, reduced outlays, economy and efficiency in the utilization of labor time as well as labor discipline were taken into consideration in summing up results.

Another important aspect of "rectification" is the significantly increased attention to social problems. At the very first stage the victorious Cuban Revolution gave a shining example of solving major social problems which are the gravest for all developing countries.

Soon afterwards, however, it became clear that the country can support such a developed social insurance system only with a developed economic base. It is not astounding, therefore, that the main efforts of the party and the people were aimed, above all, on solving economic problems. Today the results of all this are clear. For example, whereas before the revolution the island imported not only automobiles and technological equipment but even toothbrushes, and sewing threads and needles, today Cuba produces its own cane-harvesting combines, buses, and microcalculators (incidentally, we also import them).

In the same way that in the land of the soviets, in the 1930s, the people dedicated all of their strength to building the Magnitka, Dneproges, Turksib and the Chelyabinsk Tractors Plant without any particular concern for basic living conditions, in Cuba as well a certain "distortion" was noted and attention in the solution of social problems weakened.

"Rectification" also means a turn to solving the vital needs of the ordinary person.

For example, the housing problem has become particularly grave in Cuba, in Havana in particular. The main housing facilities in the old part of the Cuban capital worsened. Meanwhile, dozens of new industrial construction projects are being simultaneously built in the country. How to solve this problem given the shortage of manpower and construction materials?

At its 3rd Congress, the party suggested a return to the method of microbrigades, which had been tested in the 1970s. What does this mean?

Soon after my arrival in Havana, on a late Saturday night I visited one of the construction sites in the central part of the Cuban capital. All around me young people were enjoying themselves in the park nearby. Meanwhile, here at the construction site, people were working as though this was a normal work shift in a working day.

I took up a conversation with one of the builders. His name was Manuel Arensibia. He is now deputy brigade leader at the construction project and before that he was a bookkeeper at the Cuban Radio and Television Institute. The entire brigade of 19 people are his former fellow workers, including television cameramen, and light and sound technicians.

Former, actually, is not an entirely accurate term. They are paid their former salary and their comrades, who have remained in their old jobs, are filling in for them. "Last February," Manuel said, "we began the construction of two four-story houses. We have already finished one and are scheduled to deliver the second by 26 July of this year, the Cuban national holiday, the day the Moncada Barracks were stormed. Naturally, we are not

professional construction workers. We joined the construction project voluntarily after completing special courses in various building skills. We work 10 to 12 hours daily, including Saturdays."

Asked how the apartments will be allocated, Manuel Arensibia answered that 50 percent of the apartments will go to those waiting for their turn in this district while the other half will be for the institute's personnel and by no means go to those who are doing the construction work. Everything will be decided by the labor collective.

In our country this has been aptly described as the enhancement of the human factor. It is precisely such a process that is taking place in Cuba today. Perhaps it is precisely in this area that we can see the similarity between Cuban rectification and Soviet perestroika.

I had another proof of this when I visited one of the largest industrial enterprises in the country, the Jose Marti Metallurgical Plant. Here the Cuban metallurgical workers, with Soviet specialists who are helping them to master the most advanced technologies, have assumed joint obligations and are standing on labor watch in honor of the 19th CPSU Conference and the 30th anniversary of the victory of the Cuban Revolution.

This is the first time that such a form of international cooperation is being applied here. The decision was made that by the day the Soviet communist forum would open 1,000 tons of steel and 500 tons of rolled metal will be produced above the plan, and that the planned capacity will be reached ahead of schedule by the noted holiday of the Cuban people.

In studying the joint obligations which were shown to me by Rogelio Lopez, plant party organization secretary and member of the Cuban Communist Party Central Committee, I noted an item according to which the representatives of the working class of the two countries have suggested the joint search for new ways and means of organizational party work, the development of democracy, glasnost, and self-criticism, as required by perestroika and the rectification process.

"These obligations," Rogelio said, "appeared thanks to the initiative of our workers, which they expressed at a general meeting of the labor collective. The Soviet comrades as well participated in it. All that we have included in our common document will enable us to solve an entire range of production and social problems which the enterprise is facing, and more than that. Now, for example, we are hindered by linguistic difficulties in communicating with your specialists. For that reason, many among us have decided to attend special courses for the study of the Russian language in our plant training center."

In turn, the Soviet metallurgists with whom I spoke told me that they are helping the Cubans in the work of the plant microbrigades engaged in the building of housing, kindergartens and polyclinics.

As has been the case in all postrevolutionary years, this year in Cuba has its distinctive aspect. This is revealed not only in the official documents sent to the correspondents but in the private letters of Cubans who, in dating their letters, do not forget to add "year of the 30th anniversary of the revolution."

This is an important landmark in the life in the Isle of Freedom. In accordance with a statistical system adopted by many countries, 30 years is a landmark marking the end of youth and the beginning of maturity. Cuba will cross this line on 1 January 1989.

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Brazilian President Sarney Interviewed During Visit

18070028 [Editorial Report] Moscow SOVETSKAYA KULTURA in Russian for 22 October 1988 carries on page 11 a 1,000-word interview by Natalya Chernysheva with Brazilian President Jose Sarney Costa, conducted at his residence in the Kremlin during his visit to Moscow. President Sarney is quoted as expressing a high personal opinion of Mikhail Gorbachev and indicating that the Brazilian public is following the current changes in the Soviet Union with great interest. Chernysheva and Sarney discuss the publication of Sarney's poetic writings in the Soviet Union and his views on Russian literary traditions. Sarney also expresses high hopes for cultural exchange programs between the Soviet Union and Brazil. UD/330

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General Noriega Interviewed

*Moscow LATINSKAYA AMERIKA in Russian
No 7, Jul 88 pp 32-34*

[Interview by journal correspondent A.N. Borovkova with Panamanian National Defense Force [NDF] Commander General Manuel Antonio Noriega in Panama City, April: "Panama Said No!"]

[Text] [Question] General, Panama is experiencing a most acute crisis. What could you say about the nature of it?

[Answer] The United States has reduced the issue of solving the Panamanian crisis to a single individual. But the problem is much more complex. The crisis Panama is experiencing is of an economic, political, social and international nature. But the interests of the United States, which wants to remain in Panama after the year 2000 and is thus trying to install a government and armed forces obedient to them, run through all of this.

The State Department wanted Panama to support the aggression against Nicaragua and wanted to use our territory as a beachhead. Panama said no! The United States wanted Panama to leave the Contadora group, and like Mexico not be an impediment to them. Panama answered that it will continue to participate in the work of the Contadora group. They also wanted to push the armed forces out of resolving the political and economic problems of the country and transform them into an exclusively barracks institution. And Panama refused again. They wanted to maintain their military bases on our territory, since the geographic location of Panama makes it possible to control many countries from the Rio Grande to the Malvinas. They want to prolong their military presence here in order to preserve an aggressive potential aimed against other countries. And we answered that only the Panamanian people have the right to decide whether they want to preserve the military bases on their territory after the year 2000.

In reply to such a decisive position and statements they were not accustomed to hearing, the State Department, as well as Admiral Poindexter personally, declared that we would pay for this with economic consequences. And now we are paying.

In the 1970s, when General Torrijos was striving for a review of the canal treaty, sanctions were also employed against Panama. They were not as severe as they are today. But there was military, economic and other types of pressure nonetheless. There were psychological attacks, attacks on Torrijos, as well as plans to murder him. All of this was within the framework of an overall campaign to eliminate patriots.

Thus, with the current commander or without him, the aggression of the United States would have grown anyway to the extent that Panama refused to participate in U.S. plans and hand over its own territory.

I came and went. But whoever replaces me—any Panamanian—will have the same feelings, because he is a Panamanian. The essence is thus not a some specific individual, not some specific name or position. The essence is the citizen of Panama, who will not discredit his land or attack it. The essence is human dignity.

[Question] In what direction did the Panamanian Defense Force evolve after the demise of General Torrijos?

[Answer] The Panamanian armed forces withstood great tests during the period of Panamanian-American negotiations that concluded with the 1977 Torrijos-Carter treaty. The armed forces played a very active and uncompromising role in developing a nationalistic consciousness during that period.

Before 1969 we were the National Guard in the service of oligarchical governments. Promotions depended on the degree of the family's landownership. Changes have been occurring in the psychology of it since 1969 under the influence of the nationalistic and Dessarolist concepts that were advanced by General Torrijos. This psychology was reinforced with the signing of the Torrijos-Carter treaty, which incorporated important elements of patriotism. Coming to the leadership of the armed forces in 1983, we have continued that line and developed and supplemented it. We faced other tasks, we had other prospects and goals, since we did not have to fight right away for the abrogation of the provisions "in perpetuity" that were contained in the former treaty on the Panama Canal. We understood the necessity of re-organizing in order that the United States not deprive us of the ability to protect our territory and canal. We therefore began to improve the training, organization and equipment of the Panamanian Defense Force.

I think that over the period of our leadership, the armed forces have moved far ahead. For example, we already have our own school for junior officers, we have at our disposal modern military structures and equipment, not considerable but fulfilling its mission, and the main thing—a new thinking by the soldier, which is the most important thing for subsequent transformations.

The Panamanian military should not lose contact with the people, but rather reinforce and develop that contact so that the population feels a trust in them, sees them in agricultural operations, in road construction and the like. This makes the army stronger and more human.

[Question] Commander, could you explain the concept of "new patriotism and Dessarole doctrine of the Panamanian Defense Force"?

[Answer] Human society develops in time and space. One cannot demand the same development today as in the last century. We therefore felt that the doctrine of the armed forces of Panama should meet the new goals and tasks.

Every generation takes something from the preceding one and leaves something for subsequent generations. Compared to the 1970s, we, and the armed forces in the person of us, have a different purpose. It consists of getting in our own hands control over those regions where the American troops are located and will remain until 1999. This offensive strategy has to differ from the strategy of "taking positions" of the 1970s. The current strategy consists of defending and preserving our resources and demonstrating our competence, so that in 1999 the United States will not say: "Panama cannot administer, Panama cannot ensure the defense of the canal, the Panamanian citizens are not able and not competent." The role of the armed forces should consist of improving our training on those issues whose resolution will shift from the United States to us. Since their role will be continuously diminishing, and ours growing, they should "cede" positions and we should "take" them. But if they see that we are unable to hold those positions, there will be an argument not to relinquish them.

[Question] What is the chief task of the Defense Force at this specific moment in the crisis?

[Answer] We have called on our troops and all of the population not to submit to provocations and emotions and to maintain their common sense. The chief task of the armed forces at this moment is maintaining the peace and not permitting outbreaks of violence that could serve as grounds for aggression. And this aggression could entail even greater violence and many human casualties. It is thus very important for us to preserve domestic peace.

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Roundtable on Central American Peace Settlement
Moscow LATINSKAYA AMERIKA in Russian
No 7, Jul 88 pp 42-54

[Roundtable "Central America: A Formula for Settlement"]

[Text] *"An important step on the path to achieving peace and halting the bloody war foisted on the Nicaraguan people," Daniel Ortega called the Guatemalan peace treaty signed by the presidents of five Central American countries. The outlines of a weakening of tensions in the region were noted, and real paths to achieving a political settlement were designated. Figuratively speaking, the Esquipulas process has opened up a new chapter in the history of the Central American countries, a chapter that is still to be "written." What will "guide the hand" of its*

creators: a proud awareness of sovereignty and national worth or will it be in the "handwriting" of neoglobalism, illiterate from the viewpoint of today's realities? Will the "light at the end of the tunnel" that has appeared as a result of Esquipulas be the guiding star lighting the way to peace and development? Every step in the framework of peace agreements, answering certain questions, engenders a body of others—each of the five that comprise this process is too distinctive and specific. But the atmosphere of the dialogue itself, the attempts to overcome the stratifications of the past, marks a qualitatively different state in the regional situation. Readers of the journal are displaying great interest in topical events in the region. Taking this into account, the editors, in conjunction with staff members from the Cuba and Caribbean Countries Sector of the ILA [Latin America Institute] of the USSR Academy of Sciences, held a roundtable discussion that was an attempt to consider the Esquipulas process in light of the dynamics, complexity and ambiguity of Central American realities.

V.M. Gavrilov: It is important to elaborate which factors will impede the development of the peace process. It is obvious that along with the overall aspirations for peace, each of the five countries participating in the Esquipulas process has its own specific interests. That is what is causing many "disjunctures." We are speaking of the five that comprise the peace process, speaking theoretically, because in each country there are political forces at work that affect each of those that comprise it in turn. There are many nuances in each country. They must also be uncovered. In short, we must give the reader a more complete picture of what is happening at this moment in the region.

A.D. Bekarevich: It seems to me in this regard that it would be expedient to consider the peace process that has begun through four aspects of it. First, its correspondence to contemporary trends of development in international relations. Second, the agreements that have been reached could be interestingly considered in a "continental context," do they correspond to the interests of Latin America overall, as well as the countries of Central America, i.e. not each country individually, but the whole region? And naturally, in order to have a correct evaluation of the prospects of the process begun by the signing of Esquipulas-II, it is essential to determine to what extent this or that country "wins" in the course of its realization from the point of view of protecting its own national interests in the prospects for development.

I think that what has happened at Esquipulas is a manifestation on a regional scale of new thinking in international relations, attempts to resolve conflict situations via political means, on the path of national reconciliation, a search for mutually acceptable solutions for the opposing parties. As for Latin America, Esquipulas-II was born to a considerable extent thanks to the

efforts of the whole continent—not only the five countries of Central America, but the Contadora Group, the Support Group and the efforts of all Latin America as well.

We should keep in mind that Central America is facing a “to be or not to be” dilemma—the question has arisen of the survival of the region as such. And notwithstanding the very serious differences (here, of course, none of us is mistaken in considering the positions of each country), the annoying contradictions, notwithstanding the fact that the governments of the individual countries sometimes look at the same problems from differing points of view, they have together come to the conclusion that it is essential to sign the agreements. And that is a sign of the times.

Yes, each country has its own “special interests” that are sometimes incompatible with the interests of others. But to overemphasize them is to put the cart before the horse, to doom the process to stalling and marching in place. The more so as, in analyzing the text of the agreements, I do not see any articles or provisions that would contradict the national interests of each country.

How consistently Esquipulas-II is realized depends largely on the “subjective factor,” on the farsightedness, flexibility and willpower of the governments. And of course, the foreign factor, the positions of the United States, plays more than a small role, as they will without doubt try to torpedo the agreements, direct the process into channels advantageous to Washington and impart to the Esquipulas-II an interpretation that would contradict its very essence.

Does Esquipulas-II correspond to the interests of Nicaragua? This question is being debated by our scholars. And some of them have not come to a conclusive answer. I think that in the situation extant in Nicaragua and around it, the peace agreements meet the interests of Nicaragua in relations with the neighboring countries. They make, of course, material changes in the military political panorama—positive and negative—you can't say for sure. I think that there is both the one and the other. But what the Sandinistas are actually presenting as the consequences of the agreement with the contras, the possible agreement with the opposition—I have no doubts. And I emphasize that the government of Nicaragua is proceeding from the harsh realities of the economic and domestic political situation. After all, how the process of national reconciliation, a definite trend toward which was projected within the framework of Esquipulas, goes depends largely on the flexibility of the leadership. This is a very difficult question. But I think that to the extent that Nicaragua is able to bring to life the principle of pluralism in relations not only with the opposition, but also with the countries of the region, the principle of peaceful co-existence of a progressive, revolutionary regime with conservative and even reactionary ones, to that extent Esquipulas-II is a gain for the Sandinistas.

As for the possible prospects for the collaboration of the states in the region, there is already in effect an extraordinary program of economic collaboration and integration; the Central American Bank for Collaboration has increased its activity, and a plan for economic aid (supported by the Western Europeans, Scandinavians and socialist countries) has been developed by UN Secretary General J. Perez de Cuellar. It seems to me that this is the correct path, and if collaboration is constructed namely on an economic basis, this would play a positive role in the arrangement of long-term relations among the countries of Central America and would become, in my opinion, a foundation for stability in the region. I repeat, however, that this process is very painful, very difficult. The phenomenon of Esquipulas, however, is no accident at all, it was achieved through suffering. It will blaze a path for itself in one form or another. This is a very important and very serious precedent, where the Central American countries have concluded that it is essential to take the fate of peace in the region into their own hands.

A.V. Kuzmishchev: In evaluating the fundamental novelty of the situation that is taking shape, it is essential to reveal what this novelty is in relation to. Otherwise all “innovation” will be just hanging in the air, appearing in an empty space. It is thus essential to look around at the past in order to seek out through the depths of “centuries of solitude” the correct point from which the movement toward each other, toward agreement, began. We are somehow traditionally accustomed to looking at Central America as an aggregate of countries in a “passive state.” Long ago, when the Spanish had just appeared on the American peninsula, with the flow of gourds brought from the islands of Santo Domingo to its shores, they began calling Central America the “Land of the Gourds”—“Terra de Ibueras.” And it is this “gourd” perception that we have somehow preserved to the present day. As if everything came to earth from without. And it is not so at all.

Practically from colonial times, the creation of the Royal Audience of the Boundary, under the general captaincy and after 15 Sep 1821—Central America then proclaimed its independence from Madrid—through the 1950s, Guatemala was the center of the region. Whether the discussion concerned unified Central American statehood, the United Provinces of Central America or the Federal Republic of Central America. Or the innumerable conflicts between the liberals and conservatives. But then, in the 1950s, the “axis” of Central American politics had clearly shifted to Nicaragua. Some will say that this was caused by the fact that the North Americans allotted a special role to the National Guard of Somoza. But that is a consequence. The reason is that post-Arbenz Guatemala, racked with internal crises, was already not suited for the role of Yankee gendarme. We are witnesses to a period when the Sandinista revolution once again has shifted the direction of the “axis” and it has passed through Costa Rica. I have in mind the special role that President Arias of Costa Rica and the initiatives

advanced by him are now playing in fostering the development of peace processes in the region. This "axis" is now altogether bent, since the United States tried to displace it after 19 Jul 79 in favor of the new "most faithful" ally of Honduras. The resulting two vectors—the Nicaraguan revolutionary and the Honduran counter-revolutionary ones—have led to most unexpected turns in the course of the "regional conflict." It is worth keeping this in mind in talking about the conflict and its historical place in the development of Central American relations.

In evaluating Esquipulas-II, I will permit myself a subjective judgment, since I feel that it is first and foremost Sandinista Nicaragua and official El Salvador that have gained from it. In Esquipulas Nicaragua has found its Ghent. The Sandinistas appeared for the first time in a major inter-regional forum which had real peaceful results as an officially recognized power, recognized without reservation by all of the governments existing at the given moment in Central America. For the first time! As for the regime in San Salvador, in practice the very nature of the document itself that was adopted in Esquipulas seemingly legitimizes its policies and gives it "license" to existence as the representative of the whole nation. This naturally cannot satisfy the FMNLF-RDF, since it has been fighting for a long time to acquire the status of a political force speaking in the name of the people both within the country and in the international arena.

Reply: Some even go so far as to say that Nicaragua made concessions and thereby "betrayed" the interests of the Farabundo Marti Front...

A.V. Kuzmishchev: Such accusations were sometimes hurled at the Bolsheviks, who, it is well known, did not strive to feed the horse from La Mancha. But this did not stop the development of socialism around the world. And then, if we are speaking of the Central American revolution, it has, in my opinion, already fulfilled a historical mission of colossal significance—Sandinista Nicaragua stood up in the face of imperialism. On the agenda today is the question of the nature of the revolutionary transformations. The real success of the Sandinistas in the socio-economic realm are being transformed today into the deciding factor in the further development of class struggle in the region.

A.D. Bekarevich: This "re-focusing" is hardly correct while there is still armed struggle and the problem of the contras.

A.V. Kuzmishchev: But it is inevitable.

Will the contras be driven from Honduran territory? I have the impression that the impending elections will bring victory to the National Party and its leader, Leonardo Rafael Calehas. This party is in favor of supporting the contras, live and let live, they say. But

Calehas is a skilled politician. He keeps his ear to the ground. And he prefers in general that this problem be solved by the United States and the SNLF.

M.L. Chumakova: It seems to me that the remote historical excursion of Kuzmishchev is not very productive, because in recent decades the situation in the region has undergone cardinal changes. In order to understand the specific nature of the process, it is more useful to concentrate on the conditions advanced in the Arias plan, his place in the Contadora process, his correlation with the contemporary policies of Washington, the reaction on the part of Latin America and Western Europe and, finally, on the positions of each country in the region. I would like to emphasize that since the very beginning the Arias plan has been regarded ambiguously among the insurgent revolutionary organizations and the ruling circles of Central America and has been treated in different ways in the United States. The first version of the Arias plan, which envisaged the creation of a "union of democratic countries," stressed the necessity of strengthening multilateral pressure on Nicaragua. It is thus somewhat premature, it seems to me, to give the unambiguous conclusion that Nicaragua gained from Esquipulas.

The very moment the Arias plan was made public must moreover be taken into account: at the very height of Irangate, when the Contadora process had already been stagnant for half a year. The signing of the document in June of 1986 did not take place due to the refusal of Nicaragua. The January "mission of ten," aimed at involving the United States in the process of direct negotiations with Nicaragua, also did not lead to anything.

A.D. Bekarevich: There are many versions. We should consider here the draft that was approved that Nicaragua is taking part in.

M.L. Chumakova: The consultations with Dodd, Walker and Abrams at the beginning of 1987 signified that Costa Rica wants to know the American reaction. Only after the trip of Madrigal Nieto to Western Europe and the obtaining of support was the second version that lies at the foundation of Esquipulas-II developed. The second draft entered into the context of the contra negotiations, as opposed to the first one. It is important to emphasize this for an understanding of the evolution of the Sandinista position. The Arias initiative was supported by Western Europe and, as early as April, by the Contadora eight.

We will not forget that the signing of the Guatemala agreements took place two days after the Reagan-Wright plan, which proposed less favorable terms for Nicaragua in a political settlement, was advanced. I suppose that we must answer the question of why the Central Americans rejected the Reagan plan. The circumstance that Reagan advanced his plan without consulting with his Central American allies probably played the principal role. Such

a demonstrative disdain for the will of sovereign states, taking into account the complex domestic political processes in each of them, could not help but have an effect on the positions of even the most "staunch allies." And there is another circumstance, already mentioned by Bekarevich. The very idea of the most rapid possible establishment of peace and cessation of armed conflict struck a most vital chord in the ruling circles of the countries of Central America and nudged them toward seeking mutually acceptable solutions.

What are the quintessential ideas of the Guatemala agreements? Chief among them are ideas of democratization, national reconciliation and cease-fire. An analysis of all 11 clauses of the agreement says this. The stress on democratization as a condition for ensuring peace was included in the context of the new political thinking and the Contadora concept of a political settlement.

However, and this must also be noted, the Arias plan was quite contradictory, notwithstanding the positive elements contained in it. The regional focus of the plan and an underestimation of the differences among countries has doomed the Esquipulas process to unbelievable difficulties and the not always predictable actions of each of the participating countries in the future. Why? The ideas of national reconciliation are material for those countries where there are armed conflicts. Also clear is the fact that the obligations for the most rapid possible democratization are inapplicable to Costa Rica, but the provision on the non-deployment of irregular forces on national territory is extremely important. The fairness of each provision in the document evinces no doubt. But each of them has a quite specific interpretation or "applicability" in relation to the countries taken separately. Whence the underwater shoals that were encountered in the path of Esquipulas. The very course of the realization of the Guatemala agreements during the period between Esquipulas-II and Esquipulas-III has shown that the process of fulfilling the obligations is not proceeding equally and "in sync." Right up until the middle of January 1988, El Salvador had formally outstripped the other countries in following the letter of the agreements. Over the six months Nicaragua lagged appreciably behind and was distracted by demonstrative measures affirming its intentions to fulfill the provisions of Esquipulas. Time was moreover needed to accomplish a real turnaround in the consciousness of the Nicaraguans, who had been taught for years the idea of fighting to complete victory. The ideas of peaceful co-existence, national reconciliation and dialogue made their way with difficulty through a country forced to wage a war foisted on them by Washington. There were also subjective factors that hindered the more rapid advancement of Nicaragua along the Esquipulas path.

A.V. Kuzmishchev: You have in mind the Sandinista leadership?

M.L. Chumakova: Yes.

A.V. Kuzmishchev: We all remember how during the meeting in San Jose, at the moment when the Esquipulas process, it seemed, had become more dynamic, there occurred little understood arrests of leaders of the legal opposition.

M.L. Chumakova: In San Jose nobody at all expected a turn toward the more rapid development of the peace process. On the contrary, the conclusion was drawn during the meeting that not all obligations had been fulfilled, and the question is posed: what democratization can be discussed under the conditions of the preservation of a state of marshal law, the absence of a total amnesty and a breaking off of direct dialogue with the armed opposition? The government of Nicaragua should have weighed what it had been able to do over the preceding six months and make a very sharp, in my opinion, turn away from its former positions, declaring that it would enter into direct negotiations with the contras—the most important political act of the Sandinistas!—declare an amnesty and abrogate the state of emergency. And all of this would be done at the request and insistent demand of the author of the plan—Oscar Arias. Recall how Arias, when advancing his plan, said: Give peace a chance! And the chance for peace is now being realized. But there are very powerful forces that are opposing this. We have not said a word about them yet. Reagan, a few days after the signing of the Guatemala agreements, welcomed them, but not even a month passed before Shultz insistently demanded 270 million dollars for the contras. The attitude of the American administration toward Esquipulas is inseparably linked with the key element of American strategy in the region, the question of aiding the contras. The administration considers them a tool for constant pressure on the Sandinistas, a guarantee that the Sandinistas, under the sword of Damocles of this aid, would be forced to make further concessions. This opinion was shared in Congress. The advocates of the Arias plan feel that it is essential not only to support Esquipulas, but also to develop a program for broad economic aid to ensure that the country can emerge from the crisis and halt the armed aid to the contras. The vote in Congress against contra aid was a quite clear signal to Reagan of how unpopular aid, and especially military aid, is now, on the eve of the elections. The United States is thus striving to develop a more flexible policy, and it is trying therein to "give an advance" to Nicaragua: if it implements political reforms for democratization, the embargo will be lifted and the preferences of the Caribbean initiative will be extended to it. Washington is zealously seeking ways of "softening" the Sandinista model. At the same time, the position of the ruling circles in El Salvador and Guatemala is not distinguished by a desire to follow the spirit of Esquipulas and fulfill the obligations on the plane of national reconciliation. How is this explained? In El Salvador, in my opinion, negative changes have transpired in the disposition of domestic political forces in the last six months. The Duarte regime has been completely discredited, its "star" has fallen in the United States, and the reactionary military and ARENA, which,

as we know, have always been against any negotiations with the partisans whatsoever, have taken the deciding positions.

A.V. Kuzmishchev: But D'Aubisson recently declared, let's sit down at the negotiating table with the partisans and negotiate everything. We don't need the political types. Making the big political splurge, by the way, is part of his image of a "forceful personality."

M.L. Chumakova: The Salvadoran rightists and ultra-rightists are betting on the physical annihilation of the partisans today as before. They place the blame for the continuation of the war, which the people are very tired of, first and foremost on the Christian Democratic politicians. And the Duarte government, after the first round of dialogue with the FMNLF in October of last year, then moved away from any attempt to renew it. The right-wing terror has increased, and Duarte has called for participation in the "electoral process" and not in dialogue with the FMNLF-RDF. And the ultra-rightists won the last election as a result.

The Guatemalan military is also against dialogue and is pressuring Sereso. Recall that in May of last year Sereso asked the United States to give him several transport planes in order to redeploy the punitive expeditions to the region of partisan operations. These factors should be taken into account—the influence of the rightists and ultra-rightists and the reactionary military in El Salvador and Guatemala, who are trying to erect obstacles in the path of Esquipulas and impart to the peace process the nature of Reagan's plan. The governments of El Salvador and Guatemala are asserting that all the conditions for reconciliation and the inclusion of participants in the insurgent organizations in the political process exist in their countries.

E.S. Dabagyan: I think that if we fail to take into account that any agreement, including the Guatemalan one, is the result of compromise, then the impression is created that unsolvable contradictions will arise. The idea of compromise that permeated the Guatemala agreements should be a point of reference in untangling the knot of contradictions which, on the one hand, engendered the conflict and, on the other, demands an outcome. I am struck by the position of Bekarevich and his idea that Nicaragua has gained from Esquipulas. And even though the opinion still exists, including among our own scholars and public opinion, that Nicaragua is forgoing its revolutionary conquests, I think that this is not so. Yes, Nicaragua is compromising, the position of the Sandinista leaders is evolving, it is entering into negotiations with the contras, which it did not agree to before. Maybe we don't have to stick the label of new thinking on everything. But I feel it is fundamental to consider the problem of resolving the Central American conflict in the context of the shifts that are occurring in the international climate and the significance that is imparted today on a global plane within the framework of the new thinking to decoupling the break-up of regional conflicts

with the resolution of global problems, including negotiations between the great powers on disarmament etc. Only thus can we evaluate the whole significance of the Guatemala agreements. We are in no way digressing from the fundamental problems facing the Salvadoran revolutionaries. They really are in a complex position. There are questions on a moral plane—the price of the revolution. What is the price of a revolution that lasts eight years? I am convinced that the new political thinking and the realities of the nuclear and space age are posing very complex questions to all revolutionaries. They must learn to act under changing conditions. We should approach these things dialectically. After all, the Salvadoran revolutionaries have always posed the question of negotiations, they themselves were the initiators of a peaceful solution to the conflict.

I think that Arias considers the process of democratization and the problem of development in a unified context. Peace too, naturally. Both peace and development. It is not the conservation of the relations extant in the countries neighboring Costa Rica that is understood, but rather the necessity of certain socio-economic and political transformations in Guatemala, El Salvador and Honduras. This is not a question of the governments of the three countries, but the ruling classes. They have been against changes in the status-quo at every stage of historical development, which, strictly speaking, has also engendered those conflicts that later took on a regional and international character. And these elements will not disappear suddenly, of course. They are a factor impeding the implementation of the agreements. They will doubtless continue to have a negative effect.

Arias, relying on his own philosophy, is trying, in advancing a reformist alternative of development, to present as a prototype the model according to which Costa Rica itself is developing. And I think that the complaints against Nicaragua are being made from that position.

T.Yu. Ryutova: The Nicaraguans are constantly emphasizing that democracy in Costa Rica is reduced to the democratic change of governments. Nicaragua will be realizing its own model. As for the other countries of Central America, they evidently are still far from the one model or the other. The Costa Rican bourgeoisie was intimidated by the revolution in Nicaragua and the outburst of insurgent movements in Central America. The alignment with the Tegucigalpa bloc and all of the foreign-policy actions of the Monge government went against the grain of the social-democratic concepts propagated by the National Liberation Party in the 1970s. Serious differences have arisen since 1981 with the Socintern. The neutrality proclaimed in 1983 by the Monge government in fact signified following in the wake of the policies of Washington. But by 1986 they were aware in Costa Rica that this policy was leading to an undermining of the international prestige of the

country—the neutral and peace-loving image was eroding. The idea of peace that was advanced by Oscar Arias in his pre-election program thus was fully supported by the Costa Rican people.

In the first half of the 1980s anti-Nicaraguan and anti-Sandinista sentiments ruled in the country. But by 1986 the situation began to change. A year had passed since the advancement of the Arias plan, and over that time sentiments in the country underwent a radical change. Such a sharp change was natural. After all, the people were saying: Nico and Tico, i.e. the Costa Rican and Nicaraguan peoples, have always had an enormous sympathy for one another. The Arias plan and his foreign policy (I am not talking about domestic policy, the actions of the IMF etc.)—the policy of peace—enjoyed the support of an undoubted majority of Costa Ricans. All segments of society except the ultra-rightists and all political parties from the communists to the Party for Social-Christian Unity support the Arias peace plan without reservation.

E.S. Dabagyan: The prospects for the realization in practice of the founding principles of revolution—a mixed economy, political pluralism and non-alignment—that are opening up for Nicaragua as a result of peaceful settlement signify a step forward, and not a retreat. The incarnation of this model would have a positive demonstrative impact on the other countries of the region as well. Recall that this model is actively supported by international social-democracy as well. I am sure that other external forces also see much that is positive in this draft.

I think that the Sandinista dialogue with the contras has fundamental significance to the highest degree. It is knocking the “trump cards” out of the hands of the Washington administration. If the contras enter the negotiations and are included in political life as an opposition force, one of the cardinal issues that has served as a pretext for the tensions around Nicaragua would be removed thereby. You could object, of course, that new difficulties will arise. But they are difficulties of a different sort. And at a new stage, at a new limit, the question of the vanguard role of the SNLF and the necessity of winning the trust of the masses in a different round of development, the ability to implement a policy of peaceful economic construction, will be raised to full volume. And I feel that the evaluation of the Guatemala agreements from the viewpoint of creating the preconditions for the resolution of the indicated problems should undoubtedly be a positive one.

I agree with Chumakova. The Guatemala agreements are part of the context of the Contadora process. There cannot be two opinions. One need only take into account that the solution of these problems is moving to a new level, to the Central American level. This is, I would say, a fundamental element. Today the Central Americans themselves should make their own contribution to the

resolution of the conflict. It could be said more categorically: they themselves should (and want to!) resolve their own fate. This is an undisputed reflection of the new political thinking, the dialectics of the regional and global levels of the problem. Under extant conditions we too should restructure, reconsider our view of the Central American countries both as the object of world politics and as states that play no independent role whatsoever in world politics. I think that our understanding of today's world requires that we, academics, take into account the manifestations of the new role of the small countries in the resolution of regional and global problems.

A.D. Bekarevich: The idea of the correlation of global problems and the revolutionary process is very interesting and important. Theoreticians and practitioners are both thinking about this now. I suppose that Esquipulas adds a fundamentally new element to the resolution of these issues. One cannot stop economic or technological, or the more so social, progress or liberation and revolutionary processes. The realization of the “agreement of five” puts the question of revolution in each of the countries at a qualitatively new stage: the methods and correlation of various forms of the revolutionary movement.

M.L. Chumakova: On the score of “compromises”: the Contadora concept, after all, was completely built on them. And the Guatemala agreements are a continuation of it on this plane. But the question arises of the limits of compromise. We have not once touched strictly on the clauses of the Guatemala agreements. And there is a fifth clause that contains a call to all powers outside the region to refrain from supporting irregular forces, i.e. insurgent movements. This is a double-edged clause.

Furthermore, in evaluating the prospects of the peace process, it is essential to take into account the limits of the foreign-policy independence of the Central American countries. The fact that the foreign-policy potential of Costa Rica grew thanks to a moral and political factor—the support Arias received in Western Europe and Latin America—evokes no doubt. But there are “catches” to this independence. We cannot forget that in the face of all the nationalism and aspirations to conduct an independent policy, the Central American countries (especially El Salvador and Honduras) depend on Washington for financial, economic and military aid.

E.S. Dabagyan: No one labors under any delusions on the score of the possible prospects for the painless incarnation of the Guatemala agreements. I add that Esquipulas is “raising” the “price” not only of revolution, but also of counter-revolution to a qualitatively new level. One cannot fail to take into account the necessity of correcting the line of the counter-revolutionaries under the conditions of the nuclear era and the conditions of a mutually dependent peace.

M.L. Chumakova: I think we can conclude that two conflicting trends have been noted in the development of the political situation in Central America after Esquipulas: one working for the development of this process and the achievement of a political settlement, and the other aimed, if not at the cut-off, then in any event the dragging out, the prolongation, the "Contadorization" to an extent, of this process. The forces of the advocates of the development of the process are known to us: they are first and foremost the government of Nicaragua, Arias, Seseo to a certain extent and—many times less—the governments of El Salvador and Honduras, taking into account the decisive role of American aid to the formation of the national budgets of those countries. I would include among the advocates of the Esquipulas process the moderate wing of the ruling circles of the United States. The carriers of the opposite trend are Central American reaction, the military in El Salvador and Guatemala, the hawks in the American Congress, the Reagan administration and reactionary regimes in Latin America.

Today, when the formula for a political settlement has been found, I would like to emphasize the importance of the integrationist element. Not the integration that we observed in the 1960s, but a new round of integration, gathering speed thanks to the impetus of Western Europe and Latin America. The latter has promised to grant credit of 700 million dollars to the countries of Central America. Western Europe is also taking part in this process. In the United States the advocates of an alternative policy among the Democrats are proposing concentrating their efforts on large-scale economic aid to the whole region in accordance with programs that propose the allocation of a billion dollars a year.

We have not touched on the dangers facing the Nicaraguan revolution connected with further negotiations with the contras. According to my observations, a convergence of the political demands of the contras and the platform of the Nicaraguan legal opposition has been transpiring over the last year and, which is especially important, these demands were discussed in the U.S. Congress as early as in October—a detailed list in all areas was discussed: social, humanitarian and political. These demands are being reproduced with enviable precision in the negotiations, and Sandinista people's tribunals have blossomed in accordance with them and are discussing the question of dismantling the Sandinista defense committees. It seems that the prospects for the evolution of the political system in Nicaragua under conditions of a continuation of the Esquipulas process are acquiring an ambiguous nature.

And finally, it is essential to note the growing significance of the popular factor. I have in mind the appearance of base organizations of the popular church and new trade-union associations in all the countries of the region along with legal-defense organizations in El Salvador, Guatemala and Honduras. The Catholic Church gets political "space" in realizing the concept of national

reconciliation. It makes sense to evaluate the possibility of these new channels for expressing national aspirations for peace, democratization and socio-political progress in the context of Esquipulas. The question is to keep Central American reaction from cutting off these positive trends whether in individual countries or on the scale of the region.

E.S. Dabagyan: I agree completely with this last thought. When I was talking about the necessity of restructuring revolutionary thinking and revolutionary tactics, I had in mind the new role of mass movements. They carry a democratic charge, a potential, within them. And in my opinion, one of the important tasks of the vanguard parties in today's climate is a re-orientation toward such types of movements that adhere to non-violent methods of struggle for social transformations and thanks to this are able to adapt quickly to the new conditions that take shape in the process of peaceful settlement.

A.D. Bekarevich: Support for Esquipulas-II by the whole international community is taking on particular importance. Western European social democracy played a large role here without a doubt. Having supported the peace plan, however, the "support forces," its seems, could shift to more effective economic collaboration with the countries of the region. And moreover on a multilateral basis, and not just a bilateral one, especially CEMA—EEC—Central America.

V.M. Gavrilov: Latin America is entering an "era of collective actions." The "conference of eight" in Acapulco was a stage in it. The experience accumulated by the Contadora and support groups in the peaceful settlement of the Central American conflict is working actively in the development of integrationist processes and the establishment of relations of a new type on the continent based on dialogue and the non-application of military force. This trend—along with the process of democratization that is gathering force—marks a turning point in the history of Latin America. It has left its "imprint" on practically all continental problems, including the conflict in Central America. The revolutionary forces have risen to the necessity of seeking forms and methods of achieving their goals that correspond to the new stage. "Change in and of itself coincides with the transformation of circumstances in revolutionary activity," emphasized K. Marx. Sandinista Nicaragua, actively included in the Esquipulas process, has materially enriched the arsenal of means of protecting revolution, has acquired new allies and is pursuing a policy of dialogue with the opposition. At the same time, the policy of national reconciliation does not signify appeasement. All of this is a suitable answer to the challenge of the times.

There is another aspect as well. An unambiguous evaluation of Esquipulas-II would be a simplification from the point of view of the insurgent forces. Yet another facet to the question of "who's beating on whom?" is being revealed—who is making use of the fruits of Esquipulas and for what purpose?

The situation is complicated by the destructive position of the contras: many political observers note with some justification that the United States and the contras are trying in every way possible to make use of the negotiations with the Nicaraguan government just as a means of winning time to re-group and re-arm the counter-revolutionary formations that have been soundly battered by the Sandinista People's Army. In advancing demands that were unacceptable before, they are counting on shifting all the blame onto the Sandinistas. An old method from yesterday... But a new one is knocking insistently at the door. The desire for peace and dialogue was not born spontaneously or suddenly—it arose as the result of a collective reaction of Central Americans to the interventionist policies of the United States and as a manifestation of the strengthening intention of solving the complex problems of the region using their own powers without outside intervention and presenting it in the international arena. Esquipulas-II is an enormous step in the achievement of those aims.

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Soviet Committee for Solidarity with Latin American Peoples Plenum

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[Report by A.A. Sosnovskiy on the Plenum of the Soviet Committee for Solidarity with the Peoples of Latin America: "The Solidarity Movement and Perestroyka"]

[Text] Democratize the substance and style of work; respond more efficiently to the most important events in the region and the world; not be limited to the traditional "iron ring" of "activists du jour," but give space for initiative "from below"; really rely on a broader circle of participants in the solidarity movement, including the independent one, in various cities in the USSR; act on the basis of glasnost, not fearing new and unconventional forms of work; move from occasional contacts to more stable ties with representatives of Latin American political and public forces; boldly conduct a search for prospective partners in Latin America and in the international solidarity movement—these are some of the tasks formulated by the participants in the April 1988 Plenum of the Soviet Committee for Solidarity with the Peoples of Latin America (SCSPLA) in Moscow.

"All right, it sounds beautiful," the skeptically inclined reader will say. But won't all of this become the obvious and, unfortunately, customary set of ringing "restructuring" phrases that are, alas, far from reality?

It seems that it will not. Behind the decisions of the plenum and the new concepts of the activity of the Committee for Solidarity approved by the participants is a serious and critical analysis of the work of this public organization over the four years of its existence. The

conclusion is unambiguous: only democratization, openness and a diversity of forms of work and partnership ties will make it possible to transform the SCSPLA into an effective tool for "popular diplomacy" and reinforcing mutual understanding between Soviet and Latin American society. Only thus can it be made the genuine expression of the true feelings that are sustained by the Soviet people toward the just struggle of the Latin Americans for freedom, democracy, social progress and equal and just international relations.

It is possible to speak today of the successes of the Committee for Solidarity in the sphere of establishing contacts with a quite broad and influential circle of Latin American political parties, public movements and figures, as the SCSPLA chairman and editor-in-chief of LITERATURNAYA GAZETA, A.B. Chakovskiy, said in his report. This work must continue and expand. It should not be forgotten, however, that this is doubtless important, but is just one main direction of the activity of the SCSPLA.

The Committee's reliance on the independent solidarity movement of our students and worker youth and the centers, detachments and clubs for solidarity that have been able to overcome the obstacles and difficulties of the period of emergence unfortunately remains weak today, under the conditions of restructuring. Enthusiasts of the movement still receive minimal aid and support from the Committee. The ties with regional and national solidarity organizations, especially in the capitalist countries and the Third World, should be broader. The "inclusion" of the SCSPLA in the main directions of international solidarity movements is insufficient. Only by overcoming these shortcomings will the Committee be able to be transformed into a genuinely public organization widely known in the USSR and abroad.

If one looks into it—and this was emphasized at the plenum—the Committee is in a "privileged position" compared to many other public organizations. It does not have to overcome the "deeply rooted apathy" that was mentioned by M.S. Gorbachev in speaking to a party and business aktiv in Uzbekistan (PRAVDA, 10 Apr 88). On the contrary, the enthusiasm of participants in the solidarity movement is exceedingly high. One must only attract activists and help them utilize their potential.

The diverse concrete proposals of the speakers at the plenum testified to an interest in improving various aspects of the Committee's work. Here are just some of the proposals: make active use of visits to our country by Latin American political and public figures and anniversary dates to popularize the solidarity movement; send Soviet participants to solidarity festivals and marches more frequently; make broader use of club forms of work; put out brochures devoted to topical problems in the Latin American region overall and individual countries in particular; hold Latin American cultural festivals, institute special prizes for the best works of Soviet authors on Latin American topics; hold a poster contest;

institute collective membership in the SCSPLA... These and many other proposals were included in the program document approved by the plenum devoted to the tasks of the impending period.

It is important that some of these provisions have already begun to be brought to life. The first issue of a radio-journal of the Committee was broadcast in Spanish on Moscow radio, and it will become a monthly. Work of public commissions, and especially the legal one, collaborating with the international movement in the defense of human rights and political prisoners in Latin America, has become more active.

The question of how to make the elected organs genuinely guiding ones and to alter their mutual relations with the "apparatus"—a most serious problem for the socio-political life of our country—occupied a significant place in the discussion at the plenum. Restructuring offers ideas to society that can unite people and make them cohesive. But we must learn to work under conditions of real socialist pluralism, recognizing in fact the right to a diversity of human aspirations, interests and capabilities and making fruitful use of their diversity. This thought, repeated many times at the plenum, is very important for the formation of a new "philosophy of solidarity," upon which the collaboration of our society with all possible partners should be constructed, and not only with like thinkers, as has frequently occurred in the past. Becoming the everyday practice of millions of people, politics is ceasing to be the monopoly of state organs and departments. The Soviet public today is obtaining the opportunity of speaking out not only

openly, but effectively as well, on issues of international politics. And this must be done, of course, in a qualified and professional manner.

That is why the task of interpreting the difficult realities of today's contradictory but mutually dependent and integral world by public opinion, including the participants in the solidarity movement, is especially topical. It is important not only to understand, but also to bring to foreign partners our understanding of the dialectics of the new political thinking and the interconnection of the true aspirations of Soviet society for a non-violent and non-nuclear world with our fundamental position in support of the just struggle of peoples for freedom, equality and social progress and against reaction and imperialist dictate. We are ready for an open dialogue based on trust with broad political and social forces in Latin America—this was emphasized at the plenum. Only such a dialogue, only a joint creative search for common values, interests and ideals, will lead to the establishment of solid ties between Soviet and Latin American society in a spirit of humanitarianism.

The SCSPLA plenum was a watershed event in the development of the Soviet movement for solidarity with the countries of Latin America. The composition of the Committee and its presidium have been renewed. We hope that all of this will serve the rapid creative development of the substance and form of the activity of the Committee.

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Lao Politburo Member Interviewed on Economic Reform

18070031 [Editorial Report] Moscow SOVETSKAYA ROSSIYA in Russian for 31 August 1988 publishes on page 5 a 700-word account of an interview by APN correspondent Boris Kalashnikov with Sisiwat Keobounphan, member of the Lao People's Revolutionary Party Central Committee Politburo. Kalashnikov notes in his introductory comments that Laos is currently undergoing radical economic reform. He quotes Keobounphan's assessment of the leadership's views on building socialism following the victory of the Lao revolution: "Our views of the process of building socialism in many respects had a generalized and idealized character. It seemed to us that after the victory everything would go simply... We imagined socialism as a society without problems." Keobounphan notes that Laos achieved success, but "Now we clearly recognize that we have far from fully utilized the potential contained in the socialist mode of production; perhaps our movement forward would be more convincing if we rejected dogmatic declarations and unjustified running ahead."

Keobounphan notes the problems caused by the war and by the leadership's "war mentality." "To many it seemed possible that all our problems could be solved by command methods, by 'rule from above.' This caused unwarranted centralization and a bloating of the state apparatus and its bureaucratization. Bureaucratization became a serious brake on our development."

"Having acknowledged what damage this system does to the cause of building socialism, the LPRP proposed a fundamentally different course. This consists of transferring greater rights to enterprises and cooperatives. Basic economic units should be able, without seeking permission, to adopt decisions themselves on production questions. The economic system should be self-managing... Conversion to economic methods of management will allow us to decisively cut down on the bureaucratization of society and to significantly reduce the size of the state apparatus."

Keobounphan concludes: "As you see, our views are in many respects in keeping with the policy of perestroika being implemented at the present time in the Soviet Union. We are attentively studying the experience of economic reforms in fraternal socialist countries, and above all Soviet experience, and we are trying to carry out ourselves many ideas suggested in the USSR, but of course taking into account the stage of building socialism in which the LPDR is today and the special features and possibilities of our country. We are certain that the new thinking and the new approach to solving economic and social problems, which are more and more insistently making their way in the socialist countries, will in the end allow world socialism to reach new heights."

The full text of Keobounphan's interview will be published in the JPRS Report: East Asia/Southeast Asia.

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Ovchinnikov Visits PRC, Discusses Political Reforms

18070171 Moscow PRAVDA in Russian 22 Jul 88 p 5

[Report by PRAVDA special correspondent V. Ovchinnikov: "Reform of the Political System"]

[Text] Beijing-Moscow. When you again visit a country that you have not seen for a long time you have a strange feeling. The variegated panorama of life appears, as it were, on two planes. The eyes greedily look for what has changed and what has remained unchanged. This sense of two-dimensional time remained with me during a recent visit to north and northeast China. With a group of activists from the Soviet-Chinese Friendship Society I was in Beijing and Tianjin and visited major cities in Liaoning Province—Shenyang, Dalian, Anshan and Fushun.

I would like to start from a sign of the times that has been imprinted on the memory like a metaphor. China wakes up early. By about six o'clock in the morning those who like to jog are already on the streets. By six-thirty music can be heard in the city parks. Employees, students and homemakers are jumping about passionately to the rhythmic sounds of their calisthenics lessons. And just off to the side people of the older generation are engaged in the ancient Chinese exercises known as taijiquan. Archaic figures in the uniform of Mao's time. Frozen like a slow-motion film shot, moving as if in their sleep. Truly the contrast of the age! A symbolic reminder that China has awoken after a nightmare sleep and is hurrying to catch up for lost time...

When I was first in China the words "five-year plan" were very much in vogue. Now the pivotal point of all conversation is "the course of reform and openness." This expression is used as often as we use the words "perestroika" and "glasnost." The course of reform and openness was set by the Chinese communists a decade ago, late in 1978. In terms of time, our perestroika is only one-third as old. But what is remarkable is that given all the differences in time and specific conditions, the similarity of the main tasks—perfecting the economic mechanism, democratizing public life—simultaneously prompted our parties to engage in a reform of the political system. This question was the subject of debate at the 13th CCP Congress, and several months later at the 19th CPSU Conference.

China's present political system was born in the years of the revolutionary wars and took shape during the period of the first socialist transformations and large-scale mass movements, and during the process of the steady consolidation of directive leadership methods. As a product of earlier historical conditions, this system is not up to

present-day tasks, in particular the development of the socialist commodity economy. The reforms outlined by the 13th Congress envisage a clear-cut delineation in the functions of party and state bodies, the transfer of greater rights to lower elements, restructuring of the cadre system, the development of socialist democracy, and the strengthening of legality and law and order.

How are these congress decisions being fulfilled at the local level? To what changes are they leading? I talked about this with workers in the Hebei regional committee of the CCP in Tianjin. The region has a population of 590,000 and about 500 industrial enterprises and 700 trade enterprises are concentrated there; it has four higher educational establishments and 130 schools. The party regional committee is made up of 36 people. For leadership in current work it elects a standing committee headed by a secretary and three deputy secretaries, one of whom is by tradition head of the regional government. Putting it in our terms, the raykom has four secretaries and five buro members.

"We see the key element in reform of the political system," says Li Zaidao, the secretary of the regional committee, "in clear delineation of the functions of party and state bodies. The party should play the role of political vanguard. Because administrative, economic and other functions not properly theirs are concentrated in the hands of the party apparatus we have become enmeshed in everyday affairs and the lower element has insufficient right to resolve issues independently and there has been no scope for revealing the activeness of the popular masses."

The regional committee started to comply with the decisions of the 13th CCP Congress by reshaping its own structure. The sector departments were abolished; they had been duplicating the activity of the state bodies. They included the departments for industry and construction, finance and trade, and culture and education. The propaganda department, the department for organizational party work, the united front department, the general department and the commission for checking party discipline were retained. The members of the standing committee can now give more attention to the work of the primary party organizations without being distracted by administrative and economic matters.

"With the new allocation of duties, I am responsible for the propaganda department, the united front department, and the general department," says comrade Ma Yuseya, deputy secretary of the regional committee. "In addition to this, previously I oversaw the department of culture and propaganda (a culture section and a propaganda department have now been set up), and I also dealt with matters of public health and work to limit the birth rate. Now I am able to concentrate fully on matters of ideological-political indoctrination for communists. The propaganda department is trying to eradicate idle talk and dogmatism and turn the party enlightenment system

toward the urgent tasks facing the party. Seminars on problems of the economic reform and the democratization of society have become a widespread form of activity."

One important element of the restructuring of the political system is to make the practice of dialogue and consultation between the leaders and the masses an everyday occurrence, and to cut channels for the regular exchange of opinions from below to the top and from the top downward so as to clarify the interests of the various groups in the population and promptly resolve the contradictions that arise in society. Since the early years following the victory of the revolution one such channel has been the Political Consultative Council of China. The democratic parties, popular organizations and the various strata of society are represented in this body of the patriotic united front at the center and at the local level, and through it a system of multiparty cooperation and consultation functions under the leadership of the communist party.

"We are looking for new forms of contact that would help the masses to state their claims and wishes and help leaders to hear the voice of the masses," says comrade Cao Shiming, member of the standing committee and chief of the general department of the regional committee. "To this end we have tried to make work with workers' letters and analysis and generalization of the complaints made in them more effective. The innovation of the secretaries of the regional committee engaging once a month in direct dialogue with rank-and-file communists has now become a tradition. The primary party organizations are informed of the subject of discussion and anyone who wants to can participate."

The second deputy secretary of the regional committee also oversees the commission that checks discipline. (Previously he was also in charge of the finance and trade department). The main task on this sector is radical restructuring in cadre work on the principles of rivalry and openness. A system of public recommendations and open competition and periodic certification of leading workers is being introduced, and their terms in office are clearly defined so as to eradicate the practice of life-time terms in office. The party schedule for leaders confirmed by the regional committee has been reduced to two lower stages. An experimental time period is being introduced for nomination to many posts.

When our delegation was in China, CCP Central Committee Politburo member and chief of the Organizational Party Work Department Song Ping announced that restructuring of the cadre system and consolidation of the party ranks are urgent tasks now facing the 47 million Chinese communists. It is intolerable that some party workers are abusing their official positions for mercenary purposes, damaging the interests of the masses, slowing down the course of reform and openness, and undermining party authority. During the period 1982 through 1986 almost 152,000 people were

expelled from the party for serious misdemeanors. Since the 13th Congress the functions of the CCP control organs have been somewhat changed. Now, the commissions to check party discipline at the center and at the local level no longer examine personal matters connected with the violation of state laws, or administrative misdemeanors. This enables them to deal more effectively with matters concerning the purity of the party ranks and provide more effective assistance for party committees and lower organizations in improving the style and methods of party leadership.

Reform of the political system in China is designed to reveal more fully the potential of socialist power of the people and to stimulate the trend toward self-management at all levels. It is a question first and foremost of enhancing the role of the meetings of people's representatives and activating their legislative functions, and also their control functions vis-a-vis the executive bodies. I was able to talk about this with the deputy chairman of the Standing Committee of the National People's Congress Zhu Xuefang and with his colleagues in the cities that we visited.

According to them, the new electoral procedure, under which the number of candidates exceeds the number of mandates, has yielded positive results, as has abandonment of attempts from above to regulate the social makeup of deputies. Similar arrangements for bodies of officials have, in the words of the well-aimed popular saying, resulted in those attending meetings consisting of "two-thirds bosses and one-third silent taciturns." Leading workers have been bringing departmental interests into the activity of the deputies. And those charged with the mandates have often remained silent because they have been unable to discuss competently the matters raised at the sessions. Thanks to the new electoral procedure, whereby the right to nominate candidates has been given to public organizations and labor collectives, and even citizen groups numbering more than 10 persons, people who are capable of expressing and defending the interests of their own electors are now moving into the representative bodies.

Under the new constitution not only the National People's Congress but also the local congresses have been given the right to elect the standing committee, which carries on current work between sessions and coordinates the work of the commissions of deputies independently of the executive bodies.

"And the sessions themselves are now businesslike, not just pro forma as they were previously," says comrade Shi Jiang, deputy chairman of the Tianjin city congress. "Their length has now been increased to 9 days. Together with the plenary sessions there are group discussions so that each deputy may express his opinion. The efficiency of the elected bodies of power has been noticeably improved. At the insistence of the deputies a chemical plant that was seriously polluting the air in residential areas has been moved outside the city. It was

decided to demolish decrepit clay houses in the center of Tianjin that still remind us of the earthquake in 1976. At the initiative of the city congress steps were taken to improve everyday conditions for schoolteachers."

Last winter, a member of the standing committee of the Dalian City Congress, Fu Guozhong, told us, for the first time in many years a deputy raised with the mayor the question of supplies of vegetables for the city. Previously the contract was handled directly by the city committee. But the economic leaders, who were used to hiding behind its back, were unable to cope with the matter. After the mayor was made to engage in self-criticism at one of the sessions he started to listen with special attention to what the deputies were saying. The problem of city transport was causing many complaints from the inhabitants of Dalian. At the initiative of the people's congress supported by the city committee, it was possible to gather together funding to construct a pier half a kilometer long, which has considerably eased communications between the city center and the port.

Separation of the functions of party and state bodies does not exclude their close cooperation. For example, after completing a trip to a number of maritime cities, CCP Central Committee General Secretary Zhao Ziyang came up with an idea for the accelerated development of industry oriented on exports. The Dalian city committee discussed the matter and recommended to a meeting of people's representatives that legislation be passed to insure the development close to the city of a technical-economic zone with favorable conditions for foreign investments. This was done, and now the city government is bringing this idea to life.

I was also told about examples of the new relationship between the party committee and the representative and executive bodies of power in Hebei region in Tianjin. Twice a year the secretary of the regional committee and the head of the regional government meet informally with deputies from the people's congress and listen to their opinions on urgent problems.

"I am deeply convinced that the democratization of society must start with the democratization of intraparty life," comrade Li Zaidao told me when he was making his farewells. "We are moving toward that goal along several avenues at the same time. There is the switch to multiple-mandate elections for secretaries in the lower organizations, and for members of the regional committee and its standing committee. There is the abandonment of administrative-command methods in leadership. There is the clear-cut separation of the functions of party and state bodies and extension of the rights of the lower elements." "It must be remembered," Li Zaidao continued, "that some people do not like these changes. Some people assert that it is impossible, so they say, to weaken the leading role of the party while in reality they are unable to break old habits and they ignore democratic procedures. Others have become accustomed to

the ubiquitous tutelage of the party committee, which frightens them away from independence, and they do not want to assume responsibility..."

As I listened to the Chinese regional committee secretary I thought that the difficulties that our party and people are encountering are very similar. True, in China it is usual to call the enemies of perestroika "leftist conservatives"...

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Znaniye Publishing House Director Interviewed on Trip to China

18070030 [Editorial Report] Moscow ARGUMENTY I FAKTY in Russian No 41, for 8-14 October 1988 publishes on page 5 a 1,000-word interview by L. Novikova with Viktor Konstantinovich Belyakov, director of the Znaniye Publishing House, on his recent trip to China. Belyakov headed a delegation visiting the PRC at the invitation of the All-China Federation of Scientific and Technical Societies. He discusses living conditions in China and Chinese reading habits, and lists the types of Soviet scientific and other literature which the Chinese would like to publish in translation. Belyakov states that his delegation concluded a cooperation agreement with the publishing house of the All-China Federation of Scientific and Technical Societies. He concludes that in China there is great interest in, and friendliness toward, the Soviet Union, especially among those Chinese who studied in the USSR during the 1950's; he notes that many members of this generation are now in the "leading level" in many areas of the national economy and that therefore this is now "an extraordinarily favorable time to strengthen and develop friendly contacts and ties between our countries." UD/330

Soviet, CEMA Assistance to Kampuchea

18250061 Moscow *EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV* in Russian No 4, 1988 pp 92-95

[Article by Yury Ovsyannikov of the USSR Academy of Sciences' Institute of the Economics of the World Socialist System, in the section "Economic Ties Between the CEMA Countries and Other Countries": "Fostering the Development of the Economy of the People's Republic of Kampuchea"]

[Text] The People's Republic of Kampuchea is located in Southeast Asia. It has a territory of 181,000 square kilometers and a population of 7 million, 90 percent of whom are Khmers.

The climate is tropical, monsoon. 72 percent of the territory is covered by forests and brush.

The People's Republic of Kampuchea is an agrarian country. It is rich in valuable species of trees and has deposits of nonferrous metals, phosphorite, magnesite, marble, basalt and precious stones.

The main agricultural crop is rice. The fresh-water fishing industry is developed.

In industry, small enterprises for the production of lumber and farm implements and the processing of agricultural products predominate.

The People's Republic of Kampuchea (PRK) was formed in 1979 as a result of the overthrow of the Pol Pot regime by revolutionary armed forces. It is at the beginning of a lengthy period of creating the prerequisites for subsequent transition to the building of socialism. Its main task is to restore a national economy that was completely destroyed during the military actions of 1970-1975 and, subsequently, by the voluntaristic policies of the "Great Leap" followed by the regime of Pol Pot and Yeng Sari. The PRK's leadership has deemed it expedient for four forms of ownership to exist during the transitional period: state, collective, family and private, with the leading role played by the state and collective forms.

During the years of the republic's existence, certain successes have been achieved in economic development. Rice, vegetable, soybean, peanut and sugar cane harvests have been rising. In comparison to the prewar period (prior to 1970), two-thirds of the area sown to rice has been restored. The number of oxen and water buffalo has doubled. About 60 large and medium-sized enterprises—practically the entire prewar industrial potential—have resumed operations. Archaic physical facilities and equipment are impeding the cooperative movement in agricultural production. Nonetheless, more than 100,000 production-solidarity groups based on simple cooperation in manual labor and joint control of land and draft animals and machinery have already been organized. More attention is being given to the introduction of machinery and intensive methods of farming into agriculture and to the development of irrigation.

The country's economy remains underdeveloped. About 90 percent of the population lives in rural areas. In agriculture manual implements predominate, and draft power is provided mainly by cattle. The monocultural nature of farming has not been completely surmounted, and the traditional yield of the principal crop, rice, is low there and amounts to 11-12 quintals per hectare.

Industrial production is represented mainly by family and small cottage enterprises in the traditional branches—rice production; sugar, tobacco, fish and wood processing; etc. Enterprises of the factory and plant type operate in the textile, food, chemical, machinery-repair and machinery-assembly branches. There is an acute shortage of skilled specialists.

The underdevelopment of the economy is impeding the PRK's active involvement in the international division of labor. Despite this, the country has been successfully establishing foreign-trade relations, exporting natural rubber, timber and certain agricultural crops. Kampuchea's main foreign-trade partners are the SRV, the USSR and, among the capitalist countries, Japan.

The Fifth Congress of the People's Revolutionary Party of Kampuchea, which was held in 1985, defined the country's basic objectives for 1986- 1990. Four priority areas were singled out in the development of the economy: food production, fishing, the manufacture of natural rubber, and wood-processing. In industry the stress was placed on the production of consumer goods and export production. By 1990 it is planned to reach 350 kg of food grain per capita of the population and restore 50,000 hectares of rubber plantations, which will provide 50,000 tons of latex. The goals have been set of raising timber production to 200,000 cubic meters, harvests of fish and marine products to 130,000 tons, and electric power production to 300 million kilowatts.

It was noted at the congress that in accomplishing these objectives reliance should be placed mainly on the country's own forces. At the same time, it was deemed necessary to further develop cooperation with Vietnam, the USSR and other fraternal socialist countries, which is an essential condition for the successful building of the material and technical basis of socialism in Kampuchea.

Immediately following the formation of the People's Republic of Kampuchea, friendly relations with the USSR were restored based on the principles of equality, respect for national independence and sovereignty, and fraternal mutual assistance. Economic ties initially took the form of unilateral, free Soviet assistance. In 1979 the Soviet Union provided urgent assistance in the form of various goods worth approximately 55 million rubles. In 1980, 60 million rubles' worth of foodstuffs, seed, fertilizer, petroleum products, means of transportation, tractors, fabrics, crockery, medicines and other products was supplied on favorable terms.

In 1980 a Soviet-Kampuchean intergovernmental trade agreement was concluded between the USSR and the PRK. That same year trade turnover came to 3.2 million rubles. The countries' trade ties have been developing dynamically. Trade turnover was 61.6 million rubles in 1981, 71.8 million rubles in 1983, and 122.7 million rubles in 1986. USSR's exports have accounted for 90-97 percent of total trade turnover, while there has been a tendency for the share of the PRK's exports to rise. In 1986 a new agreement was signed on trade turnover and payments between the USSR and the PRK for 1986-1990 that provides for a further growth in the volumes of mutual trade. The Soviet Union exports petroleum products, rolled ferrous metals, machinery and equipment, means of transportation, farm machinery, fertilizer, consumer goods and foodstuffs to Kampuchea, and it imports natural rubber, valuable varieties of lumber, and

certain types of agricultural products. The provision of credits to the Kampuchean side and the clearing form of settling accounts have substantially helped the young republic to increase imports of the necessary goods.

The conclusion in 1980 of the Agreement on Economic and Technical Cooperation Between the USSR and the PRK and other documents provide for the development of bilateral cooperation in the following areas: the production of building materials, construction, the machinery-repair industry, electric power engineering, creation of the production infrastructure, agriculture and irrigation, the production of natural rubber, fishing, the training of skilled specialists, study of the technical and economic feasibility of facilities being built, and the provision of technical assistance.

Agreements on cooperation between the USSR and the People's Republic of Kampuchea in the growing of cotton and rubber plants are being implemented. With the USSR's assistance, a state construction organization has been established; telephone communications have been restored in the capital and between it and provincial centers; a long-range satellite communications station has been built in Phnom Penh; diesel electric power stations have been built and are under construction; vehicle- and tractor-repair shops, a chemical-fertilizer plant and grain storage facilities have been established and restored; and plant-selection centers for certain agricultural crops are being operated, among other projects. In the future it is planned to continue work on a number of these facilities and to begin building and equipping new facilities.

Ties between the PRK and the SRV are actively developing. In 1979 a treaty on friendship, cooperation and mutual assistance was signed between them. In helping overcome destruction in the national economy, Vietnam has sent Kampuchea food and seed rice, agricultural implements, chemical fertilizer, means of transportation, medicines, etc., and it has assigned specialists to work there. As the economic situation in the young republic has become normalized, mutual assistance has started to take on a bilateral nature, and it has developed especially actively since 1983. The PRK imports tractors, motorized pumps, seed rice, local-industry goods, sewing machines, bicycles, spare parts, fabric, etc., and it exports unprocessed agricultural products, timber, and timber-industry products. In 1985 the SRV's share of the PRK's foreign trade turnover was 40 percent.

In addition to mutual exchange, the SRV's foreign trade organizations help market Kampuchean goods in third countries.

The SRV provides the PRK assistance in the production of foodstuffs, the industrial processing of agricultural products, the cutting of timber, fishing, and the training of skilled specialists. In 1985 work was concluded on 52 joint facilities in Kampuchea. For the purposes of deepening cooperation between the SRV and the PRK, it has

been deemed advisable in 1986-1990 to focus joint efforts on solving the food problem, increasing exports of agricultural products and lumber from the PRK, developing local industry and the production infrastructure, developing the hydroelectric power resources of the Mekong River Delta, and conducting a number of scientific and technical studies.

It is characteristic of Kampuchea's cooperation with Vietnam that it has been actively carried out between provinces. Every Kampuchean province has a brother Vietnamese province. Agreements on trade and cooperation in all the aforementioned areas are concluded between them. Special attention is given to the building of relatively small facilities—mechanized rice-huskers, small repair shops, local enterprises for the production of building materials, and irrigation systems. Interprovince cooperation is also carried out in the cutting of timber, the construction of roads and bridges, the harvesting of latex, and the local production of consumer goods. As the Kampuchean press indicates, hundreds of Vietnamese specialists and workers work in the PRK, helping set up production facilities locally.

Since 1985 interprovince ties have received a new impetus. After fulfilling their plans for state deliveries, Kampuchean provinces were granted the right to sell surplus output to their brother Vietnamese provinces.

The first steps have been taken toward setting up trilateral cooperation among the SRV, the Lao People's Democratic Republic [LPDR] and the PRK. The coordination of their national economic plans has begun. In 1985 the Second Conference of Planning Agency Executives of those three states was held, at which the fundamental materials for the February 1983 Summit Conference of the Leaders of the SRV, the LPDR and the PRK were elaborated in specific detail. At the conference of planning-agency heads it was noted, in particular, that the goal of cooperation is to make more efficient use of the manpower, land resources, minerals and physical facilities and equipment of each participating country, and also to more efficiently utilize the economic assistance of the USSR and the other socialist countries. Since 1984 conferences of the three countries' foreign trade ministers have been held regularly.

Cooperation has been developing between the PRK and the People's Republic of Bulgaria [PRB], the GDR, the Hungarian People's Republic [HPR], Polish People's Republic [PPR] and the CSSR. Agreements have been concluded with them on the provision of assistance, mutual trade exchange and economic cooperation. Trade has been carried out between them since 1983, and it has been gradually expanding. Thus, in 1986 trade turnover was 4.7 million rubles with the PRB and 2.5 million rubles with the HPR. The PRK imports tractors, trucks, electrical equipment, diesel engines, chemical-industry products, railway locomotives, typewriters, consumer goods, etc. from the fraternal countries and exports rubber, timber, soybeans, sesame seeds and tobacco. Loans on favorable terms for the development of trade have been provided to Kampuchea.

The CSSR and the PPR take part in the cutting of timber in the PRK; the PRB, CSSR and GDR take part in growing rubber; the CSSR and the GDR participate in the textile industry; the CSSR participates in the production of motor vehicles and electric power; the HPR and the PRB take part in agriculture and irrigation; and the PPR is involved in water transportation. Great assistance is provided in the training of national personnel for Kampuchea.

During the current five-year period it is planned to increase the PRK's trade with these fraternal countries, continuing cooperation.

In addition to further deepening the development of existing forms of cooperation, it seems advisable in the future for the CEMA countries to participate in the establishment of enterprises on a bilateral and multilateral basis in the export branches of Kampuchea's economy (the production of natural rubber, tobacco and timber), as well as in certain areas of cooperation among the three Indochinese countries—the SRV, the LPDR and the PRK.

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Current Angolan Situation Reservedly Assessed

18070228[Editorial Report]Moscow SOVETSKAYA ROSSIYA in Russian on 16 September 1988 carries on page 5 an 1100-word article by I. Venediktov reporting from the southern border of Angola. He notes that today's situation in southern Angola is, in many ways, similar to the situation in 1984. "Its distinguishing characteristics are that today the Angolan armed forces, with the support of Cuban internationalists, have significantly strengthened their positions during the course of a number of successful operations against interventionists who encroach upon Angolan territory. The crisis of the apartheid regime in the Republic of South Africa itself has deepened. Finally, as Angolan leaders note, the peaceful initiatives of the Soviet Union and the new political thinking which is paving the way for, among other things, the resolution of regional problems, made peaceful negotiations on South Africa and the Geneva accords possible." Venediktov reportedly spoke with David Muir, colonel in the South African Army and

South African representative on the joint control commission which monitors the southern Angolan-Namibian border region. Muir is quoted as saying: "Our troops have completely withdrawn to Namibian territory. Maps of minefields have been given to the Angolans." Venediktov notes a South African major's assessment of the Angolan situation. The major reportedly stated that "The Cubans are guilty of everything. If they had not been there, all of the problems would be solved." Venediktov considers this strange logic. "As if the Cubans and not the South Africans had invaded Angola." He also comments on the latest round of negotiations for an Angolan settlement in Brazzaville. "The sides again emphasized their willingness, through joint efforts, to implement UN Security Council Resolution 435 beginning on 1 November 1988. However, it is not yet clear what the final Cuban withdrawal period will be and whether the United States and the Republic of South Africa are ready to stop supporting UNITA. These questions still await resolutions."

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