



# ***JPRS Report***

# **Soviet Union**

## ***WORLD ECONOMY & INTERNATIONAL RELATIONS***

No 3, March 1988

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[The following is a translation of the Russian-language monthly journal MIROVAYA EKONOMIKA I MEZH-DUNARODNYYE OTNOSHENIYA published in Moscow by the Institute of World Economy and International Relations of the USSR Academy of Sciences. Refer to the table of contents for a listing of any articles not translated]

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## WORLD ECONOMY & INTERNATIONAL RELATIONS

### English Summary of Major Articles

18160007a Moscow *MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA* in Russian No 3, Mar 88 (signed to press 15 Feb 88) pp 158-159

[Text] "New Thinking and Soviet-American Relations" by L. Lyubimov. Soviet-American relations have since 1917 covered a difficult path. Their experience is in many respects instructive. It indicates that a stable and positive nature of Soviet-American relations largely depends on the basic principles of the two sides in conducting affairs in a way that would reduce the military danger, normalize relations in all spheres and on respecting each other's interests, on a striving to guarantee them by mutually acceptable decisions. The author states that the history of Soviet-American relations has accumulated an invaluable experience which makes it possible to comprehend thoroughly our long-standing foreign political dilemma—unity or artificial confrontation, figuratively speaking the philosophy of the Decree of Peace and of the Brest peace treaty philosophy. The article emphasizes the significance of the 1930s in the history of Soviet-American relations which paved the way for the cooperation of the two countries in WWII. The reasons for a drastic deterioration of Soviet-American relations are revealed. They engendered the "cold war" epoch which stimulated both nuclear and conventional arms production and conducted to the squandering by the two countries of boundless resources. The author analyses the causes which prevented the two countries from considerably reducing tension and building stable relations. Thus the violation correct interconnection between the above mentioned philosophies has contributed both to the waning of the detente and to the new confrontation with corresponding losses. Soviet-American relations are entering a new stage. The unity of the aims and practice of foreign policy demonstrated by V.I. Lenin during the first years of the Great October Socialist Revolution is today the most important feature of the foreign policy component of perestroika. This is very important for the development of Soviet-American relations.

"Revolutionary Theory and Our Time" by G. Diligensky. The author believes that the elaboration of the theory of transition from capitalism to socialism significantly lags behind the changes in the objective situation both in the world at large and in its certain regions. Realism in theory and practice—this is one of the topical demands of the revolutionary forces. But the deep-rooted primitive stereotypes hinder the realistic vision of the world. The revolutionary law-governed transformations are quite often automatically inferred not so much from a present-day analysis of the situation as from the experience of past revolutions. Such experience is only to a limited degree correlated with the concrete historical circumstances. The author considering the existing situation in the developed capitalist world arrives at the

conclusion that the problem of the subject of the revolutionary process demands a new comprehension. Today it is ever more difficult to form the political opposition to the monopolistic oligarchy only on the traditional "class" principle, that is to say on the basis of an alliance of different socio-economic and class groups. Firstly great significance in forming such an opposition is attached to combining class, group and human interests. Secondly: in the alignment of social forces in capitalist society of great importance alongside with objective socio-economic factors are cultural and psychological ones. The character of the needs and values of the masses should also be regarded. Of no less importance is a comprehension of the revolutionary movement's aims. In the past these aims were more or less obvious, axiomatic. Under present conditions the perspectives of revolution are shifting to another plane. Of decisive importance is the question "What sort of socialism?" That is why the struggle for social progress in the non-socialist world is correlated with the revolutionary renewal of socialism, its democratization. It is in the course of this process that the problem of the concrete content of the present-day social ideal, the perspectives and aims of the revolutionary struggle are practically being solved.

The characteristic feature of capitalist economic development in the 1980s is the growing human factor's role in production and technological innovation. It is closely connected with the spreading up of scientific and technological progress and transition to a new type of "economic" growth innovative type. M. Grachev in his article "Management of Labour Under New Conditions of Economic Growth" traces the logic of capitalist management in connection with technological evolution, growth of labor productivity and the change in the forms of cooperation. The author shows that certain forms of management of labor correspond to different types of economic growth. Under the conditions of "industrial" type of growth technocratic management taylorism and fordism prevailed. Today traditional forms of management are losing their efficiency. Companies are orientated to high technologies, flexible manufacturing, adaptive marketing strategies, creative solutions in production of goods and services, a transfer to innovative mechanisms of management of labor. Their attention is centered on the interaction of workers, development of group forms of labor, creativity of the staff, integration of its efforts. The author considers some main reasons for the transfer to new management and singles out important forms and methods used by corporations in the USA, Japan and Western Europe: "quality circles" and autonomous work groups, suggestion systems and communications in new products development, rotation of personnel, human resources development and the establishing of the firm "organizational culture." In conclusion the author reveals the innovative management contradictions and evaluates its perspectives.

L. Zevin in his article "Certain Problems of Economic Cooperation of the USSR and Developing Countries"

indicates that the rapid growth trade, economic and technical cooperation of the USSR and other socialist states with the developing countries in the post-war period had marked the appearance in the world economy of a new type of international relations of states with a different level of development. These relations contribute to overcoming by the former colonies and semi-colonies the backwardness, to spreading up their advance along the path of socio-economic progress and to the strengthening of their political and economic independence. Mutual incentives stipulated high rates of growth of trade, economic, scientific and technological cooperation of the USSR with this group of countries. But in the late 1970s and the beginning of the 1980s this cooperation has begun to lose its former dynamism and since the mid of the current decade the volume of mutual trade has reduced. The author poses a number of questions. What are the reasons for the emergence of negative phenomena in this sphere of relations between the USSR and the developing countries? What ways and means should be sought for solving the accumulated problems in the context of the new world economic situation and the radical reform of the Soviet economic mechanism? The author believes that one of the main reasons for a certain instability for the slowing down of economic growth and since the mid 1980s of its absolute reduction lies in the fact that the USSR hasn't so far worked out long-term concept of development of trade, economic and scientific-technological relations with the developing countries which would result in a scientifically, well founded program of concrete actions.

E. Dmitriev in his article "The Middle East International Conference (Lights and Dark) believes that the unsettled Arab-Israeli conflict is the initial cause for all the troubles in the region. Only a settlement, based on the observance of justice for everybody can bring peace to the Middle East. The author compares the Soviet and American approaches to the problem of the Middle East settlement and discusses the importance of the Soviet proposal on convening a peaceful conference. He analyzes the reasons for the failure of the Geneva 1973 conference and believes that since the trust of public opinion on the ability of the specially convened international forum to bring the long-awaited peace was shaken, it is necessary to create proper conditions under which the conference would be able to fulfill its task of an exceptional importance. The article considers Israeli and the USA's approaches to the peace conference. It pays special attention to different versions of Palestinian representation at it. The article also focuses on statements and actions of the part of American and Israeli administrations, on their attempts to isolate the USSR from the settlement process. Only a joint stand of all Arab countries on the whole range of problems can be conducive to the success of the conference. To find real and effective ways for the settlement of the existing situation would essentially bring closer guaranteed peace, based on justice for all parties concerned in the Arab-Israeli conflict the most protracted and tangled in the post-war history.

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**'Creative' Soviet Strategy Disturbing U.S. Establishment**

18160007b Moscow *MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA* in Russian No 3, Mar 88 (signed to press 15 Feb 88) pp 3-14

[Article by L. Lyubimov: "New Thinking and Soviet-American Relations"]

[Text] *The stable, positive nature of Soviet-American relations will depend to a decisive extent both on the fundamental intentions of the two sides to move in the direction of a lessening of the general military danger and a normalization of their relations in all areas and on a realistic consideration of one another's interests and the endeavor to see a guarantee of their interests in the finding of mutually acceptable solutions. The restoration of the unity of aims and practice of Soviet foreign policy—unity for which V.I. Lenin was struggling in the very first years following the October revolution—today represents a most important feature of the foreign policy component of perestroika. The well-known American studies scholar Lev Lvovich Lyubimov gives his viewpoint on the past, present and future of Soviet-American relations.*

The USSR and the United States are the mightiest powers of the two sociopolitical systems embodying the unity and struggle of opposites of the modern world and the central knot of contradictions of its dialectical development. Soviet-American relations have trodden a significant path, the results of which it would be appropriate to sum up in connection with the 70th anniversary of the Great October Socialist Revolution and the coming 55th anniversary of the establishment of diplomatic relations between the two countries.

The formation of the new social system began in Russia with the Decree on Peace, the granting of independence to Finland and Poland and the renunciation of imperial and colonial ambitions and claims and the advancement of the idea of the peaceful coexistence of states with different social systems. In the same period, on the other hand, U.S. imperialism was taking the first actual steps en route to securing world leadership. For the two leading states of the world a new frame of reference of their policy and role in the fate of 20th century mankind had begun.

The history of Soviet-American relations contains truly invaluable experience, an examination of which makes it possible to comprehend a long-standing dilemma of Soviet foreign policy—the concurrence or artificial contrasting of, conditionally speaking, the philosophy of the Decree on Peace and the philosophy of the Brest peace.

The Decree on Peace contained for many decades ahead the fundamental aims of the foreign policy of the Soviet state and declared our long-term intentions and main foreign policy principles. And the Brest peace was precisely an example of the practical implementation of these principles in a specific, extraordinarily difficult situation and testimony to the unity of word and deed. In his speech at the Second All-Russian Congress of Soviets V.I. Lenin declared a readiness to discuss any practical proposals concerning an immediate end to the war. The bitter struggle in connection with the conclusion of the Brest peace showed how difficult it is to realize this unity in practice and how complex is the above-mentioned dilemma.

It is wrong in principle to discern in the actual situation of the conclusion of the Brest peace only the most complex signs of that time—economic devastation and the absence of an efficient army and, as a result, a difficult compromise. Features of permanent significance show through in the concept of the Brest peace particularly clearly today: a renunciation of empty phrases concerning peace in general not buttressed by actual deeds, the surmounting of paralyzing, self-destructing complacency ensuing from an absolutization of one's own rightness, renunciation of some "missionary spirit" on a state scale, a resolute search for a basis for cooperation in the name of peace and, finally, the understanding that peace was a most important condition of the building of socialism. Brest ensured the survival of the Soviet republic in the most critical period of its existence. Lenin's policy on this issue was an undoubted expression of the new political thinking which had been demonstrated by the Bolsheviks as of the first months of the revolution.

Russia's economic position in 1917 was catastrophic. That the country was "in a haze" was confirmed by the vast devastation, the tremendous scale of physical destruction of industrial means of production, the complete collapse of the financial system, the undermining of agriculture, the almost total collapse of transport and the millions of unemployed, homeless, invalids and orphans. Such was the reference point of its activity which fell to the lot of Soviet power.

As far as the United States was concerned, it had moved into the leading positions in the world economy even prior to WWI. Its results sharply intensified the detachment of the United States from the other imperialist countries inasmuch as they had created to a large extent a nutrient medium for a buildup of the unique competitiveness of American products. The "open doors" doctrine was adopted. Claims to world hegemony intensified. However, following the Versailles peace, an Americano-centrist structure in the camp of imperialism did not emerge. Although they had sustained huge economic and human losses in the war, Britain and France nonetheless preserved considerable political influence on the course of international affairs. They held on to and in places increased even their colonial possessions and "economic territories."

Imperialist Japan, which was advancing its claims in China and actively penetrating other regions of the Pacific, was gaining ever increasing strength. Wilson's plan for a "new political order" was turned down by the United States' partners, and the "open doors" doctrine did not become a component of the Versailles system. The attempts to secure by political methods the expansion of American capital in the colonial empires and, in the sphere of global policy, to convert the League of Nations into an instrument of American world leadership (its decision-making procedure afforded the European countries obvious advantages) proved unsuccessful also.

The actual unreadiness of the United States for the role of political and, even more, military leader of the capitalist world was also expressed in the fact that militarily it was at that time weaker than its rivals (this applied both to the composition of the armed forces and the experience of their operational use). Lacking a network of overseas military bases and strong points, the United States was unable to create either a desired global or regional infrastructure in Europe, Asia and Africa. All the accessories of political influence were held, as before, by the victorious European countries and also, albeit to a lesser extent, Japan.

The defeat of President W. Wilson at Versailles was not compensated by the results of the Washington conference (1921-1922). The isolationist wing of the American ruling clique preferred not to tie its hands with commitments concerning joint actions with European countries but to retain traditional leadership in Latin America. It discerned in the creation of the League of Nations a trend toward a strengthening of the European powers' influence on world politics and a threat to the "Monroe Doctrine."

An exception to this isolationist line was U.S. ruling circles' reaction to the revolution in Russia. It was distinguished by extreme aggressiveness and allowed here of any forms of joint action with European states, including intervention against the young Soviet republic. U.S. ruling circles began to display particular hostility toward the new Russia with the assumption of office in 1921 of the Republican Party. They made their contribution to the suppression of revolution in a number of European countries also.

Following the end of the civil war in Russia the U.S. Government thwarted all opportunities for the establishment of diplomatic relations therewith. In 1923 Secretary of State C. Hughes demanded that the USSR (as a "fee" for the possibility of the establishment of such relations) abandon the principal components of its foreign policy course and fundamental tenets pertaining to the building of socialism even. Hughes' unconcealed anti-Sovietism was subsequently inherited by F. Kellogg, who replaced him in this office in 1925. An extremely hard line in respect of the USSR, which could, as practice showed, have undergone a certain revision only

as a result of a strengthening of the economic and defense positions of the USSR, as, equally, its own failures in the economy or policy, had taken shape at that time.

The successes in the Soviet Union's economic development on the frontier of the 1920s and 1930s together with the crisis state of the U.S. economy in 1929-1933 compelled American business to embark on the development of business relations with the USSR (while preserving a negative attitude toward the question of political recognition). A period of so-called "trade without recognition" ensued.

The significance of the 1930s in the history of Soviet-American relations is extraordinarily great and amounts to more than just the fact of the establishment in 1933 of diplomatic relations between the two countries. It was at that time that the most realistic idea of one another appeared and false and at times caricatured stereotypes came to be replaced by images more in keeping with reality. The world political context in which these relations developed had a positive impact on them. The formation of centers of aggression in Europe and Japan was even then "spotlighting" those who were to be on the other side of the barricades and to defend civilization against the new barbarism. The gradual consolidation of the forces opposed to aggression, which had been dictated by objective necessity, stimulated Soviet-American mutual attraction (despite the certain loss of trust in the USSR as a consequence of flagrant mistakes and violations of socialist legality perpetrated in the period of collectivization and in subsequent years). The development of Soviet-American relations in the 1930s prepared the ground to a certain extent for the subsequent alliance in the fight against fascism.

Hitler Germany's attack on the Soviet Union initiated Soviet-American cooperation in WWII. Following Japan's attack on Pearl Harbor, the United States became an actual participant in the anti-Hitler coalition also. In the course of the war the cooperation of the USSR, the United States and also Britain passed the tests, despite the numerous attempts on the part of our coalition partners to abandon the concerted line and insist on the safeguarding of unilateral American or British interests. The relations and joint operations of the USSR and the United States were a stabilizing and consolidating link in the alliance. This applied both to the coordination of military operations and the solution of questions of the postwar arrangement of the world. Undoubtedly, the policy of cooperation with the USSR was secured to a considerable extent both by F.D. Roosevelt personally and a number of figures of his administration. At the same time there remained in the United States forces operating from rigid class positions and endeavoring to break up the propitious trend in relations between the USSR and the United States. They were personified by Vice President H. Truman. Unfortunately, fierce opponents of Soviet-American cooperation headed by him assumed office in the United States after the death of Roosevelt.

Following WWII, in which the USSR and the United States had been allies, there ensued almost without a pause the "cold war," which marked a long period of Soviet-American confrontation. Following the completion of the rout of fascist Germany and militarist Japan, the narrowness of the joint basis for political cooperation was revealed. The conversion of the Soviet Union into a real force and serious rival on the international scene led to a decisive demarcation, which had been held up for some time merely by the inertia of the community of strategic goal in WWII. Among other objective causes of the abrupt deterioration in Soviet-American relations we may cite the factor of the time necessary for recognition of the consequences and realities of the nuclear age and the mutual inertia of evolved military-political concepts and doctrines (the proposition concerning the inevitability of a military confrontation between capitalism and socialism and ideas concerning the possibility of a war being fought with nuclear weapons and of unilateral military advantages being derived, the inevitability of revolutionary consequences of a new world war by analogy with the results of world wars I and II and so forth). A negative role was also undoubtedly performed by subjective circumstances (the views, for example, of actual leading figures and the distorted interpretation of the actions of the other side).

From the height of the present day it would seem that, for our part, the interweaving of objective and subjective factors was manifested in a deepening of the gulf between the philosophy of the Decree on Peace and the philosophy of the Brest peace. As distinct from the United States, the Soviet Union was, of course, prepared to continue cooperation in the postwar period also. But the concept of such cooperation which we put forward had been frustrated in the past, in the 1930s, and did not prompt Washington to renounce its policy of hardline confrontation.

In the prewar period the United States' interest in cooperation with us was assured, first, by the benefits which trade with the USSR afforded the American economy and, second, the aspiration to maintain a certain correlation of forces in Europe and Asia. Cardinal changes which required serious theoretical comprehension and adequate reflection in practical policy occurred in the world. The line of the divide on the Eurasian continent unambiguously ran between states belonging to the two contending systems. We conceived of Soviet-American trade and economic relations as a factor which was to work for the further strengthening of our power. The changes which had occurred in the international situation were seen through the prism of the victory over fascism, which had stimulated, inter alia, the disintegration of the colonial empires and the establishment of a military balance which was propitious for us. They were simplistically perceived as proof of that radical transformation of the correlation of forces which allegedly endowed us with unprecedented opportunities. The increased confidence in ourselves was

affirmed in the idea that the philosophy of the Brest peace was temporary and emanated solely from our weaknesses at that time and that it was now over.

Truly, the time of compromises which emanated from our weakness had irreversibly sunk into oblivion (the last tribute to this policy was the 1939 Soviet-German non-aggression pact). However, the status acquired by the Soviet Union of great power, on which this solution or the other of the problem of war and peace depends to a large extent, posed the question of determination of the order of priority of our principles and tasks in the international field even more acutely, perhaps, than in the post-revolution period. The "cold war" was probably inevitable. At the same time it could have assumed somewhat alleviated forms had the sides not been guided solely by the "tug-of-war" concept constantly leading to stalemate.

The confrontation of the "cold war" era became the engine of the race both in nuclear and conventional arms, which led to both sides squandering tremendous resources. In the United States the strategy and policy of confrontation became enshrined institutionally in the creation and rapid growth of the military-industrial complex, which became a most important component of the domestic political and economic structure. Mutual stereotypes of social and political thinking which became for many years a barrier in the way of any constructive efforts in the sphere of Soviet-American relations took root. Devotion to these stereotypes led to the creation of numerous crisis situations, from the Korean events through the West Berlin and Caribbean crises in 1961 and 1962.

At the end of the 1950s and in the 1960s Soviet-American relations began to slowly emerge from the state of political suspended animation. The main impetus to the process was imparted by the new foreign policy approaches of the USSR formulated at the 20th CPSU Congress. Many of the cliches which had become firmly established in the past were radically revised, and certain propositions which had impeded the formulation of a constructive USSR policy in the international arena were cast aside.

The reinterpretation of the proposition concerning the inevitability of wars between socialism and capitalism imparted dynamism to Soviet policy. The realities of the nuclear era came to be recognized increasingly well both in Moscow and in Washington. The Eisenhower-Dulles hard line in respect of the USSR and other socialist countries not only had not produced results but had given rise to growing criticism of the United States in West Europe. The Suez crisis and the revolution on Cuba, the defeat of the counterrevolution in Hungary and the events in Lebanon, the launches of the first Soviet space satellites, the crisis in relations between the

United States and Latin America following the American intervention in Guatemala—all this ultimately led to certain changes in U.S. policy on a number of international problems.

The resumption in 1959 of the Geneva conferences of foreign ministers of the USSR, the United States, Britain and France on the German question and the conclusion the same year of the Antarctic Treaty marked a certain stabilization in Soviet-American relations, which was developed in the diplomacy of the J. Kennedy administration. Having begun with an exacerbation of relations and having come through the lessons of the Bay of Pigs and the Caribbean crisis, the American leadership of that time was forced to recognize the impossibility of nuclear war, the presence for the USSR and the United States of a number of concurrent interests and the need for an end to the "cold war". A consequence of such changes was, inter alia, the Moscow treaty (1963) banning nuclear tests in three media.

The Soviet Union's achievement of parity with the United States in strategic arms (which created a qualitatively new basis for Soviet-American relations) and the military defeat of American imperialism in Vietnam together with the weakening of the United States' world economic positions forced the American leadership to begin a reconsideration of policy both in respect of the Soviet Union and in terms of other problems. It should be noted that the new situation for the United States was evaluated correctly, in the main, by the American leadership, which ended the aggression in Vietnam, recognizing its failure, and agreed with the need to limit the arms race and accede to a number of other positive steps in the foreign policy sphere.

A period of detente began which completed the first cycle of postwar Soviet-American relations, which had passed through the "cold war" phase and the transitional stage toward a more stable and positive model. The policy of military-power pressure, which had found itself appreciably undermined, had come to be replaced by the method of negotiations. Albeit not without hesitation, the United States acknowledged for itself the role of a party taking part in such negotiations and not presiding at them.

The detente years were marked by big achievements in the Soviet-American SALT talks and preparations for the solution of a considerable number of global problems and a sharp enhancement of the role of multilateral diplomacy. Relations between the United States and the USSR proceeded along the path of assuring greater security for themselves and their partners, economies in or the streamlining of national resources used for military purposes and the development of bilateral contacts on a broad range of issues. But the main result of detente was a certain departure from confrontation toward peaceful coexistence. An important feature of this period was the United States' willingness to agree to appreciable steps forward for the purpose of lowering tension and

creating stable relations with the USSR. The United States by no means conceived of their development on the basis of the principles of equality and partnership here. Its idea of "participation in detente" incorporated such components as limitation of the quantitative growth of the strategic arms of the USSR (intending the subsequent switch of its efforts to a race in qualitative aspects of the arms), the weakening or, at least, stabilization of the USSR's influence in the developing world and the ideological "softening" of the socialist community countries.

Of course, the Soviet Union had no intention of abiding by the rules of the game which had been proposed by Washington. Having achieved strategic parity with the United States, it displayed a persistent endeavor to hold on to it in the future also. The Soviet Union was not, of course, a detached observer of events which had occurred in the developing countries, although the events in Angola had proven a severe test for the United States' preservation of a positive attitude toward detente. Finally, advancement of the proposition concerning the exacerbation of the ideological struggle was perceived in Washington as evidence that in this field also its intention had no serious chance of coming to fruition. On the other hand, the incapacity of the United States for realizing its intentions was evaluated in the USSR as natural consequence of the changes in the correlation of forces in favor of the forces of peace and progress, this being seen as proof of the soundness of the policy of detente and a guarantee of its irreversibility.

At the same time the utter unattainability of all the goals which the United States had set itself, having joined in the detente process, which had been confirmed constantly in practice, reduced to nothing its interest in a continuation of this process. This fact was not properly taken into consideration in our policy. And once again the failure to observe the correct relationship between the philosophy of the Decree on Peace and the philosophy of the Brest peace "did its work"—contributed on this occasion to the fading of detente.

I would like to emphasize that the question of the correlation between the actual content of detente and the limits within which the Soviet Union was prepared to make its contribution, based on compromise, to this content became particularly acute in the 1970s. This question has become even more pertinent now. After all, it is now that we are beginning to provide it with appropriate answers. For example, the ideas concerning the correlation between detente and the ideological struggle based on the proposition concerning the exacerbation of the ideological struggle and the "intensification of the ideological confrontation of the two systems" led under the specific conditions of the 1970s to a lack of readiness on our part to approach so-called humanitarian problems in a new way. In addition, in the interpretation of the proposition concerning the exacerbation of the ideological struggle a certain distortion in the direction of portrayal of this process as occurring at the

propaganda, "psychological warfare" level arose. Yet in the atmosphere of detente it reflected in more undisguised form the historical argument about which system is the more efficient from the economic, social and political viewpoints.

Or, another example. There was a scholastic approach to the "third world" as an unbroken "zone of the augmentation of socialism" and as a natural ally in all instances in the struggle against imperialism (without regard for the differentiation factor), which resulted in us being pulled into regional conflicts. Angola was followed by events in the Horn of Africa, then, in Afghanistan. As a result there was a sharp intensification of Soviet-American rivalry and a polarization of the two powers' positions on the question of that in which mutually acceptable solutions ought to be sought and, evidently, found.

Finally, a whole number of legal doctrines pertaining to the international sphere which had taken shape in our country failed to link up with the trend which had appeared by the mid-1970s toward international-law assurances for this question or the other. Thus the objective demand for the transfer to certain international organizations of the functions of obligatory regulation of certain types of states' activity came into conflict with the doctrine which had been elaborated in our country in prewar years even denying international organizations this right as a violation in all cases without exception of a state's sovereignty. This led to the point of us simultaneously denying, while putting forward urgent and objectively necessary disarmament proposals, the right to effective mutual supervision of the realization of disarmament measures. The concepts of the monitoring of implementation and responsibility for violation (impairment and so forth) of the mutual forwarding of reliable information were particularly "unlucky". Yet problems of international law, which arose in a tremendous number in the 1970s, constituted an important part of the overall political context in which the detente process developed. Ensuring the steady preservation and expansion of this context meant securing a basic condition of detente and the peaceful coexistence and cooperation of states. And it cannot be precluded that in the 1970s and later also the United States made direct use in its policy of knowledge of our stereotypes and the confidence that they would "work" in any event. The United States' present maneuvers on verification issues, after we have proposed radical steps in this field, attest the soundness of such a supposition.

The detente period was brief. An exacerbation in Soviet-American relations began in the mid-1970s, and in the first half of the 1980s there came to be talk of a "second cold war". A new cycle characterized by a higher level of the costs of confrontation, on the military, political and diplomatic "servicing" of which resources of unprecedented scale came to be spent, began. For the first time the permanent (and not crisis) threat of global nuclear



catastrophe appeared. A whole set of regional conflicts, in which the symmetrical interests of the two great powers were involved, arose.

The transition to the said cycle was brought about by a number of factors. The strengthening of conservative forces in the United States, which began in the latter half of the 1970s and which brought to office at the 1980 elections the Reagan administration, did not simply accompany but supported this process. The combination of the positions of the new right, the traditional Republican right and rightwing democrats and their seizure at the start of the 1980's of power both in Congress and in the White House led to important changes in the foreign policy course of the United States as a whole and in its policy in respect of the USSR. Whereas the factors which had contributed to the "departure" of detente from international relations had been created, albeit not to an equal extent, by all parties, the return to confrontation was realized solely by the United States, which bears the political and historical responsibility for this.

At the end of the 1970s U.S. ruling circles recognized for the first time their superiority upon a comparison of the dynamics of the economic development of their country and the Soviet Union. The stagnant phenomena in the Soviet economy and social development, which had led by the mid-1980's to the appearance of economic contradictions which were of precrisis form, interrupted the almost 50-year trend of the increasing preferential (compared with the United States) rate of development of the Soviet economy.

These events were perceived in the United States as a signal for adding the burden, "critical," they believed, for undermining the Soviet economy, of a new spiral of military spending. U.S. policy in respect of the USSR at the end of the 1970s and the start of the 1980s was composed of efforts to curb Soviet exports, prevent imports into the USSR of products with a high and medium level of science-intensiveness and undermine all forms of the USSR's economic cooperation with the developed capitalist and developing countries. Essentially the United States intended the economic isolation of the USSR. In sharply intensifying regional conflicts and throwing hundreds of millions and even billions of dollars into them the United States thereby attempted to impose on the Soviet Union also the burdens of additional spending in these regions.

Such facts as the renunciation of disarmament negotiations and refusal to ratify agreements which had already been achieved and an attempt to revise them; the revival of doctrines aimed at the achievement of military superiority and the adoption of "acceptable damage," "limited" nuclear war and possible victory in a nuclear confrontation concepts; the sharp increase in the military budget; unbridled "psychological warfare" against the USSR and other socialist countries; direct interventionist actions on Grenada and in Libya and Lebanon

also testified to the Reagan administration's intention of changing to its benefit the evolved correlation of forces between the USSR and the United States.

The United States' policy in respect of the USSR became an element of its policy of global revanche and a part of attempts to restore its positions in the world, in respect of the developing countries, West Europe and Japan included. Whereas in the mid-1970s American diplomacy had displayed a readiness to accede to certain compromises in the "North-South" dialogue, as fears concerning a raw material shortage disappeared, this readiness weakened and ultimately yielded to a policy of a stringent reconsideration of American positions in respect of the entire set of problems of this dialogue.

At the same time, however, in connection with the fact that the growth rate of the American economy proved somewhat higher than the West European rate and matched the Japanese rate almost there arose in the United States the illusion of stabilization and the possibility of a return of lost positions in the world economy. This was precisely an illusion inasmuch as the American evaluations were based on the passe philosophy of an uncoupled and constantly uncoupling world community wherein struggle to assert selfish separate interests is the law.

This was an illusion also because in reality a decline in the growth rate in a competing country or group of countries does not now inevitably lead to a change in the relative position of the power centers in the world capitalist economy. It is not only and not so much this rate which determines the true correlation of forces between the centers. In the era of the S&T revolution a constant improvement in the quality and efficiency of the consumed product is coming to replace quantitative growth of the amount of personal and industrial consumption. Therefore of far more importance for assessing the actual place of the United States in the world economy are such factors as the rapid decline in its share of the world trade in science-intensive products, the deficit balance in the foreign trade in these products which occurred for the first time in 1986, the growing imports of producer goods and the increasing proportion of consumption of foreign products in the physical support of capital investments in American industry, transport and communications. The unprecedented combination of the growth of imports and the decline in the exchange rate of the dollar has intensified sharply the problem of the competitiveness of American commodities on both the foreign and domestic markets. The conversion of the United States into a debtor is also a new phenomenon.

The deterioration in the economic position of the developing countries has also had a negative effect on the world positions of the United States. Backwardness is inevitably leading to social and political instability, creating dangerous centers of conflicts which are assuming an international nature and pulling into their orbit

states located outside of the conflict region. Backwardness-instability-conflicts-militarization-international tension—a slowing of development—such is the logical pattern of processes whose source is the poverty of the peoples. The accumulation of huge debts is lessening the guarantees that they will be paid off and undermining the stability of the world currency and credit system and could lead to unpredictable political decisions and economic consequences. The present deterioration in the economic position of the developing countries is automatically leading to a reduction in exports to them from the developed states, including the United States (in 1985 and 1986 its exports to African countries declined 5.8 and 22 percent respectively, West Asian countries, 12.8 and 13.3 percent, and Southeast Asian countries, 16.1 percent in 1985).

Finally, the United States' policy of exacerbating the USSR's economic problems and securing its superiority in the military sphere, which has become firmly established in the 1980s, has emanated from the philosophy of the past also. In practice it has led to a growth of international tension and a real danger of nuclear war and the destruction of civilization. Laying a trap for someone today results in the danger of it being laid for everyone, oneself included.

Thus essentially two evaluations of the changes in and trends of world development which engendered in the United States the illusion of a stabilization of the American power center have taken shape. One of them, based on the traditional approach to defense only of one's own interests and strategic class goals, proceeds from the principle to the effect that the weakening of some is the equivalent of a strengthening of others. According to the other evaluation, inasmuch as we live in an interconnected and integral world, a weakening of some could mean a weakening of all, a threat to a region becomes a threat to the world as a whole and an attempt to destroy one country could be the end of civilization. The first evaluation is an attribute of the neoconservative approach, the second expresses the essence of the new thinking in international relations.

What does an interconnected and integral world mean for the United States? It means primarily profound interdependence between the American economy and the economy of other countries. It is a question of imports of \$387 billion worth of products in 1986, including more than \$26 billion worth of food, almost \$50 billion worth of raw material, including fuel, more than \$50 billion worth of intermediate products and \$166 billion worth of engineering products. On the other hand, an appreciable portion of these imported products is produced within the framework of American TNC or by joint ventures with the participation of American capital, which simultaneously points to the dependence of the exporting countries on the U.S. market. It is also a question of American business' use of manpower, raw material resources and so forth in a large number of states. In turn, for the latter this business is a most

important source of industrial development, the acquisition of technology and the training of national personnel. It is a question of a process which is far advanced and in which interdependence has become an obvious imperative. At the same time, however, problems of the establishment of just economic relations, whose solution is becoming a matter of urgency, remain pertinent.

Whereas in the past the basis of economic relations between countries was trade, which led to the development of **interrelationships**, today this basis is joint production, in which in various forms (TNC, joint enterprise, line conferences in merchant shipping, intergovernmental agreements and programs and so forth) an entirely different, qualitatively higher level of relations—relations of **interdependence**—is achieved. Product standardization within the framework of such production is permitting the creation of uniform (in place of the once autonomous) markets located not only in different countries but on different continents also. In first place among the states which have created such a global production structure is the United States—its "second" economy is evaluated at almost \$1 trillion. While attempting to safeguard national, firm, sectoral and other interests, the subjects involved in this structure (from states through individuals and bodies corporate) are united simultaneously by the interests of the given structure itself also. The establishment of the corresponding international regulatory institutions and the increased complexity of their functions reflects the new situation, the essence of which is that relations of interdependence have in the modern world economy become to a large extent economic relations (sentence as published). Of course, this phenomenon exists and is developing in the societal formations which ensue from the social nature of the subjects interacting therein and the correlation of forces between them. However, what is new is precisely the fact that the latter cannot today be viewed outside of the context of interdependence.

An analysis of this correlation of forces is impossible also in isolation from the idea of the integrity of the modern world. Weapons of mass annihilation and the numerous lethal consequences of their use will not choose their victims in accordance with the criteria of membership of a socioeconomic system, economic development level, geographical location and so forth. The impact of these weapons is global, and differences in the degree and depth of impact on regions which are the victims of attack and regions which escape such an attack would be of short-term significance. The destruction of both would ultimately be inevitable. There ensues from this a conclusion of extraordinary importance for Soviet-American relations: they may not today be determined merely by national or class interests. The integrity of terrestrial civilization and the tasks of its preservation and the security of all states of the world must take precedence when it is a question of the military aspect of the said relations.

In 1941-1945 our countries cooperated in the name of deliverance of mankind from the aggression of fascism.

They thereby worked for the sake of securing for mankind the right to peace, security and life. The ideas concerning the spectrum of the rights which should be guaranteed both the modern individual and the modern state have broadened considerably since that time. The interaction of the USSR and the United States in the creation of such guarantees would be a most important contribution to the assured integrity of the modern world inasmuch as the integrity of the world community and the stability of legal (and not power) relations between its numerous components are consolidated via the universality of rules of law.

Of all the directions of the policy of global revanche of the start of the 1980s the most dangerous for mankind was the proclamation of a "crusade" against the USSR and socialism. Here the policy of the U.S. Administration increasingly assumed the features of an apocalyptic movement based on illusions of survival in a nuclear war. But it had become obvious during the 1984 elections even that this movement was giving rise to a growing feeling of apprehension both among Americans themselves and among the West Europeans. The prospect of global catastrophe had moved from the future to the present. The stockpiling of nuclear arsenals had reached not only a dangerous but also senseless point.

Tension in Soviet-American relations reached its highest point at the end of 1983, when the deployment of American medium-range missiles in Europe began. A crisis arose not simply in bilateral relations but in the fate of human civilization also. A search for a way out of this crisis and a practicable response to the call "civilization in danger"! were vitally necessary. The struggle for revolutionary transformations in the USSR which began as of the CPSU Central Committee April (1985) Plenum predetermined the possibility of such a search.

The new phase in Soviet-American relations was initiated primarily by the foreign policy component of perestroika, which once again combined the philosophy of the two pivotal foundations of Lenin's diplomacy—the Decree on Peace and Brest. The USSR's foreign policy of recent years has forced the West to acknowledge that the initiative has passed to Moscow. The United States has begun to understand increasingly distinctly that the new Soviet approach and the specific steps of the Soviet leadership reflect the USSR's intention to step aside from the "reactive" model of behavior in the international arena which is being foisted upon it, whereby responding to the actions of the enemy is predominant in foreign policy practice, raising the level of confrontation. The American establishment has been caused ever increasing concern by the predominance of the creative element in Soviet strategy against the background of the strict subordination of the Reagan administration's policy to the outdated concepts with which it assumed office.

The first major result of the new foreign policy thinking was the effective policy of providing for measures to remove the "blockages" which had arisen in preceding

years both in Soviet-American relations and in key questions of averting a worldwide nuclear threat. The top-level meeting in December 1987 produced the first real result en route to the creation of an all-embracing system of international security—the Treaty on the Abolition of Medium- and Shorter-Range Missiles. The agreement, which even yesterday was regarded in the United States, West Europe and many other countries as impracticable, became a reality thanks to the new thinking, which embodied the fundamental philosophy of the Decree on Peace and the "philosophy of action" embodied in the Brest peace. Practical prerequisites have now been created for progress on the question of a reduction in strategic offensive arms also.

Soviet-American relations are today entering a new phase. The USSR and the United States are only at the very start of the next stage in their relations, when much is as yet unclear. The stage which is beginning will evidently be of a transitional nature. The development of stable models of interaction between the two powers is to constitute its main content. Perestroika, which is already evoking a mixed reaction in the United States, will exert a tremendous, most likely, decisive influence even on the process of their formation. This reaction contains on the one hand elements of concern lest the USSR become a more serious rival and competitor and, on the other, a disbelief that what is planned will be accomplished. Both evaluation versions are even now being seriously considered in the future model of the American attitude toward the USSR. Ever increasing attention is being paid to them in the course of the 1988 election campaign. The successes of the Soviet perestroika will have a tremendous impact on the social consciousness in the United States and, consequently, on the shaping of the concept of doing business with the USSR, which could differ markedly from those to which the United States has adhered previously.

Besides perestroika, considerable influence on this process could be exerted by the Soviet Union's retention of the foreign policy initiative and the implementation of measures which might lead to a fundamental change in Western ideas concerning the aggressiveness which is allegedly inherent in the USSR, which are the political and philosophical foundation of NATO, and involve the United States and West Europe more deeply in the detente process. In addition, a thorough study of the complex of aims, means and structures of Soviet-American cooperation is essential. Specifically, appreciable significance would be attached to the determination of mutual interests in two spheres in which the cherished aspirations of the whole human race and prospects are particularly in need of the support and responsibility of the two great powers. It is a question, first, of problems common to all mankind and, second, of problems of an international-law filling for global cooperation, of which humanitarian problems should be an integral part. A most important achievement of today's Soviet foreign policy is the separation from the whole set of Soviet-American relations of the questions which shape simultaneously the agenda common to all mankind. Finally, a

really broad and long-term basis should be found for the two countries' economic cooperation also.

The principles and relationships of the foreign policy course advanced by V.I. Lenin in the first post-October days are being creatively enriched today in the socialist state's policy in the international arena. It was the Soviet Union which found the opportunities for proposing not only an impressive program of mankind's liberation from the threat of self-annihilation but also specific paths leading out of existing impasses, including those created by the United States. A capacity for thinking for all mankind and taking unilateral steps for the sake of goals common to all mankind is an attribute of socialism as a humanitarian system. This policy is a confirmation of the historic mission which socialism brings to the world.

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[Article by L. Zevin: "Certain Questions of the USSR's Economic Cooperation With Developing Countries"]

[Text] *The rapid growth of the trade and economic and S&T cooperation of the USSR and other socialist states with the developing countries in the postwar period has denoted the emergence in the world economy of a new type of international economic relations of states with different development levels. These relations are contributing to the former colonies' and semicolonial territories' surmounting of backwardness, the acceleration of their advance along the path of socioeconomic progress and a strengthening of political and economic independence. Mutual interest brought about the high rate of growth of the Soviet Union's trade, economic and S&T cooperation with this group of countries. However, at the end of the 1970s-start of the 1980s this cooperation began to lose its former dynamism, and as of the middle of the current decade reciprocal trade has diminished also.*

*What are the reasons for the emergence of negative phenomena in this sphere of the relations of the USSR and the emergent states? On what paths should a solution of the accumulated problems be sought in the context of the new world-economic situation and the radical reform of the economic mechanism in our country? What might lend new impetus to cooperation with the developing countries? The answers to these questions constitute the content of the published article.*

Differences in the levels of development in the world capitalist economy engender in the sphere of economic relations inequality, exploitation and the concentration of the benefits from international exchange and the division of labor predominantly in the more developed partners. Striking manifestations of this regularity inherent in capitalism are the continuing discrepancy in per capita GNP, the existence of vast stagnant zones of starvation and poverty, the growing gulf between the S&T potentials of two groups of countries—developing and developed—and the conversion of the international currency and finance system into a mechanism for pumping resources from the periphery of this economy to its centers.

The transnationalization of the economy of the non-socialist world is modifying somewhat, but not altering in principle the nature of relations between countries with different development levels: the "power" lines of exploitation and inequality are moving to a certain extent from the interstate to the sectoral, interfirm and interbank level. The TNC's invasion of the economy of the "third world" has assumed unprecedented proportions. According to available estimates, these corporations account for 40 percent of the developing countries' entire industrial production and one-half of their foreign trade turnover. The TNC carry on 90 percent of world technology trade, and one-half of transactions in terms of volume, furthermore, are those involving their affiliates in countries of the developing world (1).

Perfectly understandable, therefore, is the endeavor of the former colonies and semicolonial territories from the first steps of the acquisition of state independence to find partners relations with which might help them lessen the one-sided dependence on the capitalist centers, organize these relations on an equal basis and obtain moral and material support in their efforts to overcome the economic and cultural backwardness and strengthen their positions in the international arena. They have found such partners outside of the "third world" in the shape of the USSR and other socialist countries. Thanks to their support, the developing states have acquired certain freedom of maneuver in foreign economic activity, and the establishment of political cooperation with the socialist world are (sic) narrowing the possibilities of outside interference in the process of national revival.

It is necessary to emphasize this point particularly since attempts are often made in the West and sometimes in the emergent countries themselves to reduce the effect of cooperation with the socialist states merely to the quantitative aspect, overlooking its qualitative aspects.

#### Basic Results of Cooperation

The Soviet Union's economic relations with countries now called developing began to take shape back in the 1920s-1930s. But both then and in the first postwar years their volume was small, and they were confined, as a

rule, to sporadic commercial transactions and individual projects of assistance to neighboring countries of the East. These relations began to develop intensively as of the mid-1950s.

In the period 1956-1984 trade with the developing countries was a most dynamic stream not only in the foreign trade relations of the Soviet Union but in world trade also. There was a great proportion of machinery

and engineering products in exports, and the high proportion therein of complete-set equipment (approximately half the volume) was maintained. Such a trend corresponded to the requirements of our partners, particularly in countries which had embarked on industrialization. The mutual interest, the growing technical potential of the Soviet economy and the policy of independent economic development in many "third world" countries lent permanent impetus to the expansion of economic and technical assistance. It may be considered that on average the volume thereof increased by a factor of 1.5-2 every 5-year period.

Dynamics of the Soviet Union's Foreign Trade With Developing Countries

	1956-1960 = 100			Growth Over Preceding 5-Year Period (Factor)		
	Turnover	Exports	Imports	Turnover	Exports	Imports
1961-1965	194	246	150	1.94	2.46	1.5
1966-1970	312	413	226	1.61	1.68	1.51
1971-1975	641	805	500	2.05	1.95	2.22
1976-1980	1,240	1,671	869	1.93	2.08	1.74
1981-1985	2,395	2,982	1,890	1.93	1.78	2.18

Estimated from "Foreign Trade of the USSR, 1918-1986. Statistical Digest," Moscow, 1967, p 63; VNESHNYAYA TORGOVLYA for the corresponding years.

The high rate of growth of trade and economic and technical assistance observed simultaneously reflected an important feature of the cooperation with this group of countries: the increase in the volume of trade, particularly in the initial phase of the formation of relations with this developing country or the other, was to a considerable extent the result of economic and technical assistance on the part of the Soviet Union. In other words, this cooperation was, besides direct material support in the overcoming of underdevelopment, an important stimulus of the growth of trade flows in both directions and the increased complexity of their structure.

The bulk of the assistance, to speak of its qualitative aspect, has been channeled into the strengthening of the partners' production potential and the creation therein of modern sectors of industry and groups of interrelated industries. In this way the prerequisites of the modernization of the entire economic and social structure and the formation of an integrated national economy are being established.

As far as the quantitative aspect is concerned, capacity for the smelting of 28 million tons of steel a year (as of 1 January 1987 capacity for 17 million tons had been created), the production of 124 million tons of coal (22 million tons respectively), the refining of 30 million tons of oil (20 million), the generation of 41 million kilowatt-hours of electric power (15 million), the production of 5.4 million tons of cement (4.3 million), 192,000 tons of various types of equipment (172,000) and 31,000 tractors (11,000) and the irrigation and development of

2.4 million hectares of land (1.9 million) is being created in cooperation with Soviet organizations, on the basis of the granting of long- and medium-term government and commercial credit included, in the developing countries in accordance with concluded agreements; 6,094 km of railroad (5,239) and 2,638 km of motor highways (2,200) and so forth are being built (2).

Even a brief analysis of the dynamics and structure of trade and economic and technical cooperation is reason to maintain that the Soviet Union has rendered and continues to render the emergent countries assistance in the solution of their vitally important problems. It is guided in relations with these countries not by narrowly understood commercial considerations. While endeavoring to secure for themselves the profitability which is generally accepted in international economic relations, Soviet organizations adhere to the principle of mutual benefit and are contributing to their partners' technical progress, a strengthening of their economic independence and the surmounting of backwardness.

Among the almost 2,200 facilities built or under construction in the developing countries with the assistance of the Soviet Union, there are enterprises and installations performing a key role in the national economy like the Aswan Hydropower Complex and the Helwan Foundry (Egypt), the hydropower complex on the River Euphrates and oil fields and railroads (Syria), oil fields and irrigation facilities (Iraq), foundries, engineering plants and oil refineries, power stations, coal mines and strip-mining collieries and oil fields (India) and also

foundries in Algeria, Iran, Nigeria and Turkey, a bauxites production complex in Guinea, dozens of enterprises, including gas industry, in Afghanistan and so forth.

Modern national economic complexes are being formed with the Soviet Union's assistance in Vietnam, Cuba, the DPRK, Laos and Mongolia, which embarked on the building of socialism under conditions of a low level of development of the productive forces and the absence or extreme weakness of national industry. Three of the said countries are CEMA members. This affords them an opportunity to employ in cooperation with the Soviet Union and the other CEMA states forms and methods typical of socialist economic integration. The result of such interaction has been a significant growth of trade and the realization of major national economic projects within the framework of economic and technical assistance for the purpose of an "acceleration of the process of the gradual equalization of the levels of economic development of the CEMA countries, primarily the economic development levels of Vietnam, Cuba and the MPR with the levels of the European CEMA members" (3).

The CEMA Session 43d Special Meeting (1987) adopted a decision on the elaboration of special comprehensive programs of the European CEMA countries' multilateral cooperation with these three countries providing for specific measures to extend mutual S&T, production-economic and commercial relations. The Soviet Union has already concluded with them bilateral long-term—up to the year 2000—programs of the development of economic and S&T cooperation. Use is being made for assistance to Vietnam, Mongolia and Cuba of such effective instruments as the coordination of national economic plans, the granting of credit on more favorable terms and, in a number of cases, incentive prices, which is contributing to the acceleration of their socioeconomic progress and active incorporation in the international socialist division of labor.

The Soviet Union's foreign economic policy in respect of developing countries with different socioeconomic systems is, although differing in terms of the set of forms and methods and their correlation, **of a common essence from the viewpoint of assistance in the surmounting of underdevelopment and the creation of the external conditions conducive to the accomplishment of this most important task.**

The Soviet Union's internationalism in this sphere of international relations is corroborated by the fact that in the 1980s, despite the serious complication of the world-economic situation and the need to mobilize resources for the structural reorganization of its own economy and large-scale social programs, the amount of its economic and technical assistance to the developing countries has continued to increase. The material basis for the surmounting of the unpropitious trends which have arisen recently is thereby being created.

### Problems of Cooperation

The stagnant phenomena in the national economy in the USSR which had accumulated over the past 15-20 years could not have failed to have been reflected in foreign economic activity also, in relations with developing countries included (4). Disquieting signals began to come from this sphere in the mid-1970s and, particularly, in the first half of the 1980s. The problems which had arisen came to the surface and began to have an increasingly negative impact on the dynamics and volume of trade and its structure and the state of economic and technical cooperation. A cliché had come about in scientific literature and in the evaluations of Soviet foreign economic organizations also explaining the reasons for these negative phenomena mainly by the deterioration in world economic conditions and the economic and financial situation of the majority of developing countries. These factors and those connected with them undoubtedly influence the state of this sector of international economic relations. However, such a one-sided approach prevents the disclosure of other sources of bottlenecks in cooperation with the developing countries.

In our view, a principal cause of the certain instability and deceleration of the rate of growth of trade and, as of the mid-1980s, the absolute reduction therein is the fact that a scientifically substantiated long-term concept of the development of trade and economic and S&T relations with developing countries brought to the level of a specific action program has not as of the present time been elaborated in the USSR. This concept could incorporate questions of the development of relations with various regions of the "third world," economic associations of the emergent states and individual important partner-countries and determine the place in cooperation of important sectoral complexes of the Soviet Union (engineering, fuel and power, agro-industrial and consumer goods). It could also provide for an improvement of the cooperation mechanism including together with forms common to the entire system of foreign economic activity specific forms and methods of the interaction of countries with different development levels. The attempts which have been made until recently to determine the prospects of cooperation with this group of countries have been distinguished by a lack of comprehensiveness and the insufficient coordination of the approaches of practical and research organizations.

The current situation is explained largely by the predominance of the residual approach at the time of determination of the scale of relations with developing countries. It is not from considerations of long-term economic advantage that this sector of foreign economic relations is frequently addressed but following the ascertainment of a shortage of this type of product or the other. As a result economic relations with a number of countries still appear as a sum total of unconnected transactions and a means of tackling immediate, at best, current tasks of the national economy of the Soviet Union and its partners in

the developing world. Naturally, this slows down the formation of long-term relations based on a stable division of labor, specialization and cooperation and other production forms of cooperation.

Whence the incomplete use of the available opportunities of complementary structures even: uncertain as to the stability of the market and the possibility of the sale of their products on a long-term basis, our partners are reluctant to invest capital in the modernization of production in order to adapt its output to the demands of Soviet consumers. And this, in turn, is failing to stimulate a search for new directions of interaction and the incorporation in the orbit of cooperation of sectors and enterprises outside the sphere thereof.

The forms and methods which are being employed and which were at the initial stages of the formation of the economic mechanism of cooperation a powerful accelerator thereof have at the present time exhausted their potential to a considerable extent, and the parties have found themselves faced with a kind of **structural barrier**. The trend toward a weakening of the positions of both parties in reciprocal commodity turnover, specifically, testifies to this. The developing countries' share of the USSR's turnover has declined in the 1980s from 15 to 11 percent. The relative significance of the Soviet Union, on the other hand, in these countries' foreign trade now constitutes less than 4 percent.

Even greater concern from the viewpoint of the long-term outlook is caused by the divergence of the structure of the USSR's economic interaction with the developing countries and world trends in production and trade which has come to light and the nature of the economic processes among our partners in the "third world." In world trade the proportion of engineering products constitutes approximately one-third of its total, in Soviet exports, however, no more than 15 percent, and in exports to the developing countries is of the order of one-fifth. The proportion of engineering is unjustifiably low in economic and technical assistance, and there has been no appreciable change in this situation for many years, what is more. In addition, exported equipment is not backed up satisfactorily with spares. Soviet suppliers evidently proceed from domestic standards, failing to take into consideration the difficult climatic conditions for the consumer and the insufficient skills of local manpower. But this largely reflects unsolved problems concerning the provision of replaceable equipment with spares in the USSR national economy.

Insufficient knowledge of the local marketplace is a reason why exported equipment, including that supplied within the framework of economic and technical assistance, is frequently not used for a long time and languishes in warehouses. The reverse side of the coin is Soviet imports from the developing countries. Power-engineering products are represented therein extremely inadequately, although there have been appreciable changes in these countries in recent years in the structure of production and exports.

The developing countries had become firmly established on the world markets of textiles, ready-to-wear clothing, footwear and leather goods, jewelry, toys, sports and certain other consumer commodities back in the 1970s. By 1985 their share of the developed capitalist states' imports constituted 10 to 30 percent in terms of electronic components, telecommunications equipment, machinery and equipment (with both a medium and high degree of intricacy), ferrous metals and ferrous metal, stone, clay and glass products. Total annual machinery and equipment exports from the developing countries constituted \$47.2 billion, including \$28.7 billion to the developed capitalist states and \$14.1 billion to the developing and \$4.4 billion to the socialist countries (5).

There is no in any way firm confidence that there will be serious changes in this sphere until the current stereotype of viewing the group of developing countries primarily and almost exclusively as suppliers of raw material and food is overcome. Incidentally, an inordinately high proportion of foodstuffs and raw material, including products which we could produce ourselves, in Soviet imports has objectively held back and continues to hold back the process of their structural optimization, without which a steady growth of commodity turnover and an increase therein in manufacturing industry products cannot be expected.

An analysis of the state of international trade testifies that a principal condition of the achievement of competitiveness on foreign markets is the fullest possible integration of production and the services connected therewith. A study of the activity of the 200 leading TNC (1982) shows that the correlation between their income from the sale of finished products and for services constituted approximately 1.6:1 (\$1.853 billion and \$1.192 billion respectively) (6). Services occupy a very modest place in the Soviet Union's foreign economic relations, and a system of special export-oriented engineering-consultancy organizations has not been created.

A discrepancy between the structure of the USSR's economic and technical assistance and the development strategy of the countries receiving it is arising. A hypertrophied place in technical assistance is occupied by two sectors—metallurgy and power engineering—which account for considerably more than half the total thereof. As already mentioned, cooperation in the formation of these sectors has contributed and continues to contribute to the creation of the basis of modern industry in a number of countries, and for this reason its positive effect cannot be underestimated in the least. However, these are large-scale projects with lengthy reimbursement times requiring large capital investments.

The position of the majority of developing countries, however, is such that it is difficult to count in the medium term on the possibility of an appreciable expansion of assistance in the said sectors. Most typical of the national strategies of countries of the developing world

under the conditions of the exacerbation of the demographic and food situation and the growth of the foreign debt and unemployment is the concentration of attention on agriculture and the industries serving it and the construction of medium and small enterprises. Hopes are being put in quick returns from invested capital and an appreciable increase in employment.

Nonetheless, scientific circles and practical organizations of the Soviet Union were unable to forecast and evaluate opportunely and in full the changes in the economy of the developing countries and the impact of these changes on their place and role in world trade and the international division of labor. The discrepancy which has come to light between the order of priority of the creation of sectors within the channel of the new strategy of "third world" states and the evolved structure of cooperation is holding back its development for the added reason that the mobilization of internal resources to cover local expenditure in joint projects is being made more difficult owing to the shift in national priorities. In this context it has to be noted that relations with some so-called "new industrial countries," which have become major producers and exporters of finished products, of intricate equipment included, have for a number of reasons been hampered.

Assistance in the import-substituting sectors is predominant in cooperation. This is undoubtedly contributing to the development of the economic potential of our partners, but is not creating any in any way significant incentives for the preservation of stable relations on a long-term basis, a growth of the developing countries' exports, to which they are now devoting much attention, and an increase in the degree of restitution of Soviet credit. The comprehensive program of the growth of production and an increase in the quality of consumer goods which has been adopted in the Soviet Union takes insufficiently into consideration, we believe, the possibilities of cooperation with the developing states, which have become major exporters on world markets.

Finally, nor was such a process as the trend toward a reduction in the proportion of complete-set equipment in total imports of engineering products as many "third world" countries, including the Soviet Union's traditional partners, progressed along the path of industrial development spotted in good time. There is a rapid growth in these countries in demand for "narrower" sets and technically intricate separate equipment since domestic possibilities permit the manufacture of the other types of equipment on the basis of self-reliance. In the industrially more developed countries of this group with a capacious home market components and parts already account for one-half to three-fourths of total engineering product imports. Studying problems of the Soviet economy, P. Desai, an American economist, published the book "The Soviet Economy: Problems and Prospects" (7). The monograph evaluates highly, on the whole, the USSR's assistance to developing countries, particularly to India, but observes that its shortcoming is

the endeavor to supply technology in complete assembly, whereas many developing countries are capable of independently developing a whole number of its components and producing the necessary machinery. The author also speaks of our low-level activity in license practice, technical lag in a number of fields behind the TNC and inadequate knowledge of the specifics of local markets.

All that has been said above permits the assertion that the complementariness of the economic structures of the Soviet Union and its partners in the "third world" which has taken shape at the present time, while constituting the basis of their cooperation and imparting impetus to its further development, is predominantly of an **intersectoral** nature. Preservation of such a model of cooperation cannot under the conditions of S&T progress and the structural changes in the international division of labor secure in the long term a high growth rate and the spread thereof to new areas and fields. Both parties are faced with the need for the utmost development of **intra-sectoral** specialization and cooperation in engineering and chemical and agrarian industry and in the sectors producing consumer goods.

The mechanism of the USSR's cooperation with the developing countries, which took shape over three decades, corresponded for a certain time to the tasks which had been set it. The bulk of economic interaction is realized within the framework of intergovernmental trade and economic and technical cooperation agreements. The institution of bilateral mixed commissions, within whose framework prospects of cooperation are determined, it is organized and the fulfillment of concerted decisions is monitored, work groups are set up and mutually acceptable forms and methods of the realization of joint undertakings are proposed, arose.

However, sluggishness, devotion to stereotyped pattern and the lack of desire or concern to seek new approaches and respond promptly to changes in international economic relations and in the economic life of our partners were manifested in the stagnation years here also. A manifestation of the process of internationalization of the economy and increased interdependence is the expansion of the practice of multilateral cooperation with the participation of firms and organizations of several countries, including those belonging to different socioeconomic systems. Soviet organizations are entering into joint-labor relationships with the organizations of other socialist countries for the realization by joint efforts of projects in the developing states. But this promising, efficient form of relations is virtually undeveloped as yet. Soviet organizations continue to act as the general contractor (supplier), making unsatisfactory use of the possibilities of the subcontract. The reason for this, we believe, is that the subjects of the relations on the Soviet side are predominantly departments and large-scale organizations and enterprises. The operating mechanism does not stimulate the independent participation of small and medium-sized enterprises in international



cooperation: they usually merely supply the head Soviet enterprise with units and components within the framework of cooperation and specialization (8).

Soviet enterprises are making insufficient use, however, of the possibilities of international cooperation, the establishment of direct relations and the creation of joint ventures in the production sphere. Cooperation in its present forms is, for the most part, not the result of a project developed in advance but a consequence of difficulties which have arisen in the sale on the domestic market of a developing country of a product produced at collaboration facilities.

Trilateral forms of cooperation with the participation of firms and enterprises of the USSR and the developing and developed capitalist countries are being assimilated slowly also. This is also explained, specifically, by the low operational efficiency of Soviet organizations, the lack of type designs and the need for lengthy coordination to incorporate the adopted commitments in the domestic material-technical supply system. Trilateral projects, however, like many bilateral projects also, frequently require participation in bargaining (tendering), at which it is particularly important to correctly evaluate the commercial and technical aspects of the project under the conditions of acute competition on the part of Western companies and, in recent times, of firms of the "new industrial" and certain other developing countries.

A restraining influence on the Soviet Union's foreign economic activity is being exerted by the continuing discreteness of export and import transactions and the insufficient linkage in a number of instances of foreign trade and economic and technical cooperation. Whence the differences in approach to an evaluation of efficiency among individual subjects of foreign economic activity and the difficulties with the "docking" of individual measures and use of the national economic efficiency criterion. The interest of the immediate producers in a stimulation of export activity remains a most serious problem, despite the decisions which have been adopted recently. This is not least the result of administrative-command methods of management of the economy, which have been employed for decades, the lack of experience of an independent move onto foreign markets and skilled personnel who have mastered the type of activity which is new to industrial workers, a lack of information on marketing questions and also not always sufficient incentives compared with the increased risk of transactions on unfamiliar markets.

### **New Impetus**

What are the ways of expanding the USSR's trade and economic and S&T cooperation with the developing countries and their increased efficiency and positive impact on the national economy of the USSR and its partners in the "third world?"

The transition of the Soviet economy to the tracks of intensive development, the radical reform of the economic mechanism and the stimulation of participation in the international division of labor are connected with the preferential development of the sectors determining S&T progress, engineering primarily. This policy should undoubtedly secure a growth of the proportion of machinery and equipment in exports and the conversion thereof in time into the leading export item. Even now the developing countries represent the main market for the sale of our machinery and equipment in the nonsocialist world. It would appear that these countries' need for machinery and engineering product imports will increase in the long term.

For this reason the concept of cooperation should evidently proceed from the need for the preparation of potential markets jointly with our partners and the consideration of the specialization of Soviet engineering within the framework of socialist economic integration and the possibility of mutually complementary, concerted actions with enterprises of other CEMA countries. The quest for new and the expansion of existing markets should be organically linked with the possibility of the sale in the Soviet Union being afforded finished products, engineering products included, of our partners from the developing world on a long-term stable basis. This will require active use of joint-labor forms of cooperation and the organization of direct ties and joint ventures. An appreciable contribution could be made by the extension of compensation forms of relations to the manufacturing sectors of industry.

A particular role in the formation of a market in the developing countries for Soviet machinery and equipment is performed by economic and technical cooperation. There should be a fundamental reorganization, we believe, in the structure of assistance in order to secure a breakthrough in the engineering sectors. Particular attention will have to be paid, it would seem, to assistance in the construction of medium-sized and small engineering enterprises which are technically well equipped and capable of changing the production program promptly. The narrowness of the domestic market of the majority of developing countries makes the construction of such enterprises the most expedient.

As experience shows, large-scale engineering facilities created in cooperation with the USSR cannot, owing to marketing difficulties, reach their rated indicators for a long time. For this reason it is essential when building such facilities to provide in the planning phase even for the possibility of cooperation with Soviet enterprises, consolidating this with the appropriate agreements and product distribution quotas, on the markets of third countries included. Inasmuch as medium-sized and small firms in developing countries usually pertain to the private-enterprise sector, the extensive spread of cooperation in the engineering sectors and the growth of exports of the corresponding products from the Soviet Union will obviously require an expansion of relations with national capital.

Another essential change, we believe, in the structure of economic and technical cooperation could be connected with the considerable increase therein in the role of agriculture and other spheres of the agro-industrial complex. The profound backwardness of the agriculture and rapid growth of the population have exacerbated the food problem to the utmost in a large group of developing countries. For this reason emphasis is being put in their socioeconomic development strategy on an increase in food production, a reallocation of resources and a change in import priorities. Although they have been accelerated somewhat, the changes in the structure of Soviet assistance as yet lag noticeably behind the changes in the structure of the capital investments of our partners, which have made solution of the food problem the paramount task. In addition, it should be borne in mind that the unsolved nature of the food problem is becoming an increasingly powerful inhibitor of the development of other spheres of the national economy and narrowing the possibilities of machinery and equipment imports for industrialization.

A pronounced contribution to the growth of the volume of trade and economic cooperation and its extension to new sectors and industries could be made by various forms of the pooling of the intellectual and material resources of small enterprises and research and planning organizations in the Soviet Union, which take virtually no direct part in foreign economic activity. Such associations in the form of, say, joint-stock companies and boards of directors would operate on a permanent basis within the framework of a single engineering process or as independent suppliers of individual equipment components for their subsequent assembly in a single complex and so forth. If necessary, the enterprises and organizations concerned could form a temporary consortium to carry out a specific cooperation project. It would evidently be useful, as intersectoral S&T complexes are formed in the USSR, to orient them increasingly toward overseas activity also. The incorporation of new subjects in the sphere of economic interaction with the developing countries would contribute to its diversification, the formation of direct relations between enterprises and organizations and the increased stability of trade and economic relations.

Mention has been made above of the need for a comprehensively studied concept of trade, economic and S&T cooperation with the developing countries. It is necessary within the framework thereof to estimate the possible physical volumes of purchases of basic commodities in these countries and the export resources necessary to pay for them and to provide for material and credit backing for the scheduled areas of cooperation. A search for organizational and economic forms of the linkage of relations with the developing countries with programs adopted in the Soviet Union—fuel and power, food, engineering and consumer goods production—would be extremely useful for imparting greater dynamism and stability to mutual relations. To judge by everything, far from full consideration is being given at the time of

elaboration of at least some of these programs to the possibilities of a division of labor with the developing countries in order to secure the higher efficiency of capital investments, concentrate at home on industries for whose growth the most propitious conditions exist and orient oneself toward mutually profitable imports from the said countries.

Such cooperation, it would seem, could be extended more broadly to such commodities as individual types of raw material, oil, nonferrous metals, ready-to-wear clothing, footwear, textiles, sports goods, certain types of electronic equipment, machinery and household appliances, components and parts, automotive spares, paints and varnishes, medicines, vegetable raw material and food of tropical origin and so forth.

In a number of cases there could be agreement on a refusal to expand (or a partial winding down of even) the production at home of individual types of products, the need therefor being covered thanks to imports, national economic outlays on which are less than domestic outlays. The benefits derived here could be the basis for an expansion of such cooperation. In other words, in a number of cases it would be seen as an alternative to domestic capital investments allocated for satisfaction of the country's need (or a particular part thereof) for this type of product or the other. A comparison of the alternatives, with regard, naturally, for the increased economic risk in connection with the choice of source of supply overseas, would enable the optimum alternative to be found.

Such calculations are not, unfortunately, by virtue of the practice which took shape in the past and the cliches which have persisted since that time, being made virtually, although their results could suggest a number of interesting alternatives. This would contribute to the more efficient accomplishment of certain national economic tasks of the USSR, a growth of the production potential of its partners in the developing world and a neutralization of the factors impeding the expansion of the trade, economic and S&T cooperation of the Soviet Union and a large group of developing countries.

#### Footnotes

1. See, for example, N. Shmelev, "The 'Third World' and International Economic Relations" (MEMO No 9, 1987, p 21).
2. "The National Economy of the USSR Over 70 Years," Moscow, 1987, p 652.
3. See "Top-Level Economic Meeting of the CEMA Countries," Moscow, 1984, p 11.
4. See for problems of the Soviet Union's foreign economic activity KOMMUNIST No 15, 1987, pp 25-34.

5. See "Trade and Development Report 1987". United Nations, New York, 1987, p 118; MONTHLY BULLETIN OF STATISTICS, May 1987, p 290.

6. See "Revitalising Development Growth and International Trade. Assessment and Policy Options". Report to UNCTAD-VII, United Nations, New York, 1987, p 151.

7. See P. Desai, "The Soviet Economy. Problems and Prospects," Oxford, 1987.

8. There are estimates according to which small and medium-sized enterprises account in the total number of Japanese firms making production investments overseas for more than 80 percent. For the group of leading developed capitalist countries as a whole this indicator is at the 50-percent level. The typical method of the inclusion of small and medium-sized firms in overseas investment activity is the subcontract with a TNC. These firms then, taking advantage of the ties which have been established and knowledge of the local situation, switch to independent investments. For example, in France small and medium-sized firms have raised their share of total direct investments overseas to approximately 20 percent. Frequently these investments are made by way of the creation of joint ventures. Small and medium-sized firms display the greatest assertiveness in metal working, electrical machinery manufacture and chemical industry (see "Trade and Development Report 1987," 1987, pp 94-95).

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### Near East Prospects Improved by Better Soviet-U.S. Relations

18160007d Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA in Russian No 3, Mar 88 (signed to press 15 Feb 88) pp 52-61

[Article by Ye. Dmitriyev: "Near East Peace Conference—Chiaroscuro"]

[Text] *The urgent need for continuing regional conflicts to be settled by political means is indisputable. This was what M.S. Gorbachev said at his press conference in Washington last December. Nor is the Near East conflict any exception in this respect. It has long been having an extremely negative impact on the situation in the region and relations between the states located there, has "contributed" to the exacerbation of the international situation and is a point of differences and contradictions of the USSR and the United States. Finding practicable and effective ways to unblock the conflict situation which has taken shape here would mean bringing considerably closer the establishment in the Near East of a guaranteed*

*and lasting peace based on justice for all parties to the Arab-Israeli conflict—one of the most prolonged and confused conflicts in postwar history.*

## I

Some time ago now one might have gained the impression when looking at the overall situation in the region that the Arab-Israeli conflict with all its "ingredients"—be it the Israelis' continuing occupation of primordial Arab territory or the Palestinian problem, which is rightly recognized as the key problem in a Near East settlement and which can be solved only on the basis of self-determination for the Arab people of Palestine—had receded in world politics into the background, as it were. Different times, different tunes. The situation in the area was in a perturbed state at that time primarily because of the increased tension in the Persian Gulf zone as a consequence not only of the Iran-Iraq war, which has lasted for more than 7 years now, but also the pronounced stimulation of Washington's "power diplomacy." The situation had been complicated also by the absence of a common position of the Arab states concerning a solution of its complex and delicate aspects.

But even under those conditions farsighted political observers, analyzing the situation in the region, reached the unambiguous conclusion that it was the unsettled state of the Arab-Israeli conflict which was the chronic and extremely dangerous destabilizer of the situation in the region.

What kind of peace might bring the countries and peoples of the Near East tranquillity and create for them the conditions for and possibility of the establishment of good-neighbor relations and the eradication of the feelings of sorrow, mutual dislike and hatred which have built up over many decades?

Only a peace, evidently, which is based on a solution which is just for all countries and peoples. This solution would incorporate as a most important component the principles of equal security, no outside interference in the internal life of Near East states, as, equally, their noninterference in one another's internal affairs, mutual respect and sovereignty. Not solving cardinal problems of the Near East situation, all arrangements of a temporary nature would create merely the semblance of reconciliation and would in fact sow new seeds of enmity, alienation and irreconcilability. No partial, interim solutions not directly connected with an overall settlement can, owing to their separate nature, be components thereof. While beguiling with their striking "packaging," such solutions lead at best either to stalemate or a standstill for an indefinitely long time.

Why have the United States' numerous attempts to settle the Arab-Israeli conflict per the American "scenario" not brought peace in the Near East? Because the White House is still convinced that the present status quo in

Arab-Israeli relations, highly relative, it is true, corresponds to the military and political interests—day-to-day and long-term—of Washington's Near East policy. The latter has never set itself the task of busying itself with the elaboration of the provisions of a comprehensive settlement of the conflict and all its "ingredients" in the interests of all countries and peoples of the region and has ignored the need to achieve Soviet-American agreement on a number of aspects of a settlement.

At the same time, however, the basis of the Soviet proposal for the convening of an international Near East conference, which is supported, incidentally, by the vast majority of UN members, is the idea of the need for an all-embracing settlement to be achieved by the collective efforts of all interested parties, including the PLO. The task of such a conference would be, as the widely known Soviet proposals say, the finding of a comprehensive solution of a Near East settlement, and the purpose, the signing of a treaty or treaties encompassing the various components of the settlement. Finally, international guarantees of compliance with the terms of the settlement would be formulated and adopted and the accords which had been reached would be approved by all the participants in the course thereof. The proposed path is acceptable and fair because it affords no participant in the international forum advantages: all its participants should be in an equal position enjoying absolutely equal rights.

The balance and flexibility of the Soviet proposals in respect of a future Near East peace conference are manifested also in the considerations contained therein concerning the structure of its working bodies. These proposals provide for both multilateral discussion of the problem issues to which all or the majority of conferees are "tied" and bilateral discussion of specific issues, interest in a constructive solution of which may arise only for two participants in the international forum. The question of bilateral negotiations, the need for which is being emphasized by the United States and Israel, cannot and must not jeopardize the importance of collective search for a solution of a Near East settlement. Examining and deciding on a bilateral basis, for example, such fundamental aspects of a settlement as the Palestinian question, security guarantees and so forth is simply impossible.

M.S. Gorbachev pointed out in his letter to A. (sic) Arafat, chairman of the PLO Executive Committee, sent this January that it was the profoundest conviction of the Soviet Union and its leadership that the arterial path for the achievement of the speediest settlement of the Arab-Israeli conflict is a plenipotentiary international Near East conference with the participation of the five permanent members of the UN Security Council and all interested parties, including the PLO.

It has been pointed out on the Soviet side repeatedly that the USSR is ready to act assertively and constructively for the immediate convening of a Near East peace conference.

Now, when quite auspicious conditions for the comprehensive examination and solution at an international forum of the problem of a Near East settlement are taking shape, one involuntarily turns to an analysis of the reasons for the convening and progress of the work of the unsuccessful Geneva Near East Peace Conference. It was convened on the basis of the well-known UN Security Council Resolution 338 in December 1973 and was seen by many political observers not as a measure intended to legally record the completion and the results of the "October" (1973) Arab-Israeli war but as a long-awaited step en route to an all-embracing solution of the Near East conflict.

The Geneva Near East Conference, in the course of which the contending parties met at the negotiating table, was an event of international significance. The parties exchanged opinions and compared their positions. However, owing to the frankly obstructionist position of Israel, supported by the United States, which was not opposed by Sadat Egypt, which had faith in the success of American mediation, advantage was not taken of the positive opportunities created by the conference. It failed to adopt, as is known, any material decisions.

The unsuccessful 1973 peace conference confirmed the existence of conceptual differences between the USSR and the United States in an assessment of the Near East situation and the ways of solving the Arab-Israeli conflict. The conference's failure and the events which followed it showed that the United States was constantly attempting to assume the role of sole arbiter in the solution of the Near East conflict. It confirmed also the truth that genuine—just, constructive, lasting and firm—peace in the region cannot be established without the USSR's active assistance to the "peace process" and its equal participation therein and without regard for the position and proposals of the Soviet side.

At the same time, however, the 1973 conference and the subsequent development of events, particularly in the sphere of Egyptian-Israeli relations, showed that the seemingly insoluble contradictions of the two nationalisms—Arab and Jewish (Israeli)—are not of an antagonistic nature. Considering that representatives of the rightwing-nationalist faction of the bourgeoisie frequently oriented toward the United States are in power in Israel and many Arab countries, it would evidently not be mistaken to assume that the capitulationist trends manifested by the then Egyptian leadership in the course of the conference and subsequently crowned by the signing of the 1979 Egyptian-Israeli peace treaty could, given certain circumstances, be manifested in the Near East policy of certain other Arab states.

Despite the fact that the foiling of the 1973 Geneva Peace Conference by the efforts of the United States, Israel and Egypt and subsequent events in the Near East had seemingly blocked the very idea of an international forum of states interested in the establishment of a guaranteed and lasting peace in the region and a solution

of the Arab-Israeli conflict on a just basis, the importance of such a forum remained obvious to many people. It is not fortuitous that constantly present in all the Soviet proposals concerning a Near East settlement advanced in recent years has been the constructive idea of the convening of a new international conference, at whose table all countries and peoples involved in the conflict, including the Arab people of Palestine in the person of their official representatives, would be represented on an equal basis.

## II

While consistently championing the idea of the convening of a Near East peace conference, the Soviet side recognizes that the failure of the 1973 Geneva conference left a grave impression. It undermined to a certain extent the world community's faith in the capacity of a specially convened broad international forum for bringing long-awaited peace to the Near East. Consequently, certain conditions are necessary to ensure that a new peace conference produce real fruit. In turn, these conditions (the equal rights and opportunities of all conferees and their common goal—guaranteed peace in the region, even if the participants conceive variously of the parameters of such a peace) may take shape if the necessary efforts are exerted for their creation. In other words, it is a question of certain perfectly specific actions of the parties which are possible participants in a future peace conference.

To what actually do we refer here?

More than 14 years have elapsed since the time of the convening of the Geneva Near East Peace Conference. Many politicians of that period have departed the historical stage. But certain stereotypes, settled assessments of the Near East situation and cliched methods of "treating" the numerous Near East "ailments" have proven exceptionally enduring. Thus the American side, not to mention Tel Aviv, has right up to the present time proceeded from the primacy of direct Arab-Israeli negotiations, seeing them as the sole correct prescription for the achievement of a peaceful settlement in the region. In reality things are considerably more complex.

To begin if only with the fact that Israeli's practical actions do not corroborate the proposition of Israeli propaganda that peace in the Near East is the "highest purpose" of its policy. The high-sounding declarations of Tel Aviv officials concerning their devotion to a policy of "peace and good-neighborliness" do not jibe with the constant "acts of retribution" of the Israeli military vainly hoping to break the Arabs' resistance, suppress their legitimate struggle against the occupation, mete out reprisals against the Palestinians and remove from the agenda the question of the need for a just solution of the Palestinian problem.

A popular uprising against the occupation regime is essentially taking place on the West Bank of the River Jordan and in the Gaza Strip. The Palestinians' patience is at an end. Their struggle is now entering a new stage characterized by the growth and deepening of the national and political consciousness of the masses. This, in turn, is leading to a sharp increase in the influence of the Palestinian factor on all aspects of the Near East situation. Under the current conditions the world community has a chance to see for itself once again that without a peace conference, in the course of which all the most tangled questions of a Near East settlement, including the Palestinian question, could be examined and solved, the establishment of peace in the region will remain in the sphere of utopia and pious wishes.

Much is being said and written about the fact that a future conference must unfailingly base its work on a search for a solution of the problems of the Arab-Israeli conflict within the framework of realization of the "peace in exchange for territory" principle, that is, peace in the region may be established when Israel returns the captured Arab territory to its former "owners". It is this principle which is at the basis of the well-known UN Security Council resolutions 242 and 338, which interpret the Palestinian problem solely as a problem of refugees, saying nothing about the need for the practical realization of the right of the Arab people of Palestine to self-determination. Of course, these resolutions could be the international-law basis of a conference, but given one indispensable condition—they must necessarily be supplemented by recognition of the Palestinians' right to self-determination. This is the root of the main Near East "snag". The Palestinians, specifically, the PLO leadership, have stated their recognition of the said resolutions repeatedly. However, Israel and the United States still refuse to recognize the Palestinians' right to self-determination.

Israel is still not prepared to abide even by the "territory in exchange for peace" principle. Its leaders proceed, as before, from the fact that the unlawful retention of primordial Arab land is a sure method of military and political pressure on their Arab neighbors. It is not fortuitous that even Israel's friends have been forced, in quite abrupt form at times, to respond to the short-sighted, knowingly obstructionist nature of its policy. Great Britain and France—permanent members of the UN Security Council—support the convening of a peace conference and are demonstrating flexibility on the Palestinian issue. As G. Howe, Britain's foreign secretary, declared, a Near East peace conference offers the best and essentially the sole practical way toward a Near East settlement. "There are those," he declared, "who maintain that Israel's security is essentially incompatible with what is a foundation of a just settlement of the situation in the Near East—the legitimate rights of the Palestinian people, including their right to self-determination." "From my viewpoint," the secretary emphasized, "the main threat to Israel's security may be removed only when the legitimate aspirations of the Palestinian people have been satisfied."

A constructive position on the question of a Near East settlement is occupied by the PRC—also a permanent member of the UN Security Council. The Chinese side emphasizes, in particular, the need for the participation in a peace conference of the PLO.

If we return to the question of the creation of propitious conditions wherein a highly authoritative international Near East forum could operate, mention evidently needs to be made primarily of the need for the existence of the sincere desire of all conferees to take advantage of its opportunities for the achievement of a mutually acceptable settlement. The conference should be a really serious attempt to achieve the desired goal—the establishment of a just and lasting peace in the Near East by way of painstaking and difficult negotiations on the entire spectrum of existing problems, and each conferee, furthermore, must be au courant with all the questions tackled thereat.

Of course, it is not possible in the course of the contacts and negotiations within the conference framework to insure oneself against a variety of emotions, after all, too big impassable obstacles have built up, it would seem to many people, in the way of peace in the region. But emotions would not prevail if all the conferees were to set themselves the sole aim of the achievement of a solution of Near East problems and en route to the achievement of this aim display the maximum restraint and a readiness to understand the other side's viewpoint.

Confidential and other bilateral accords which exist between potential conferees is a special question. Such accords could have a right to exist only if they did not impede the successful work of the conference. After all, all negotiations, in the form of an international forum even more, envisage the need for some concessions and political flexibility.

A readiness to display such flexibility is something imperceptible in Tel Aviv's position. "Israel," the MIDDLE EAST INTERNATIONAL writes, "is an empire, a kind of mini-empire, in which the state of Israel and its citizens... are the metropolis, whereas the West Bank, Golan Heights, Gaza Strip and the 'security zone' in Lebanon are colonies. It is important to emphasize that colonial administration is highly beneficial from the imperial viewpoint and that the majority of inhabitants of the (Israeli) empire, if the conditions remain the same, see no reason to abandon continuation of the present policy" (1). In other words, Israeli public opinion is still not fully aware, evidently, of the nature of the policy of the ruling circles, which is disastrous for the fate of the country, and the narrow-minded anti-Arab chauvinism permeating Israel's political and social life.

"There will be no international conference while I am prime minister" (2), Y. Shamir, head of the Israeli cabinet, candidly declared, endeavoring by high-handed, openly obstructionist pronouncements to create in the country's public opinion a counterweight to the persons

in its leadership who, like Foreign Minister S. Peres, are seemingly beginning to detect the wind of change which has long been blowing over the Near East. "Madness, a trap, a catastrophe for Israel"—these are just some of the definitions which Shamir is conferring on the Near East conference, which has not yet been convened even.

To judge by everything, the Israeli leadership as a whole is not yet prepared to take into consideration in its policy one circumstance of considerable importance which is generally recognized in international relations. It is a question of the fact that the necessary impetus to the solution of Near East problems within the framework of a peace conference may be imparted only if the parties respect one another's interests and do not endeavor to obtain one-sided advantages and if the actions of possible future conferees are dictated by concern for the fate of the region and not mythical considerations concerning the imaginary infringement of some people's security. Such impetus cannot be imparted to the work of a peace conference if it is seen as a screen to cover separate deals reached beyond its walls. Following a careful study of the actions and statements of representatives of the Israeli leadership, R. Neumann, former American ambassador in a number of Near East countries, concluded that "the Israelis see in the convening of a conference merely the purely formal, ceremonial aspect—the opening of sessions immediately switching to direct negotiations, which the conference, as an international forum, would be unable to veto" (3).

The question of the responsible approach of the future participants in an international conference to its work is directly connected with the problem of Palestinian representation at the conference. In recent years the Palestinian question has rightly been interpreted by the world community not as a refugee problem but as one of the deprivation of an entire people of their inalienable national rights. In endeavoring, as before, to reduce this question to a problem of refugees, certain U.S. and Israeli politicians maintain that Security Council Resolution 242, which spoke of the right of all Near East states "to live under conditions of peace within secure and recognized borders," does not provide for the creation of a Palestinian independent state.

However, it is obvious that the provisions of this resolution in no way preclude the emergence of an independent Palestinian state on the West Bank of the River Jordan and in the Gaza Strip. Resolution 242 is important in the sense of removal of the consequences of the 1967 Israeli aggression inasmuch as it speaks of the impermissibility of the seizure of others' territory. For some reason Israel attempts not to notice this aspect of the resolution or to portray matters such that the return of primordial Arab land must be accompanied by the Palestinians' renunciation of realization of their legitimate right to self-determination. It is only for the Palestinians to decide in what form this right proclaimed and confirmed by the corresponding UN documents is to be realized.

The question of Palestinian representation at the conference is not as complicated as might appear at first sight. There is the PLO, which is recognized by the international community as the sole legitimate representative of the Arab people of Palestine. The participation of the PLO in the negotiations from the very start of the conference, in whatever form this occurred, would immediately do away with a whole number of problems of a political and procedural nature which could from the very first days drive it into an impasse. This question is a kind of litmus test revealing the true intentions of the future conferees. Indeed, if an international forum devoted to a search for a "peace formula" in the Near East cannot be imagined without the participation of, say, Israel, is it legitimate to say that a peace conference will tackle the Palestinian problem either in the absence of representatives of the Palestinians or only with representatives thereof who "suit" Israel and the United States? The absurdity and illogicality of such suggestions is obvious.

Finally, there is the possibility of a "tacit consensus" on the question of the PLO's and Israel's mutual recognition. Were they to be represented at the peace conference on an equal basis, this could perfectly well be seen as an act of mutual recognition.

A viewpoint expressed, in particular, by American spokesmen is encountered also. It amounts to the fact that negotiations with the Palestinians should take place via Jordan and that the best version of Palestinian representation at the conference could be a joint Jordanian-Palestinian organization. Also adhering to this viewpoint is Jordan's King Hussein, who believes that "to facilitate the work (of the international conference) it is essential to take as the basis the Jordanian-Palestinian agreement of 11 February 1985 (it was rejected by the majority of Palestinian organizations and annulled by the Palestine National Council 18th Session in April 1987—Ye.D.), which provides for the presence at the conference of a united Jordanian-Palestinian delegation" (4). It bears repeating, evidently, that the question of the PLO's equal participation from the very start of the conference is a realistic indicator of the attitude in reality toward the idea of a conference, its prospects and a Near East settlement as a whole of the possible participants in this meeting.

The Israelis declare plainly that they will not sit down together with the Palestinians at the negotiating table if they are not conducted within the framework of the regrettably well-known 1978 Camp David accords. The accords, which are in practice out of date, envisaged three forms of Palestinian "participation" in international efforts to achieve a Near East settlement: as a separate group representing the occupied territories and as part of an Egyptian or Jordanian delegation. Of course, the said forms of "participation" in no way correspond to the aspirations of the Palestinian people. Essentially recognizing the groundlessness of such an approach, former U.S. President J. Carter pointed out in

an article that the Israelis are allegedly prepared to enter into contact even with PLO representatives if only the Palestinians' membership of this organization is not patently obvious and if they are not too closely linked with the high-ranking leadership of the PLO (5).

In offering up such "bait" certain political observers in the West believe that for the sake of a "bird in the hand" (Palestinian self-determination within the framework of Jordan) the PLO leadership would sacrifice "two in the bush" (the possibility of the creation of an independent Palestinian state on primordial Arab territory freed from occupation) and would not insist on the indispensable participation of officially appointed representatives of the PLO in a peace conference. Such proposals and ideas reflect a stereotype imposed by Israeli propaganda, which persists among many Western politicians, the idea of the Palestinians as "irresponsible terrorists". However, there remain increasingly few political observers who fail to discern the obvious truth that neither the examination nor a solution of problems of a Near East settlement within the framework of a peace conference are possible without the participation of official representatives of the Arab people of Palestine on an equal footing with its other participants.

### III

The idea of the convening of a new international Near East forum is gaining an ever increasing number of supporters. In practice it is supported by all the Arab countries, the nonaligned movement and also the members of the European Community. A joint Anglo-French statement approved by all members of the EC said, *inter alia*: "As far as the Near East, which is very important from the political, cultural and economic viewpoints for France and Britain, is concerned, our countries have played a certain part, attempting to put an end to the existing conflicts in the Near East, and are ready to associate themselves with an international conference under the aegis of the United Nations incorporating the permanent members of the Security Council and the appropriate parties" (6).

A certain "movement" is occurring in Washington's position. Some American press organs explain this by the White House's fear of ceding the initiative in Near East matters to the Soviet Union. Citing the opinion of Secretary of State G. Shultz, the WASHINGTON TIMES observed that "the United States has to create the impression of a state performing an active, constructive role (in the Near East)." "Shultz," the paper wrote, "fears that the Soviets could demonstrate that they are capable of performing this role without the United States" (7).

It is clear, it would seem: the Near East conflict knot cannot be untied without the Soviet Union. However, right until recently certain high-ranking American politicians and practically the entire Israeli leadership

believed that the Soviet side should "pay" for its "admittance" to a Near East peace conference. They cited as the "price" primarily the Soviet Union's possible actions to restore diplomatic relations with Israel and also the adoption of measures to facilitate the emigration from the USSR of persons of Jewish nationality. A letter from R. Reagan to a Republican presidential candidate, Congressman J. Kemp, said that the administration's policy was that "Moscow must take into consideration Israel's concern at the question of diplomatic relations and the problem of Jewish emigration." Reporting this, the WASHINGTON TIMES quoted the President as follows: "The Soviets will have to show that they are actively opposed to those in the region who are adopting an obstructionist position, meaning the Arab countries which, as distinct from Egypt, have refused to recognize Israel's right to exist" (8).

For their part, Israel's official spokesmen have emphasized repeatedly that only the USSR's initiatives pertaining to a restoration of Soviet-Israeli diplomatic relations could somehow change or modify Tel Aviv's viewpoint on a conference. A government statement of 1 May 1987 said: "Israel insists that the Soviet Union and China, two of the five permanent members of the Security Council, agree to the establishment of diplomatic relations with Israel, which would contribute to their participation" (9) (in a peace conference—Ye.D.). "Israel," the American press wrote, "continues from time to time to insist on the restoration in full of (Soviet-Israeli) diplomatic relations and increased Jewish emigration from the USSR as the price for admitting it to the (Near East) international forum" (10). This approach, to judge by everything, corresponded to the "frame of mind" of the U.S. Administration, which affirmed with satisfaction that, according to Israeli statements, "the contacts with the Soviets are of a routine nature and in no way provide for the absolutely unconditional admittance of the Soviet Union to a Near East peace conference" (11).

Recently speeches by representatives of the Israeli leadership have been creating the impression that some of them are displaying a growing understanding of the importance and necessity of the USSR's participation in a peace conference inasmuch as—with regard for the Soviet position based on the principle of justice for all—such participation corresponds to Israel's interests also.

Upon an evaluation of the U.S. attitude toward the possibility of the convening of a peace conference many Western observers have pointed to the difference which existed until most recently in the approaches to this problem on the part of the President and the secretary of state. Attention was called to the fact that G. Shultz had repeatedly stated the desirability of the convening in this form or the other of an authoritative international Near East forum, whereas R. Reagan has been inclined more toward Israeli "negativism" on this issue. The pronouncements of the secretary of state, while guarded in form and not entirely definite in terms of content, have

nonetheless afforded grounds for maintaining that his approach to the problem of a conference is somewhat more positive than that of other influential members of the U.S. Administration.

However, another viewpoint is current among American political observers also. It is that the seeming flexibility of the secretary of state's position on the question of the convening of a Near East peace conference is dictated by an aspiration to "patch up the holes" in the United States' relations with its conservative Arab regime friends who support a conference. The latter were put considerably on their guard by the fact that Washington officials were mixed up in the sensational "Iran-Contra" business.

The contacts which representatives of the U.S. Administration had recently with the statesmen of certain Arab countries and Israel persuaded Washington that it would hardly be advisable to reject the idea of a Near East peace conference "out of hand." Judging by the statements of American officials, the content of congressional hearings on Near East affairs and the articles of press organs close to the administration, the White House continues to regard direct negotiations "within an international conference framework" as the sole practicable path of the achievement of peace in the Near East and a settlement of all problems of the region. In other words, the American side considers it entirely possible for the conference, immediately it has opened, to disintegrate into several separate sectors, in which the possible accords of some will remain a secret for others, which will be deprived of the possibility of influencing the results of the work in the bilateral groups (commissions, subcommittees), even if these results infringe their interests in some respects.

The Americans return again and again to the idea of "territory in exchange for peace," this being how they interpret the provisions of UN Security Council resolutions 242 and 338. There are no noticeable signs that trends toward a change in approach to the Palestinian problem are appearing in Washington's position. Judging by everything, the United States continues to believe that Palestinian representatives with no connections to the PLO should at best be a part of a Jordanian delegation. Incidentally, this is manifestly contrary to the proposal of the Americans themselves concerning direct negotiations. Simultaneously Washington has resumed attempts to attract the attention of the world community to the idea of "administrative autonomy" for the Palestinians which has been rejected by all Arabs. In putting it forward once again the United States is evidently not averse to in this way stalemating the business of a settlement.

Washington also maintains that Israel's leading political parties are unanimous in their approval of the idea of direct negotiations. In reality the Labor Party and its leader, S. Peres, deputy prime minister and foreign minister, are attempting—as distinct from the Likud and



its leader, Prime Minister Y. Shamir—to at least somehow consider the realities of the Near East situation, recognizing that “if in the 20th year of occupation if only minimal progress in questions of a settlement is not made, tension will inevitably grow and extremist sentiments will thrive” (12).

The position of the Soviet Union on these questions continues to combine scrupulousness, flexibility and realism and a readiness to consider the most diverse viewpoints. However, the United States and Israel continue essentially to cleave to an unconstructive position, attempting to impose their methods of a settlement. But this is an unrealistic approach. As M.S. Gorbachev observed in conversation with King Hussein of Jordan, this policy runs counter to the interests not only of the Arabs but also Israel, and an international conference must not be a cover for separate accords, but it is onto this path that attempts are being made to push it.

The world community is following with heightened attention the development of Soviet-American relations and the strengthening of the personal contacts of the Soviet and American leaders. And this is understandable. After all, the untying of complex conflict knots in the world today depends not least on the degree of mutual understanding of Moscow and Washington. Naturally, a successful Near East peace conference is also closely connected with whether the USSR and the United States will be able in the context of their complex and frequently contradictory relations to find the necessary “points of contact” on the question of a solution of Near East problems, the more so in that the Soviet Union has repeatedly confirmed its readiness for constructive dialogue in word and deed.

The cooperation of the USSR and the United States in the business of the search for a solution of the Near East problem is not utopian. The possibilities of such cooperation existed in the past and are preserved now also. Their significance, what is more, is growing, particularly in the light of M.S. Gorbachev's negotiations in Washington in December 1987. Undoubtedly, the achievement of Soviet-American mutual understanding in Near East affairs could remove many obstacles in the way of lasting peace in the Near East and lead to positive political changes in the region.

Among the indispensable conditions of the success of a future Near East peace conference a particular place is occupied by the need for the formulation of the Arab countries' common position on the entire spectrum of problems of a Near East settlement. The existence of such a position would not only create considerable obstacles in the way of the devotees of separate deals and demonstrate the balance and constructive nature of the pan-Arab platform but would also put on a practical footing the question of a pan-Arab delegation being sent to the peace conference. Its formation (and all Arab countries involved in the Arab-Israeli conflict and the PLO could be represented in it) would immediately

remove such a political and procedural question as representation of the Palestinians at the conference. The entire complex of the most diverse aspects of a Near East settlement is “bogged down” on this question, as we have seen.

Unity of action and policy of the leading Arab states, if only on the main questions of a Near East settlement, is extremely important. After all, the opponents of a settlement would be forced to reckon with a united front of Arab countries. The slippage, however, of just one Arab conferee (from the ranks of countries which are or were in direct confrontation with Israel) would lead not only to it being impossible to settle the Arab-Israeli conflict in all its aspects; the interests of the absent participant would not be properly taken into consideration, and this would mean the absence of a general, comprehensive settlement.

The formulation of a common Arab position is in practice already underway inasmuch as both the Fez initiative and the decisions of the Amman (November 1987) Arab summit create the necessary prerequisites for a rapprochement of the positions of all Arab states. This possibility of the coordination of the frequently contradictory opinions expressed by representatives of different countries presupposes, naturally, an abandonment of extreme, unrealistic viewpoints, which are still being expressed in the Arab world. But these manifestations of extremism are the inevitable consequence of the obstructionist position of the Israeli leadership and its stubborn refusal to take genuine steps to accommodate the Arabs' legitimate demands and agree to quit the territories occupied since 1967.

The Arab countries have already called attention to the fact that recent events in the world and the discussions of M.S. Gorbachev and President R. Reagan are contributing to a peace conference appearing increasingly in the eyes of the world community as a method of an opening of the way for serious practical negotiations. Egyptian Foreign Minister A. Meguid believes that “an intrinsic process of rapprochement, hitherto unprecedented, is under way currently between the superpowers and also within the framework of the Arab world. Whereas a year ago many participants were not prepared to discuss even the prospect of a peace conference, all parties are now persuaded of the need for it. It is a question only of specific details.” His Jordanian colleague, al-Masri, spoke in roughly the same spirit: “A settlement of the Near East crisis is possible only with the aid of an international peace conference with the participation of all parties concerned, including the PLO, and also the five permanent members of the UN Security Council.”

We would recall also that on 22 January of this year USSR Foreign Minister E.A. Shevardnadze sent UN Secretary General P. de Cuellar a letter in which he proposed the start of consultations within the framework of the Security Council on questions of the convening, agenda and procedure of the conference. The Soviet

proposal, which was greeted with approval and interest by many UN members, observed that the success of these consultations would pave the way toward a Security Council meeting at foreign minister level. This would be exceptionally important not only for a specific and objective examination of all aspects of the Near East situation, the solution of which could be put to the conference, but also for the formulation of the sets of instructions coordinated at ministerial level to the future delegations of its participants, which should get the problem of a Near East settlement moving.

#### IV

What has been set forth above permits one important conclusion. A Near East peace conference must be carefully prepared. The Soviet proposal concerning a meeting of representatives of the five permanent members of the UN Security Council to work out some common principles of a future settlement, in particular, serves this end. It might be objected that these principles are expounded in the well-known Security Council and General Assembly resolutions. But the elaboration of such "arterial directions" would immediately impart a businesslike nature to the future conference and help avoid hollow rhetoric and unnecessary "exercises in eloquence". The conference must in no event be permitted, on account of its lack of preparation, to discredit the very idea of a collective search for a solution of the Near East problem. At the same time it is impermissible to use the argument of the need for the thorough preparation of the conference to further drag out the convening thereof.

Some Western observers are pointing out that at the present time the conditions for the convening of a conference may be ripe, but that they would bear no "fruit" inasmuch as 1988 is the year of presidential elections in the United States and parliamentary elections in Israel. And these events allegedly "traditionally" fetter the activity of the U.S. and Israeli administrations and "deter" them from initiatives in international affairs, on such a most delicate and complex question as a Near East settlement even more. What can be said in connection with these manifestly baseless assertions of certain Western propaganda organs? It evidently needs to be emphasized primarily that peace in the Near East cannot and must not be a "monopoly" of any administration, whether in the United States or Israel.

If these states are concerned to lower the dangerous level of tension in the Near East region not in word but in deed, the baton of efforts in this matter may be taken up by any administration—Republican or Democratic, "Labor" or Likud in Israel. Attention was called to this fact, incidentally, by the American Jewish Congress—a most influential organization uniting a considerable number of American Jews. In its statement of 21 September 1987 the congress supported an international Near East peace conference. The report on this in the NEW YORK TIMES pointed out that the purpose of the statement, which the newspaper saw as "decisive

support" for the position of Israeli Foreign Minister S. Peres, was to find a way out of the dangerous stalemate in the process of achieving peace.

The situation in connection with the convening of an international Near East conference remains quite complex. However, its prospects may be viewed with sufficient optimism. There is broad agreement in the world on the expediency and possibility thereof, M.S. Gorbachev observed at his press conference in Washington on 10 December 1987. As is known, the general secretary of the CPSU Central Committee pointed in his answer to one question to the importance of the preparatory work on the convening of a conference, noting that "there could be bilateral, trilateral and regional meetings within the framework of this process," which would permit "consideration of the diversity of opinions which have been expressed in this connection by many governments" concerning the conditions of the convening, manner and procedure of a peace conference.

An increasingly large number of states is coming to the conclusion that the time has come to begin practical work on preparations for a peace conference. "The main thing now," M.S. Gorbachev said in conversation with King Hussein, "is to activate the international conference mechanism and begin practical negotiations." "Only thus, by collective efforts based on honest interaction," he emphasized, "can the interests of the Arabs, including the Palestinians, Israel and other states be brought to a common denominator." The startup of the conference's "negotiating mechanism" is, naturally, a far from simple task. Certain circles of the United States and Israel are attempting to surround the convening of the conference with contrived prior conditions and various reservations, endeavoring to turn to their advantage the broad consent which is taking shape in support of a conference. The consistent efforts of the Soviet Union and all who aspire to lasting and firm peace in the Near East in respect of the search for an all-embracing just Near East settlement confirm that the way to this lies via the convening of a peace conference under the aegis of the United Nations with the participation of the five permanent members of the UN Security Council and all parties involved in the Arab-Israeli conflict.

A report which UN Secretary General P. de Cuellar sent the delegates to the General Assembly 42d Session on 19 November 1987 observed that "propitious changes in the political situation from the viewpoint of the level and intensity of contacts both between the permanent members of the Security Council and between them and the parties to the conflict were observed" in 1987. The UN secretary general pointed particularly to the "growing international consensus in support of the speediest convening of the conference." At the same time he was forced to acknowledge that the main obstacle in the way of the convening and success of the conference is "the incapacity of the Israeli Government as a whole to agree to the principle of an international conference under the aegis of the United Nations."

The world expects and has a right to hope that the auspicious opportunities for a solution of the Arab-Israeli conflict within the framework of a peace conference which are taking shape will not be let slip. The search for a future "peace formula" within the framework of a broad international forum must lead to success. Long-awaited peace must finally reign in the Near East. Letting slip the opportunities for achieving a Near East settlement which have now appeared would mean once again enserfing for many years, decades, perhaps, the healthy national forces of the region and driving their just struggle for a better future into a narrow nationalist framework.

The 8 February 1988 statement of M.S. Gorbachev, general secretary of the CPSU Central Committee, on Afghanistan observed that there is every reason to hope for the elimination of all regional conflicts inasmuch as the states and peoples possess for this sufficient potential responsibility and political will and resolve. The Soviet Union will spare no efforts in this most important cause. It has always been and remains the supporter of peaceful relations between countries and peoples. With reference to the Near East it may be said that the hopes for peace in this "neuralgic point" of the planet are most closely linked with the vigorous and creative foreign policy line, free of dogmatism, of the Soviet leadership.

#### Footnotes

1. MIDDLE EAST INTERNATIONAL, 11 July 1987, p 20.
2. LE MONDE, 18-19 May 1987.
3. THE INTERNATIONAL HERALD TRIBUNE, 7 July 1987.
4. POLITIQUE INTERNATIONALE No 36, 1987, p 215.
5. See THE WASHINGTON QUARTERLY, Summer 1987, p 11.
6. Quoted from THE JERUSALEM POST, 22 May 1987, pp 6-7.
7. THE WASHINGTON TIMES, 23 June 1987.
8. Ibid., 13 August 1987.
9. THE GUARDIAN, 2 May 1987, p 5.
10. U.S. NEWS AND WORLD REPORT, 12 October 1987, p 49.
11. PROBLEMS OF COMMUNISM, January-February 1987, p 36.
12. MIDDLE EAST INTERNATIONAL, 29 May 1987, p 7.

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#### Interviews with Leftist French Politicians

18160007x [Editorial report] Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYE OTNOSHENIYA in Russian No 3, Mar 88 on pages 62-71 carries an article under the heading "French Interviews" that consists of interviews with French politicians Henri Krasuci and Lionel Jospin by MEMO chief editor G. G. Diligenskiy and correspondent I. A. Yegorov. The interviews were conducted "at the end of last year" during Diligenskiy's trip to France.

Krasuci, general secretary of the French General Confederation of Labor and French Communist Party Politburo member, notes the "enormous" influence of perestroika and the "colossal effect of glasnost" on international life and then fields questions on the international and French workers and tradeunion movements and the proposed establishment of a single European market by 1992. Krasuci discusses changes in the working class—its social make-up, the younger ages ;increased number of women, improved training, increased number of immigrants, and new categories of labor—and the new problems facing tradeunion organizations as a result.

As for West European integration and a European domestic market, he examines the consequences of such a step for France ("the danger of a serious weakening of national positions and loss of national independence") and for workers and trade unions a rise in unemployment, decline in living standards, and an attack on social security and tradeunion freedoms. He also points out that the main obstacle to unity of action by workers and trade unions is an ideological and political barrier, even though there exists a coincidence of interests.

In conclusion, he notes that the capitalist countries of Europe have problems in common which can be solved on the basis of a community of interests. "Moreover," he continues, "Europe is in no way limited to its western part, but extends from the Atlantic to the Urals. And here also are gigantic opportunities for international cooperation. Our conception is not limited to national boundaries and does not ignore the needs of modernday economics."

The interview with Jospin, entitled "L. Jospin: Neither Slipping Toward the Center Nor a Revival of the 'The Third Force,'" addresses the strategy of the Socialist Party on the eve of the presidential elections and the main trends of the socialist program in the economic and social areas, including economic growth and the employment problem, cadre education and training, and the achievement of solidarity.

**Articles in MIROVAYA EKONOMIKA I  
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